



COVERSHEET

Minister	Hon Andrew Little	Portfolio	Public Service
Title of Cabinet paper	Report back on the Mandate of the System Leader for Property	Date to be published	18 October 2023

List of documents that have been proactively released

Date	Title	Author
27 July 2023	Report back on the Mandate of the System Leader for Property	Office of the Minister for Public Service
31 July 2023	Report back on the Mandate of the Procurement System Leader GOV-23-MIN-0034 Minute	Cabinet Office

Information redacted

YES

Any information redacted in this document is redacted in accordance with MBIE's policy on Proactive Release and is labelled with the reason for redaction. This may include information that would be redacted if this information was requested under Official Information Act 1982. Where this is the case, the reasons for withholding information are listed below. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Some information has been withheld for the reasons for free and frank opinions and commercial information.

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Office of the Minister for the Public Service

Government Expenditure Committee

Report back on the mandate of the System Leader for Property

Proposal

- 1 This paper seeks in-principle agreement to details of the mandate, functions, and powers that the System Leader for Property needs to effectively and efficiently manage government office accommodation as a centralised portfolio. This agreement is subject to a report to Cabinet in June 2024 on detailed implementation and costs, Free and frank opinions

Relation to government priorities

- 2 The proposals in this paper directly support the government's public sector reform priority to enable a more unified Public Service and gain efficiencies through improved co-ordination.
- 3 In addition, the proposals help shape fiscal sustainability over time by driving further Public Sector efficiencies through improved co-ordination.

Executive Summary

- 4 The establishment of System Leadership under the Public Service Act 2020 (the Act) creates an opportunity to manage the government's office accommodation portfolio more effectively and efficiently.
- 5 In April 2022 Cabinet agreed in principle to strengthen the leadership of government office accommodation by centralising all or some government office accommodation functions in order to achieve efficiency, alignment, and impact across systems. Cabinet also invited newly designated System Leaders to report back with details of the mandates they need to effectively fulfil their responsibilities.
- 6 The government's office accommodation portfolio is significant, encompassing 997,614m² of office space and a rental spend of circa \$330 million per year across 73 agencies, including Crown Agents.
- 7 With a stronger mandate, the System Leader for Property has an opportunity to ensure the effective and efficient management of the portfolio in support of our public sector reforms and government expectations for property. To enable this, I propose two linked changes consistent with Cabinet's previous decisions:
 - 7.1 Strengthening the mandate, functions, and powers of the System Leader for Property (each as agreed outcomes – Public Service Act 2020 s56(2) and as detailed in Annexes One, Two and Three), while maintaining the existing mandate, functions, and powers of the Property Functional Lead during the process of transition, and

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- 7.2 supporting this mandate by enhancing delivery of government office accommodation through the phased transition to a centralised business unit.
- 8 My proposals to strengthen the mandate, functions, and powers will mean that the System Leader for Property will be:
- 8.1 accountable for the strategic direction and performance of the government office accommodation property system.
 - 8.2 accountable for the investment decisions and intentions across the government office accommodation property portfolio programme.
 - 8.3 accountable for the day-to-day management of government office accommodation property.
- 9 Individual agency Chief Executives are currently responsible in full or in part for relevant activities and functions within the scope of these proposals. To give effect to the proposed mandate, powers, and functions for the System Leader for Property, I also recommend shifting over time to a fully centralised delivery model that establishes a single business unit accountable for all government office accommodation functions. This is consistent with Cabinet’s April 2022 decision and is necessary to realise the full benefits of the proposed approach to Property System Leadership.
- 10 The current trajectory of the government’s office accommodation portfolio cost is upward. With continual cost increases based around rental uplifts, consumer price index adjustments and better-quality office accommodation (brought in part due to earthquake strengthening requirements), a lack of system wide intervention risks a continuing escalation of cost across the portfolio. This will not support the fiscal sustainability we need to achieve our fiscal strategy.
- 11 The centralisation of office accommodation services enables government to utilise its leverage to constrain and drive down accommodation costs across the public service, reduce the duplication of effort across the portfolio, and better utilise the existing footprint to optimise and generate efficiencies across the portfolio.
- 12 The proposed transition to a centralised delivery model represents a significant, long-term administrative change to property service delivery, and is expected to progress through a phased approach to both agencies and functions. Office accommodation requires a long-term strategic approach, with early intervention producing benefits complemented by further returns as the strategic direction of the portfolio is realised.
- 13 Further work, including detailed engagement with impacted agencies is required. I propose to report back to Cabinet in June 2024 with detailed property system baseline information, costs, impacts and implementation plans to allow Cabinet to make a final fully-informed decision to proceed with centralisation of the portfolio.
- 14 The report back will include options to fund implementation and transition planning for 2024/25 and outyears. Business as usual operation of centralised functions is expected to be fiscally neutral once all property functionality and baselines are transferred from agencies.

Background

System Leadership as a vehicle to give effect to our public sector reforms

- 15 Lifting the effectiveness and efficiency of office accommodation delivery has long been sought to allow agencies to focus on their core business, deliver seamless public services, and unlock wider environmental and social outcomes available through a whole-of-government portfolio approach.
- 16 As part of enabling this shift, in April 2022 Cabinet agreed to strengthen the way property and other shared services are managed [GOV-22-MIN-0003 refers]. The Chief Executive of the Ministry of Business, Innovation and Employment (MBIE) is designated the System Leader for Property under section 56 of the Public Service Act 2020. Following from these decisions Cabinet invited further advice from each System Leader on their detailed mandate.
- 17 Seven chief executives have so far been designated as system leads, including the Chief Executive of the Ministry of Business, Innovation and Employment as System Leader for both Property and Procurement. System leads meet regularly as a team, chaired by the Public Service Commissioner, to drive greater efficiency, alignment, and impact across their areas, prioritise investment and coordinate advice, and ensure that a whole-of-system approach is taken to address their common challenges.
- 18 This paper is one of a series of report backs that were commissioned by Cabinet to clarify the role of the new system leads, including the Property Lead.

