

29 September 2011



PROJECTS RESPONDING TO THE REVIEW OF EXPENDITURE ON POLICY ADVICE

The Government response to the Review of Expenditure on Policy Advice was publicly released on 28 April 2011.

The table below provides a brief update on priority projects.

Enquiries on the implementation can be emailed to: policyexpenditurereview@treasury.govt.nz.

Information on the Review of Expenditure on Policy Advice is available at: <http://www.treasury.govt.nz/statesector/policyexpenditurereview>

Work stream	Priority Projects	Progress	Lead
Agency Requirements	Review existing policy work programmes Improve policy process Report to Ministers	<p>Each policy agency chief executive is:</p> <ul style="list-style-type: none"> • Reviewing their existing policy work programmes for focus on substantive issues and the most effective interventions, and engaging with respective Ministers on how they will deliver medium term work programmes together with meeting short-term needs. • Improving policy processes in the following areas: <ul style="list-style-type: none"> – management and assessment (including external peer review) of, and reporting on, policy advice work programmes – policy processes, organisational cultures, and quality management systems to support policy analysis and advice, and – investing in capability of policy analysts and managers, including common competencies, skills, qualifications and training. • Reporting to their incoming Minister(s), providing: <ul style="list-style-type: none"> – a status report on the agency’s policy capability – a list of actions the agency needs to take to improve policy performance, and a plan to complete this work – proposed policy work plan(s) for the upcoming term, and – a capability plan to ensure the agency can deliver on the proposed work plan(s). <p>Brief guidance on the <i>Requirements for policy work programmes and reporting to Ministers</i>, along with how policy plans fit with other planning, strategy and budget documents (ie, The 2011 Briefing for Incoming Ministers, People/HR Strategy, Regulatory Plans, Four-year Budget Plans) is available here: http://www.treasury.govt.nz/publications/guidance/circulars</p>	Individual policy agencies

Work stream	Priority Projects	Progress	Lead
Finance and Measurement	Common definition and reorganisation of policy appropriations	<p>Working with a cross-agency working group, the Treasury has established a common definition of policy advice. This definition will be used by all policy agencies to reorganise their policy related appropriations in time for Budget 2012. Completion of this task will provide the public, parliament and Ministers with more transparency regarding the Government's expenditure on policy advice.</p> <p>The Treasury has published guidance that outlines key steps for implementing the reorganisation of policy advice-related appropriations: <i>Reorganisation of Appropriations for Policy Advice: Guide for Department</i>. The guidance is available at: http://www.treasury.govt.nz/publications/guidance/mgmt/rapa</p>	The Treasury
	Policy Benchmarking Pilot Project	<p>The Treasury has nearly completed the first stage of the Policy Benchmarking Pilot Project, which involves ten agencies. The pilot aims to produce consistent performance information across the participating agencies, identify areas for improvement, and support value for money assessments.</p> <ul style="list-style-type: none"> • Stage One of the pilot has developed and measured ten performance indicators on the cost, efficiency and management of policy functions. • Stage Two of the pilot, which will run until July 2012 will develop and measure five indicators that focus on the effectiveness of policy functions, eg, including but not limited to assessments of the quality of policy papers, staff engagement and ministerial satisfaction. <p>It is envisaged that common performance measures for all policy agencies will be selected from the 15 piloted indicators, and these would be published with the reorganised policy appropriations in Information Supporting the Estimates from 2013 onwards.</p>	The Treasury
Improving the Policy Advice Process	Improving guidance on consultation for Cabinet Papers	Cabinet Office is reviewing its guidance on consultation processes for Cabinet Papers	The Cabinet Office
	Proactive disclosure of Cabinet Papers	Cabinet Office is reviewing the benefits, costs and risks associated with the systematic, managed release of most routine Cabinet material.	The Cabinet Office

Work stream	Priority Projects	Progress	Lead
Professionalism	Heads of Profession to set expectations, build networks and provide guidance	<p>A Central Agency Policy Steering Group has agreed to the following actions:</p> <ul style="list-style-type: none"> • Finance: Trial a Finance Head of Profession for a year commencing in November 2011. Finance has been selected because of the changing nature of Chief Financial Officers' role and the need for better quality management information being made available to inform policy advice. • Science: Enter into discussions with Professor Sir Peter Gluckman on options in the science area. • Economics: Do not establish an Economics Head of Profession, given the work of the Government Economics Network (GEN), which also seeks to improve capability. Subject to the agreement of this network, we plan to use it as a comparator for evaluation of the Finance Head of Profession trial. • Policy: Do not establish a Policy Head of Profession given the agency initiatives under way to improve capability (eg, agencies are reviewing their policy work programmes, working to improve their policy processes and investing in building the capability of policy analysts). Instead Don Gray (Chief Policy Advisor, the Ministry of Social Development) is working with colleagues across departments to establish a Policy Leaders' Network to complement and support agency initiatives. Over time this Network could evolve into a more formal structure. Subject to the agreement of this network, we also plan to use it as a comparator for evaluation of the Finance Head of Profession trial. • Law and Statistics: Do not establish Heads of Profession in law or statistics at this time, in order to keep the trial manageable and matched to the resources available. <p>The State Services Commission will oversee the Heads of Profession model.</p>	State Services Commission / The Treasury
	Stronger policy focus in the Performance Improvement Framework (PIF)	The PIF is a joint central agency initiative to help senior leaders drive performance improvement across the State Services. This project is being built into the continuous improvement of the PIF. Information on PIF is available at: http://www.ssc.govt.nz/pif	State Services Commission

Work stream	Priority Projects	Progress	Lead
	Taking into account attributes needed for policy advice in appointments of chief executives and including policy expectations in their performance agreements	The State Services Commission works with chief executives to deliver performance excellence in three ways: by setting expectations for chief executives, by providing support to chief executives, and by holding chief executives to account for their achievement of performance expectations. Taking into account attributes needed for policy advice in appointments of chief executives and including policy expectations in their performance agreements has been incorporated into this core work.	State Services Commission
Referred Work	Commissioning of cross agency projects Clustering of policy agencies Crown entity responsibility for policy	These projects have been referred the <i>Better Public Services Reform Programme</i> , and will be progressed as necessary. Information on the <i>Better Public Services Reform Programme</i> is available at: http://www.dpmc.govt.nz/better_public_services/index.htm	The Department of the Prime Minister and Cabinet / State Services Commission / The Treasury