

BASELINE ALIGNMENT PROPOSAL

SECTION 1: ALIGNMENT TO GOVERNMENT PRIORITIES

The Minister's key priority for the State Services portfolio is that strong leadership is provided to the Public Service and the wider state services to ensure government expectations of a significant lift in public sector performance while driving cost from the system are met.

The three areas that the Minister has directed the State Services Commission to focus on to achieve this lift in performance and deliver better public services are; pay and employment conditions; lifting the performance of State sector agencies; and improving service delivery and governance of State sector agencies. These areas reflect those set out [deleted – free and frank] and are directly aligned to the government's strategic direction for the State Services - being "better, smarter public services for less".

Pay and employment conditions

The Minister is seeking to achieve significant productivity gains to meet remuneration expectations and make any pay movements "self-funding". This will also include seeking longer-term collective agreements within the State sector and continuing restraint in chief executive and senior level remuneration movement.

What are we doing?

- Focus on Health, Compulsory Education and Police sectors due to their size and high profile
- Work to tie remuneration to performance and operational improvements e.g. flexible hours, work content
- Remind chief executives on the need for restraint in remuneration increases, keeping in line with the private sector
- Oversee negotiation of collective agreements in 2011.

Lifting the performance of State sector agencies

The Minister is seeking to achieve success in measuring and raising the productivity of agencies, sectors and the public management system. The primary tool for this work is the Performance Improvement Framework developed by the Central Agencies.

What are we doing?

- Rolling out the Performance Improvement Framework (PIF) to 10 agencies in 2010, increasing to 14 in 2011
- Using the PIF and other tools to help inform agency performance improvement plans and specific Central Agency interventions.

Improving service delivery and governance of State sector agencies

The Minister is seeking to achieve greater resilience within agencies with improved cross agency services and a more cohesive policy advice system. This will result in fewer and more streamlined State sector agencies leading to a reduction in administrative and indirect system costs, and a common governance to deliver improved and accessible services.

What are we doing?

- SSC will assist the Minister to introduce to Cabinet a program of change initiatives designed to improve operational efficiency, improve service quality and effectiveness and improve responsiveness to Ministers

During the Commission wide restructure that took place in 2009, the Commission aligned its business model and structure to enable effective delivery of Ministerial and government priorities. Activities and functions that did not align to this delivery model have already been divested or ceased.

Section 2: Reprioritisation

As noted in Section 1, no significant changes are required within Vote: State Services as activities not aligned to the Government's priorities have already ceased.

A reduction in Vote: State Services appropriation occurs as a result of the Cabinet decision on 1 March 2010 to redirect funding from departments, including State Services Commission, to fund the Productivity Commission.

Section 3: Summary of Financial Movements

Initiative	2010/11	2011/12	2012/13 and outyears
	\$'000	\$'000	\$'000
Productivity Commission	(70)	(140)	(150)