SYSTEM LEADERSHIP MANDATES – CABINET SCHEDULE	
COMPLETED	<p>0 CONFIRMATION OF SYSTEM LEADERSHIP ROLES Designation by Commissioner and noted by Cabinet April 2022</p>
	<p>1 DIGITAL Refreshed mandate agreed in May 2022</p>
	<p>2 REGIONAL PUBLIC SERVICES Oral item on operating model in December 2022 (mandate agreed July 2021)</p>
	<p>3 DATA Refreshed mandate agreed in December 2022</p>
	<p>4 INFORMATION SECURITY Refreshed mandate agreed in April 2023</p>
	<p>5 PROPERTY</p>
	<p>6 PROCUREMENT</p>
<p>7 DIGITAL SERVICE TRANSFORMATION</p>	

Background and scope of the System Leader for Property

- 19 In designating a System Leader for Property, Cabinet agreed in principle, subject to further advice from a detailed business case then under development, to further strengthen the leadership of government office accommodation through greater centralisation of all or some of the government office accommodation property functions by:
 - 19.1 Leveraging a centralised funding model to achieve improved outcomes across the system.
 - 19.2 Centralising portfolio management with authority to drive strategically aligned decisions consistent with all of government direction and a revised Government National Property Strategy.
 - 19.3 Providing greater oversight and transparency of government office accommodation investment decisions.
 - 19.4 Requiring agencies to adopt centralised processes and standards.
 - 19.5 Increasing the capacity and capability supporting the System Leader for Property to enable the planning and implementation of any changes.
- 20 The mandate for the functional leader for property includes all office accommodation and public interface areas and excludes 'operational areas'.
- 21 Public interface areas (sometimes referred to as front-of-house) are used primarily for face-to-face interactions with clients and the public for the purposes of delivering government services.
- 22 It is recognised that some public interface areas currently under the mandate of the Property Functional Lead have unique health and safety requirements (such as MSD service centres). The intention is to develop a model within which agencies could retain, as appropriate, responsibility for the operational management of such public interface areas even in those instances where there is a transfer of the lease to a centralised business unit.
- 23 It is also recognised that the Defence and Intelligence Agencies have some unique legislative and operational constraints relating to their activities and their handling of sensitive information. These issues will need to be carefully worked through over the coming months to ensure that these National Security constraints and obligations are suitably protected.
- 24 Operational areas are defined as areas used for activities not found in the private sector, and which are not primarily used for desk-based activities or used as public interface areas. The following list is not exhaustive, and unique and agency specific operational areas not primarily used for desk-based activities or public interface areas will be excluded in consultation with the agency. Areas specifically excluded from the mandate are prisons and correctional facilities, police stations and other police operational facilities, schools, emergency services operational centres, courts of law, and technical operational centres.

- 25 To support these aims, the Government Property Group (GPG) within MBIE operationalises the System Leader for Property role.
- 26 In 2018, Cabinet agreed to a portfolio approach for government office accommodation, to provide a whole-of-system view of consolidation initiatives [GOV-18-MIN-0063 refers]. The portfolio was to focus on meeting the government's expectations with respect to:
- 26.1 a citizen/community focus.
 - 26.2 a drive to collaboration between agencies.
 - 26.3 provide workplaces that value people, and
 - 26.4 value for money for the taxpayer.
- 27 To further support this, the GPG's mandate was extended to help manage risks and barriers to the co-location of agencies as part of the drive to standard and consistent workplaces. While the mandate was extended, in practice the management of the government office portfolio continues to operate more as a shared responsibility.

Current state: issues and opportunities

Scope of property centralisation work

- 28 The scope of work to centralise property management affects:
- 28.1 73 agencies, which includes Departments, Departmental Agencies and Crown Agents. Agencies not specifically included in the mandate can 'opt in' on a case-by-case basis in consultation and agreement with the System Leader for Property.
 - 28.2 997,614m² of office space, primarily weighted towards metropolitan areas in Wellington, Auckland and Christchurch, and
 - 28.3 An estimated \$330m annual rental spend based on available data.

Current state issues

- 29 Despite some progress under the previous approach and mandates since 2012, significant challenges remain which limit the property system's ability to make the shift sought by Cabinet. Key challenges include:
- 29.1 *A lack of a portfolio approach to management of office accommodation, with weak incentives on agencies to take a portfolio view:* with each agency being largely responsible for its own property requirements, there is limited ability to adopt a portfolio approach where decisions are taken for the portfolio. Agencies face little incentive to collaborate, and the government is unable to leverage its full potential buying power.
 - 29.2 *Lack of alignment with Government's emerging vision of a unified public service:* Our public sector reform vision of a unified approach to people, technology and place is more difficult to achieve if the current, fragmented approach to property management and development is retained: i.e. all mandated agencies would be required to voluntarily coordinate their property activities towards a single vision.

- 29.3 *Inefficient management of office accommodation owing to inconsistent approaches:* Agencies procure office accommodation to meet their individual needs, with variation across agencies in the layout, access, quality and location of this accommodation. While sometimes necessary (e.g. where an agency has bespoke security requirements), variation is more often a result of active choice, influenced by organisational history and culture.
- 29.4 *Unnecessary duplication of effort and reinventing the wheel:* Generally, responsibility for property requirements sees agencies engage with supplier markets multiple times (as a group and individually) for the same types of goods and services, prepare reporting materials for the same audiences, compete for property skills and capabilities, and develop their own processes and systems, rather than drawing on best practice, with little streamlining of commercial terms.
- 29.5 *Variable capability and capacity:* The level of capability (and capacity) varies across agency property teams, meaning that lower capability teams may make sub-optimal decisions compared to those with higher capability.
- 30 Presently there are several challenges arising from the current state, including:
- 30.1 *Agencies have insufficient incentives to take a whole of government portfolio view:* Adopting a portfolio view for office accommodation is challenging for agencies as they are currently tasked with prioritising their agency's needs. The benefits of collaboration can also be outweighed by the challenge and effort of working across ministerial, executive and agency silos.
- 30.2 *Dispersed and fragmented property expertise is not consistent with a unified public service:* Agency property teams compete to attract staff with high levels of capability from a limited pool of candidates, with staff then typically only supporting their employing agency, concentrating their expertise within one agency rather than across the wider office accommodation portfolio. This helps explain the variance in capability seen across agencies in performance.
- 30.3 *GPG is not currently configured to optimise property outcomes:* There is a mismatch between the GPG's current mandate of advisory, planning and monitoring and the resources it has available to deliver against it. There is also an unclear authorising environment and agencies have an inconsistent understanding of GPG's role.
- 30.4 In addition, agency property data is of variable quality, making it challenging for strategic system-based decisions to be taken. Agencies can also struggle to innovate and achieve critical mass for significant efficiencies, and there are challenges with adopting and enforcing standards and guidance.
- 31 The current trajectory of the government's office accommodation portfolio cost is upward. With continual cost increases based around rental uplifts, consumer price index adjustments and better-quality office accommodation (brought in part due to earthquake strengthening requirements), a lack of system wide intervention risks a continuing escalation of cost across the portfolio.

- 32 The centralisation of office accommodation services enables government to utilise its leverage to constrain and drive down accommodation costs across the public service, reduce the duplication of effort across the portfolio, and better utilise the existing footprint to optimise and generate efficiencies across the portfolio.
- 33 Office accommodation requires a long-term strategic approach, with early intervention producing benefits complemented by further returns as the strategic direction of the portfolio is realised.

Proposed Mandate for Property System Leadership

Proposed System Leadership approach

- 34 I propose the System Leader for Property be given the following three mandates (each as agreed outcomes – Public Service Act 2020 s56(2) and as detailed in Annexes One, Two and Three), covering the full scope of the government office accommodation portfolio. The proposed mandates are grouped into three areas:

Strategic Direction Mandate

- 34.1 The System Leader for Property will be accountable for the strategic direction and performance of the government office accommodation property system.
- 34.2 In support of the Strategic Direction mandate, agency Chief Executives will be required to ensure agencies contribute to and adhere to the strategic direction and performance expectations of the government office accommodation property system.

Portfolio Programme Mandate

- 34.3 The System Leader for Property will be accountable for investment decisions and plans across the government office accommodation portfolio programme.
- 34.4 In support of the portfolio programme mandate Chief Executives will be required to ensure agencies contribute to and adhere to the investment decisions and plans of the government office accommodation portfolio programme.

Operational Delivery Mandate

- 34.5 The System Leader for Property will be accountable for the day-to-day delivery and management of government office accommodation property in line with best practice.
- 34.6 To support the operational delivery mandate, agency Chief Executives will be required to ensure agencies contribute to and adhere to best practice day to day management of government office property.
- 35 Annexes One, Two, and Three outline the specific Strategic, Portfolio and Operational mandates proposed and the changes from the Functional Leader for Property 2018 Mandate across these three areas respectively.

- 36 Under the proposal, the existing Functional Leader for Property 2018 Mandate will continue unchanged in order to support transition between the mandates. The proposed strengthened mandate, functions, and powers of the System Leader for Property build on the existing 2018 Mandate.
- 37 The strengthened mandate provides a unified approach to government office accommodation and an opportunity to gain efficiencies through improved co-ordination.
- 38 Some progress has been made since the previous approach and mandates were introduced in 2012. However, opportunities remain to further achieve the shifts sought by Cabinet. In particular, centralisation of property management will assist the System Leader for Property in:
- 38.1 *Taking a portfolio approach to the management of office accommodation:* with collaboration and the leverage of government's buying power used to drive system wide portfolio decisions.
 - 38.2 *Alignment with government's emerging vision of a unified public service:* with a unified approach to people, technology and place including security and health and safety practices, and a removal of the current fragmented approach to property management.
 - 38.3 *Improving consistency in management of office accommodation:* with the procurement of office accommodation that meets the needs of agencies with consistency in layout, access, quality, and location.
 - 38.4 *Reducing duplication of effort:* with a single 'all-of-government' approach to the market and standardised processes and systems which draw on best practice.
 - 38.5 *Addressing variability in capability and capacity:* with centralised development of property skills and capabilities, resulting in a build of capability and capacity across the public service.
 - 38.6 *Supporting fiscal sustainability:* by achieving efficiencies across the Government property portfolio.
- 39 Individual Chief Executives are currently responsible in full or in part for the above proposed mandate, functions, and powers. Under the proposals, the System Leader for Property will be accountable for the management of all government office accommodation which will result in the transfer of all government office lease, property, facilities and asset management functions and the centralisation of government office accommodation appropriations into a single central entity over time.
- 40 The approach to delivery and implementation, and resourcing and capability, to support these proposed mandates is contingent on the progression of the centralised approach to delivery discussed below.

Future delivery of office accommodation services

- 41 Following Cabinet’s April 2022 direction, a Detailed Business Case (DBC) was undertaken to better understand how to effectively and efficiently strengthen leadership of all government office accommodation, through the centralisation of some or all of the government office accommodation property functions.
- 42 Of the four options considered by the DBC, ‘regulator’, ‘centre-led’, ‘centralised business unit’ and ‘autonomous business unit’, the option of centralised business unit rated highest over the other options, taking the full range of assessment factors into account, and best supported the decision made by Cabinet to implement Property System Leadership.
- 43 The Centralised Business Unit (CBU) also scored highest against the key investment objectives of public sector reforms, ensuring that government office accommodation was fit for purpose, improved transparency and property outcomes, and achieving alignment between the supply and demand for office accommodation.
- 44 When considered against the non-monetary benefits, the CBU had the highest ranking non-monetised benefits across all eight benefit measures with the benefits generally increasing as the level of centralisation increased. Greater cross-agency collaboration, greater portfolio resilience, consistency in commercial terms and agreements, standardised design fit out, environmentally focused and technology-enabled office investment all support the Government’s expectations of an effective and efficient property portfolio.
- 45 The CBU is well aligned to the proposed direction of travel for Property System Leadership and demonstrates strong alignment with critical success factors such as value for money and achievability. It is expected to deliver better property outcomes than other options.
- 46 Commercial Information , largely driven by reductions in agency footprints. In addition to direct savings, the GPG also expects the option will support significant efficiency gains across the portfolio and cost avoidance over time through leveraging the Crown’s collective buying power. A coordinated approach also demonstrates our commitment to a unified public service, with anticipated benefits in terms of public sector culture and productivity of staff.
- 47 The estimated NPV will continue to be refined during the next phase and will inform planning of implementation options and phasing.

Benefits of the proposed approach to System Leadership with a centralised delivery

- 48 In addition to the expected savings and benefits from a centralised approach, the combination of the recommended mandates for the System Leader for Property and centralised delivery is expected to enable a state in which:
- 48.1 a consolidated government office portfolio will support fiscal sustainability by being more efficient in minimising unnecessary office accommodation cost, effective in delivering government’s strategy for office accommodation, sustainable, and funded from agencies existing baseline property appropriations as centralisation is embedded.

- 48.2 centralised acquisition, management, decision rights and ownership of government leases will provide a more consistent application and approach to lease approvals and renewals.
 - 48.3 the government's buying power for both leasing and property services will be leveraged with a centralised property funding appropriation providing greater visibility of the true cost.
 - 48.4 there will be better office space utilisation, resilience and flexibility with government office accommodation consistent in design and layout with system centric office accommodation decision making.
 - 48.5 Greater alignment between government property and the security of government personnel, information and physical assets with System and Functional Leads working closely together to deliver system wide outcomes.
 - 48.6 accountability and transparency of the portfolio will be strengthened and will support government office accommodation and public service objectives and the overall strategic context for the portfolio.
- 49 The Centralised Business Unit provides a vehicle and a conduit through which all property decisions can be delivered using a system wide lens. It ensures that decisions are made taking a 'best for the system' approach, considers system drivers, and government's strategic direction for office accommodation. A future focussed, holistic approach is taken to the office accommodation portfolio, rather than decisions made in isolation based on the needs of an individual agency.

Potential opportunities from centralisation

- 50 The recommended option of a CBU [redacted] Commercial Information [redacted] largely driven by reductions in agency footprints. There is potential for cost avoidance in the short to medium term.
- 51 The public service averages 15m² per person with a drive to reduce this to 10m² per person. Currently several agencies are achieving an average square meterage of 11m² per person indicating that 10m² is reasonable and achievable.
- 52 [redacted] Commercial Information [redacted] While circumstances will exist where a higher square meterage is appropriate, this provides an indication of the opportunities available taking a government centric view to the office accommodation portfolio.
- 53 [redacted] Commercial Information [redacted] While this saving is indicative only, it could occur by either a floor plate reduction, consolidation of space with other agencies, and / or utilising an environment that promotes a hybrid approach to office accommodation.
- 54 These opportunities and others will be quantified in depth during the analysis and design phase.

Entity form to be confirmed, but will likely be situated within MBIE

- 55 While a CBU model rated highest overall, the DBC does not identify how a CBU should be established. While a preferred form is to be determined, initial advice is to
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Further analysis including legal, financial, IT system and human resource requirements needs to be undertaken before a preferred form can be decided.
- 56 During the design and initial establishment phase, MBIE, working with the Public Service Commission, will undertake further analysis of potential entity forms and provide a recommendation in the June 2024 Cabinet report back.

Crown Agents

- 57 There are currently 26 Crown Agents required through a whole of government direction¹ to comply with the mandate of the Property Functional Leader.
- 58 To set up for the strategic direction, portfolio programme, and operational delivery mandates to apply across the public service, I propose issuing a new direction which encompasses Property System Leadership to all Crown Agents which are subject to direction under section 107(2) and section 107(2A) of the Crown Entities Act 2004.
- 59 I propose GPG be directed to prepare a new Whole-of-Government direction under section 107 of the Crown Entities Act 2004 and Cabinet Office Circular (13) 4 for Cabinet's consideration, including consultation with all affected parties as required by legislation.

Implementation

Design and initial establishment

- 60 I propose that analysis and design to enable centralised property management commences with the following matters addressed, culminating in a report back to Cabinet in June 2024:
- 60.1 Engagement and analysis of the portfolio with mandated agencies and other System and Functional Leaders.
 - 60.2 Establishment of the baseline current state at an agency level across property, workforce, finance, and contractual aspects.
 - 60.3 An understanding of the regulatory environment and progress regulation development (if required).
 - 60.4 Development of organisational form and implementation, policies, and process design.
 - 60.5 Quantification of lease holdings and appropriations for reallocation, governance, and administrative support.
 - 60.6 Change management and implementation implications, including business, legal, financial, or other issues that could significantly impact on the proposals

¹ The Direction regarding Property Functional Leadership came into effect on 1 July 2014.

(including the potential for business disruption, impacts on agency baselines and reporting requirements, existing contractual arrangements, and workforce impacts).

60.7 Confirmation of key benefits, including refined expected cost savings.

61 The report back will update Cabinet on progress with the detailed analysis and design, and provide Cabinet with detailed property system baseline information, costs, funding options, impacts and implementation plans that will support Cabinet to make a final fully-informed decision to proceed with centralisation of the portfolio.

62 [Redacted] Free and frank opinions [Redacted] that will support proceeding to full implementation once Cabinet confirms in June 2024 that it wishes to do so.

Continuation of Property Functional Lead Mandate

63 As outlined, the Property Functional Leader role was established in 2012. Substantively, this role will continue to exist in order to support the transition to Property System Leadership. By maintaining the Property Functional Leader role, and the existing Functional Leader for Property 2018 Mandate, the existing government office accommodation property system can continue without disruption while the remaining legal, financial or other issues associated with the proposal are identified and resolved.

64 Subject to approval by Cabinet of the proposals in this paper, I therefore propose that the Property Functional Leader mandates continue to apply. I further propose that, to the extent of any inconsistency between the Functional Leader for Property 2018 Mandate and the mandates set out in this paper to support System Leadership, then the System Leadership mandates are to prevail. Similarly, if there is any conflict between any standards or guidance issued by the System Leader for Property under s57 of the Public Service Act 2020 or other best practice tools, templates and guidance, and any standards, guidance, tools and templates issued by the Functional Leader for Property, those issued by the System Leader for Property prevail.

Financial Implications

65 These proposals are expected to result in cost savings and/or cost avoidance over the medium to longer term. The first phase of design and initial establishment will occur in the 2023/24FY and will initially be supported by internal reprioritisation within MBIE.

66 Implementation and transition to a centralised model will require further funding post the 2023/24FY. It is proposed that this funding will be provided by [Redacted] Free and frank opinions [Redacted]

[Redacted]

[Redacted] if approved by Cabinet.

67 Cost for the implementation and transition phase will be quantified during the analysis and design phase and will form part of the report back to Cabinet in June 2024. The centralisation of the government office accommodation portfolio will in time provide for a sustainable model, funded by agencies existing baseline property appropriations as it is embedded.

Legislative Implications

68 The proposals in this paper have no specific legislative impact. The design and initial establishment phase may identify potential legislative implications. If required, further advice is expected to be provided in the June 2024 report back.

Impact Analysis

Regulatory Impact Statement

69 A regulatory impact assessment is not required as the proposals are limited to changes to the internal administrative or governance arrangements of the New Zealand government.

Climate Implications of Policy Assessment

70 There are no direct climate implications associated with the proposals in this paper.

Population Implications

71 There are no direct population implications associated with the proposals in this paper.

Human Rights

72 The proposals in this paper are consistent with the New Zealand Bill of Rights Act and the Human Rights Act 1993.

Consultation

73 The Treasury and the Public Service Commission were consulted on these proposals (which were prepared by the GPG). Their feedback has been reflected in this paper.

74 The Public Service Commission provided the following comment.

74.1 The Commission is supportive of the proposals in this paper. The proposals are consistent with the Cabinet decisions on system leadership earlier in April and are a positive step to strengthen the mandate of the Property System Leader, in line with the direction of travel indicated in that paper [GOV-22-MIN-0003 refers]. We will continue to work with the Government Property Group to determine how these proposals are implemented, including the form of the centralised business unit, and how the System Leader's mandate can be applied beyond the public service to Crown entities.

75 The Treasury provided the following comment:

75.1 The Treasury sees the potential for advantages from centralising property management functions. However, Free and frank opinions

[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted]
[Redacted] We note that the benefits of

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the recommended option are largely driven by a significant reduction in agency footprint, which will only be positive if it is reduced to less than 13m² from an average of 15m².

76 The following System Leaders appointed under section 56(1) of the Public Service Act 2020 were consulted:

76.1 Information Security Lead; Government Communications Security Bureau, Procurement Lead; Ministry for Business, Innovation and Employment, Data Lead; Statistics New Zealand, Digital Lead; Department of Internal Affairs, Regional Lead; Ministry of Social Development, Service Transformation Lead, Inland Revenue Department.

77 The following agencies were consulted on these proposals:

78 Accident Compensation Corporation, Callaghan Innovation, Cancer Control Agency, Civil Aviation Authority of New Zealand, Crown Law Office, Department of Conservation, Department Of Corrections, Department Of Internal Affairs, Department of the Prime Minister and Cabinet, Earthquake Commission, Education New Zealand, Education Review Office, Energy Efficiency and Conservation Authority, Environmental Protection Authority, Fire and Emergency New Zealand, Government Communications Security Bureau, Health New Zealand, Health Quality and Safety Commission, Health Research Council of New Zealand, Inland Revenue Department, Kāinga Ora–Homes and Communities, Land Information New Zealand, Maritime New Zealand, Ministry for Culture and Heritage, Ministry for Ethnic Communities, Ministry for Pacific Peoples, Ministry for Primary Industries, Ministry for the Environment, Ministry for Women, Ministry of Business, Innovation and Employment, Ministry of Defence, Ministry of Education, Ministry of Foreign Affairs and Trade, Ministry of Health, Ministry Of Housing And Urban Development, Ministry of Justice, Ministry of Social Development, Ministry of Transport, National Emergency Management Agency, New Zealand Antarctic Institute, New Zealand Customs Service, New Zealand Defence Force, New Zealand Police, New Zealand Qualifications Authority, New Zealand Security Intelligence Service, New Zealand Tourism Board, New Zealand Trade and Enterprise, New Zealand Transport Agency, New Zealand Walking Access Commission, Office for Māori Crown Relations - Te Arawhiti, Office of the Clerk of the House of Representatives, Oranga Tamariki–Ministry for Children, Parliamentary Corporation, Parliamentary Counsel Office, Pharmaceutical Management Agency, Real Estate Agents Authority, Serious Fraud Office, Social Wellbeing Agency, Social Workers Registration Board, Sport and Recreation New Zealand, Statistics New Zealand, Taumata Arowai, Te Puni Kōkiri (Ministry of Māori Development), Tertiary Education Commission, Whaikaha - Ministry Of Disabled People, WorkSafe New Zealand, Strategic Planning Reform Board, Elimination of Family Violence and Sexual Violence Executive Board, Climate Change Chief Executive Board, Border Executive Board, Digital Executive Board.

78.1 Agencies were generally supportive of the proposed change acknowledging that there were matters to be resolved during the design and initial establishment phase including:

78.1.1 How property functions transition and the impact on agencies day-to-day operations including staff.

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- 78.1.2 The capability and capacity available in the wider property sector to respond to the challenge of centralised office accommodation.
 - 78.1.3 The impacts on agency Health and Safety accountabilities.
 - 78.1.4 Whether exemptions should apply in matters of national security.
 - 78.1.5 Concerns regarding the impacts on front of house operations, and recognition that some public interface areas currently under the mandate of the Property Functional Lead have unique health and safety requirements (such as MSD service centres).
 - 78.1.6 The connection between property and security, and how including personnel, physical and information security considerations at an earlier stage of property design would provide benefits and efficiencies for the wider system.
- 79 The matters identified are primarily operational in nature and will be further explored with agencies as part of in-depth consultation during the analysis and design phase. Agencies will have the opportunity to identify any unique agency impacts and these will be incorporated into the June 2024 report back to support Cabinet in making a final decision to proceed with implementation.

Communications

- 80 These decisions will be communicated to impacted agencies following decisions by Cabinet. As these proposals relate to government administration only, no proactive public announcement of these decisions is planned.

Proactive Release

- 81 I propose to release this paper once decisions have been confirmed by Cabinet.

Recommendations

The Minister for the Public Service recommends that the Committee:

Previous decisions

- 1 **note** in April 2022 Cabinet approved proposals to strengthen the way property and other shared services are managed and noted its intention for the Chief Executive of MBIE to be designated the System Leader for Property under section 56 of the Act [GOV-22-MIN-0003 refers].
- 2 **note** that as part of these decisions, Cabinet agreed in principle, subject to the outcome of a business case then under development, to strengthen leadership of government office accommodation by centralising all or some of the government office accommodation property functions by:
 - 2.1 leveraging a centralised funding model to achieve improved outcomes across the system.
 - 2.2 centralising portfolio management with authority to drive strategically aligned decisions consistent with all of government direction and a revised Government National Property Strategy.

- 2.3 providing greater oversight and transparency of government office accommodation investment decisions.
 - 2.4 requiring agencies to adopt centralised processes and standards.
 - 2.5 increasing the capacity and capability of the Government Property Lead to enable the planning and implementation of any changes.
- 3 **note** that Cabinet expected further advice from each System Leader on the detailed mandate and associated financial, resourcing, capability and capacity requirements necessary to lead a significant shift in the way systems were run.

Proposals

- 4 **note** that current government office property arrangements are not effective in supporting the public sector reforms, meeting government expectations, or ensuring the effective and efficient management of the portfolio.
- 5 **note** a Detailed Business Case considered four options for the management of office accommodation with a Centralised Business Unit yielding the greatest net benefits, and that the proposals in this paper support this option.
- 6 **note** that two linked proposed changes are recommended to give effect to the changes sought:
- 6.1 strengthening the mandate of the System Leader for Property with the agreed outcomes - Public Service Act 2020 s56(2) as described in Annexes one, two and three, and
 - 6.2 supporting this mandate further by progressively centralising the delivery of government office accommodation under a centralised business unit.
- 7 **note** in addition to the estimated Commercial Information and benefits from a centralised approach, the combination of the recommended mandate for the System Leader for Property and centralised delivery is expected to enable a state in which:
- 7.1 a consolidated government office portfolio will be more efficient in minimising unnecessary office accommodation cost, effective in delivering government's strategy for office accommodation, sustainable, and funded from agencies existing baselined property appropriations as centralisation is embedded.
 - 7.2 centralised acquisition, management, decision rights and ownership of government leases will provide a more consistent application and approach to lease approvals and renewals.
 - 7.3 the government's buying power for both leasing and property services will be leveraged with a centralised property funding appropriation providing greater visibility of the true cost.
 - 7.4 there will be better office space utilisation, resilience and flexibility with government office accommodation consistent in design and layout with system centric office accommodation decision making.

IN CONFIDENCE

7.5 accountability and transparency of the portfolio will be strengthened and will support government office accommodation and public service objectives and the overall strategic context for the portfolio.

- 8 **note** that while consistent with Cabinet's previous decisions, these changes represent a significant long-term administrative change to the delivery of government office accommodation in the Public Service and will take time to fully implement and realise the full benefit from.

Proposed System Leadership approach

Strategic Direction Mandate

- 9 **agree in principle** that the System Leader for Property will be accountable for the strategic direction and performance of the government office accommodation property system with the relevant mandate, function, and powers as set out in Annex One.

Portfolio Programme Mandate

- 10 **agree in principle** that the System Leader for Property will be accountable for the investment decisions and intentions across the government office accommodation property portfolio programme, with the relevant mandate, function, and powers as set out in Annex Two.

Operational Delivery Mandate

- 11 **agree in principle** that the System Leader for Property will be accountable for the day-to-day delivery and management of government office accommodation property (the), with the relevant mandate, function, and powers as set out in Annex Three.
- 12 **note** that realising the full benefits of a strengthened mandate, functions and powers of the System Leader for Property is interlinked and dependent on progressively centralising all government office accommodation property functions, portfolio assets, capability and resourcing into a single business unit.
- 13 **note** resourcing and capacity to deliver the recommended Strategic Direction, Portfolio Programme, and Operational Delivery mandates is contingent on the implementation of a Centralised Business Unit.
- 14 **note** that seven chief executives have so far been designated as system leads, including the Chief Executive of the Ministry of Business, Innovation and Employment as System Leader for both Property and Procurement.
- 15 **note that** system leads meet regularly as a team, chaired by the Public Service Commissioner, to drive greater efficiency, alignment, and impact across their areas, prioritise investment and coordinate advice, and ensure that a whole-of-system approach is taken to address their common challenges.

Strengthening government office property delivery through centralised delivery

- 16 **agree** to progress work on analysing and designing the functions required to centrally manage government's property portfolio over 2023/24.

- 17 **agree** that progressively centralising the management of all government office lease, property, facilities and asset management functions, along with the relevant related workforce and appropriations into the recommended CBU is the Government's preferred approach to delivering government's expectations for property and to support our wider public sector reforms.
- 18 **invite** the Minister for the Public Service to report back to Cabinet in June 2024 on progress with the detailed analysis and design, and provide Cabinet with detailed property system baseline information, costs, funding options, impacts and implementation plans that will support Cabinet to make a final fully-informed decision to proceed with centralisation of the portfolio.
- 19 **note** that [Redacted] Free and frank opinions [Redacted] that will support proceeding to full implementation once Cabinet confirms in June 2024 that it wishes to do so.
- 20 **agree in principle** to proceed with full centralisation of the government office accommodation portfolio subject to Cabinet's approval of implementation and cost details in June 2024 and Free and frank opinions [Redacted] that supports the approved implementation.
- 21 **direct** all mandated agencies to support the Government Property Group as necessary to enable the appropriate analysis and design phase to move towards centralised delivery of government office accommodation.

Crown Agents

- 22 **agree in principle** to extend Property System Leadership to Crown Agents, subject to whole of government direction being issued under section 107 of the Crown Entities Act 2004, and
- 23 **direct** GPG to develop a proposal for a section 107 direction and a draft direction in consultation with The Treasury and Public Service Commission.

Financial implications

- 24 **note** these proposals are expected to be cost neutral over the longer term and that funding to undertake the first phase of design and initial establishment will be funded by internal reprioritisation within MBIE.
- 25 **note** that implementation and transition to a centralised model will require further funding post the 2023/24FY, and it is proposed that this funding will be provided by [Redacted] Free and frank opinions [Redacted], if approved by Cabinet.
- 26 **note** the centralisation of the government office accommodation portfolio will provide for a sustainable model, funded by agencies existing baseline property appropriations as centralisation is embedded with functions, appropriations and operational funding coming from a single appropriation [Redacted] Free and frank opinions [Redacted]
- 27 **agree** the cost for implementation and transition will be quantified during the design and initial establishment phase and will form part of the report back to Cabinet in June 2024, including potential funding options.

Continuation of Property Functional Lead role

- 28 **agree** that the Property Functional Leader role established in 2012, the Functional Leader for Property 2018 Mandate, and all associated directions, guidance, tools, templates, instruments and any other artefacts created by the Property Functional Lead or issued by the Property Functional Leader role in connection with that role, will continue to exist and apply, in order to provide certainty while supporting the transition to Property System Leadership.
- 29 **agree** that, to the extent of any inconsistency between the Functional Leader for Property 2018 Mandate and System Leader for Property mandate, the System Leader for Property mandate will prevail.
- 30 **agree** that, to the extent of any inconsistency between templates, tools standards and guidance issued by the System Leader for Property and any directions, guidance, tools, templates, instruments or any other artefacts created by the Property Functional Leader, those issued by the System Leader for Property will prevail.

Authorised for lodgement

Hon Andrew Little

Minister for the Public Service

Annex One – Strategic direction mandate agreed outcomes [Public Service Act 2020 s56(2)]

Strategic Direction Mandate agreed outcomes [Public Service Act 2020 s56(2)]		
The System Leader for Property has accountability for the strategic direction and performance of the government office accommodation property system, including:		
<i>Function:</i>	<i>What:</i>	<i>Change:</i>
Direction and policy settings	Setting government office accommodation property system strategy and policy in line with government priorities and direction of the Minister for the Public Service	Existing, strengthened
Outcomes and performance	Setting government office accommodation property system outcomes and performance framework, including any associated performance measures and targets	Existing, strengthened
Market intelligence and insights:	Undertaking and disseminating property market research and insights to inform the current and future operating environment	New
Governance and accountability	Ensuring appropriate governance and accountability mechanisms over the strategic and operational activities of the government office accommodation property system	Existing, strengthened
Assurance and risk management:	Monitoring, identifying, and setting mitigations for management of critical issues or risks across the government office accommodation property system	New
Capability and resourcing	Ensuring sufficient capability and resourcing for managing the strategic direction and performance of the government office accommodation property system	New
Agency Chief Executives:	Are required to ensure agencies contribute to and adhere to the strategic direction and performance expectations of the government office accommodation property system.	Existing; strengthened (previously ‘expected’ to support)

Annex Two – Portfolio Programme mandate agreed outcomes [Public Service Act 2020 s56(2)]

Portfolio programme mandate agreed outcomes [Public Service Act 2020 s56(2)]		
The System Leader for Property has accountability for the investment decisions and intentions across the government office accommodation property portfolio programme, including:		
<i>Function:</i>	<i>What:</i>	<i>Change:</i>
Portfolio programme plan	Developing a long-term government office accommodation property portfolio programme plan consistent with government priorities which can be shared with the market	Existing, clarified
Standards and guidelines	Setting of and issuing of government office accommodation property system standards and guidelines for oversight and management of all property related matters	Existing (and set out in section 56 of the Public Service Act 2020)
Sustainable future funding	Establishing and maintaining sustainable funding for the government office accommodation property portfolio including a whole of property life cycle view across investment	New
Effectiveness and efficiency	Ensuring government office accommodation property effectively and efficiently enables the delivery the range of public services through a range of options	Existing
Funding administration	Administering a centralised government office accommodation property appropriation to ensure appropriate appropriation of public funding towards intended outcomes	New
Investment mechanisms	Identifying and managing future investment requirements, including delivering associated investments and business cases in line with guidance provided by The Treasury	New
Building relationships	Building relationships and remaining connected with the government office accommodation property external market and public sector agencies	New
Contract negotiations	Undertaking government office accommodation property commercial negotiations and managing contracts for the provision of leases, property ownership and related services	New
Data and information	Establishing and maintaining mechanisms for the collection, storage, analysis and dissemination of government office accommodation property data and information	New
Capability and resourcing	Ensuring sufficient capability and resourcing for providing oversight and decision rights across the government office accommodation property portfolio programme	New
Agency Chief Executives:	Are required to ensure agencies contribute to and adhere to the investment decisions and intentions of the government office accommodation property portfolio programme	Existing; strengthened (previously 'expected' to support)

Annex Three – Operational Delivery mandate agreed outcomes [Public Service Act 2020 s56(2)]

Operational Delivery Mandate agreed outcomes [Public Service Act 2020 s56(2)]		
The System Leader for Property is accountable for the day-to-day management of government office accommodation property including:		
<i>Function:</i>	<i>What:</i>	<i>Change:</i>
Project management	Project managing government office accommodation property projects requiring significant building upgrades, refurbishments and new furnishing and moves	New
Lease management	Entering into all leases on behalf of the Crown for office accommodation, including managing individual government office accommodation property leases including acquisition, renewal, disposal, and general administration	Existing, clarified
Asset management	Monitoring and maintaining government office accommodation property assets and equipment that may be owned, leased, and or subleased	New
Occupancy management	Managing optimal government office accommodation property space and allocating onsite occupancy in line with requirements for the provision of public services	Partially existing
Procurement management:	Undertaking procurement for government office accommodation property related goods and services to directly support the day-to-day operation of government office accommodation property	Partially existing
Security and technology management:	In conjunction with the System Leaders for Information Security and Digital and Functional Leader for Protective Security, implement and manage government office accommodation property building systems and access to ensure effective, safe and secure working environment for employees and visitors	New
Maintenance management	Undertaking condition compliance and assessment of government office accommodation property and assets and facilitating maintenance and remedial services and works	New
Service management	Providing front of house services and a service desk for managing day-to-day government office accommodation property services relating to the physical building	New
Capability and resourcing	Ensuring sufficient capability and resourcing for providing for the day-to-day delivery and management of government office accommodation property in line with best practice	New
Agency Chief Executives	Are required to ensure agencies contribute to and adhere to best practice for the day-to-day management of government office accommodation property.	New



Cabinet Government Administration and Expenditure Review Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Mandate of the System Leader for Property: Report Back

Portfolio **Public Service**

On 27 July 2023, the Cabinet Government Administration and Expenditure Review Committee:

Previous decisions

- 1 **noted** that in April 2022, GOV agreed to strengthen the way property and other shared services are managed and noted that the Public Service Commissioner intended to designate the Secretary for Business, Innovation and Employment as System Leader for Property under section 56 of the Public Service Act 2020 [GOV-22-MIN-0003];
- 2 **noted** that as part of the above decisions, GOV agreed in principle, subject to the outcome of a business case, to strengthen leadership of government office accommodation through greater centralisation of all or some of the government office accommodation property functions by:
 - 2.1 leveraging a centralised funding model to achieve improved outcomes across the system;
 - 2.2 centralising portfolio management with authority to drive strategically aligned decisions consistent with all of government direction and a revised Government National Property Strategy;
 - 2.3 providing greater oversight and transparency of government office accommodation investment decisions;
 - 2.4 requiring agencies to adopt centralised processes and standards;
 - 2.5 increasing the capacity and capability of the Government Property Lead to enable the planning and implementation of any changes;
- 3 **noted** that Cabinet expected further advice from each System Leader on the detailed mandate and associated financial, resourcing, capability and capacity requirements necessary to lead a significant shift in the way systems were run;

Proposals

- 4 **noted** that current government office property arrangements are not effective in supporting the public sector reforms, meeting government expectations, or ensuring the effective and efficient management of the portfolio;
- 5 **noted** that a Detailed Business Case considered four options for the management of office accommodation, with a Centralised Business Unit yielding the greatest net benefits, and that the proposals in the paper under GOV-23-SUB-0034 support this option;
- 6 **noted** that two linked proposed changes are recommended to give effect to the changes sought:
 - 6.1 strengthening the mandate of the System Leader for Property with the agreed outcomes - Public Service Act 2020 s56(2) as described in Annexes one, two and three, attached under GOV-23-SUB-0034;
 - 6.2 supporting the mandate further by progressively centralising the delivery of government office accommodation under a centralised business unit;
- 7 **noted** that in addition to the **Commercial Information** and benefits from a centralised approach, the combination of the recommended mandate for the System Leader for Property and centralised delivery is expected to enable a state in which:
 - 7.1 a consolidated government office portfolio will be more efficient in minimising unnecessary office accommodation cost, effective in delivering government's strategy for office accommodation, sustainable, and funded from agencies existing baselined property appropriations as centralisation is embedded;
 - 7.2 centralised acquisition, management, decision rights and ownership of government leases will provide a more consistent application and approach to lease approvals and renewals;
 - 7.3 the government's buying power for both leasing and property services will be leveraged with a centralised property funding appropriation providing greater visibility of the true cost;
 - 7.4 there will be better office space utilisation, resilience and flexibility with government office accommodation consistent in design and layout with system centric office accommodation decision making;
 - 7.5 accountability and transparency of the portfolio will be strengthened and will support government office accommodation and public service objectives and the overall strategic context for the portfolio;
- 8 **noted** that while consistent with Cabinet's previous decisions, the above changes represent a significant long-term administrative change to the delivery of government office accommodation in the Public Service and will take time to fully implement and realise the full benefit from;

Proposed System Leadership approach

Strategic Direction Mandate

- 9 **agreed in principle** that the System Leader for Property will be accountable for the strategic direction and performance of the government office accommodation property system with the relevant mandate, function, and powers as set out in Annex One attached under GOV-23-SUB-0034, subject to the report back in paragraph 18 below;

Portfolio Programme Mandate

- 10 **agreed in principle** that the System Leader for Property will be accountable for the investment decisions and intentions across the government office accommodation property portfolio programme, with the relevant mandate, function, and powers as set out in Annex Two attached under GOV-23-SUB-0034, subject to the report back in paragraph 18 below;

Operational Delivery Mandate

- 11 **agreed** in principle that the System Leader for Property will be accountable for the day-to-day delivery and management of government office accommodation property (the), with the relevant mandate, function, and powers as set out in Annex Three attached under GOV-23-SUB-0034, subject to the report back in paragraph 18 below;
- 12 **noted** that realising the full benefits of a strengthened mandate, functions and powers of the System Leader for Property is interlinked and dependent on progressively centralising all government office accommodation property functions, portfolio assets, capability and resourcing into a single business unit;
- 13 **noted** that resourcing and capacity to deliver the recommended Strategic Direction, Portfolio Programme, and Operational Delivery mandates is contingent on the implementation of a Centralised Business Unit;
- 14 **noted** that seven chief executives have so far been designated as system leads, including the Chief Executive of the Ministry of Business, Innovation and Employment as System Leader for both Property and Procurement;
- 15 **noted** that system leads meet regularly as a team, chaired by the Public Service Commissioner, to drive greater efficiency, alignment, and impact across their areas, prioritise investment and coordinate advice, and ensure that a whole-of-system approach is taken to address their common challenges;

Strengthening government office property delivery through centralised delivery

- 16 **agreed** to progress work on analysing and designing the functions required to centrally manage government's property portfolio over 2023/24;
- 17 **agreed** that progressively centralising the management of all government office lease, property, facilities and asset management functions, along with the relevant related workforce and appropriations into the recommended Centralised Business Unit is the Government's preferred approach to delivering government's expectations for property and to support the wider public sector reforms;
- 18 **invited** the Minister for the Public Service to report back to GOV in June 2024 on progress with the detailed analysis and design, including detailed property system baseline information, costs, funding options, impacts and implementation plans that will support a final, fully informed decision to proceed with centralisation of the portfolio;

- 19 **noted** that the Minister for the Public Service **Free and frank opinions** that will support proceeding to full implementation once final Cabinet decisions are made in June 2024;
- 20 **agreed** in principle to proceed with full centralisation of the government office accommodation portfolio subject to Cabinet approval of implementation and cost details in June 2024 and **Free and frank opinions** that supports the approved implementation;
- 21 **directed** all mandated agencies to support the Government Property Group as necessary to enable the appropriate analysis and design phase to move towards centralised delivery of government office accommodation;

Crown Agents

- 22 **agreed in principle** to extend Property System Leadership to Crown Agents, subject to whole of government direction being issued under section 107 of the Crown Entities Act 2004;
- 23 **directed** the Government Property Group to develop a proposal for a section 107 direction and a draft direction in consultation with The Treasury and Public Service Commission;

Financial implications

- 24 **noted** that the above proposals are expected to be cost neutral over the longer term and that funding to undertake the first phase of design and initial establishment will be funded by internal reprioritisation within the Ministry of Business, Innovation and Employment (MBIE);
- 25 **noted** that implementation and transition to a centralised model will require further funding post the 2023/24 Financial Year, and it is proposed that, if approved by Cabinet, this funding be provided by **Free and frank opinions** [GOV-23-SUB-0018];
- 26 **noted** that the centralisation of the government office accommodation portfolio will provide for a sustainable model, funded by agencies existing baseline property appropriations as centralisation is embedded with functions, appropriations and operational funding coming from a single appropriation **Free and frank opinions**
- 27 **agreed** that the cost for implementation and transition be quantified during the design and initial establishment phase, and form part of the report back to Cabinet in June 2024, including potential funding options;

Continuation of Property Functional Lead role

- 28 **agreed** that the Property Functional Leader role established in 2012, the Functional Leader for Property 2018 Mandate, and all associated directions, guidance, tools, templates, instruments and any other artefacts created by the Property Functional Lead or issued by the Property Functional Leader role in connection with that role, will continue to exist and apply, in order to provide certainty while supporting the transition to Property System Leadership;

- 29 **agreed** that, to the extent of any inconsistency between the Functional Leader for Property 2018 Mandate and System Leader for Property Mandate, the System Leader for Property mandate will prevail;
- 30 **agreed** that, to the extent of any inconsistency between templates, tools standards and guidance issued by the System Leader for Property and any directions, guidance, tools, templates, instruments or any other artefacts created by the Property Functional Leader, those issued by the System Leader for Property will prevail.

Vivien Meek
Committee Secretary

Present:

Hon Grant Robertson (Chair)
Hon Jan Tinetti
Hon Andrew Little
Hon Dr Deborah Russell

Officials present from:

Office of the Prime Minister
Officials Committee for GOV