

The Treasury

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- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [6] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [7] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
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Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, an [4] appearing where information has been withheld in a release document refers to section 9(2)(b)(ii).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Ministry of Women's Affairs

Covering:

Vote Women's Affairs

Four-year Budget Plan

27 January 2012

Section 1: Overview

Core purpose and contribution

The Government has set out a goal to build a more competitive and internationally-focused economy with less debt, more jobs and higher incomes. This will provide the resources necessary to protect the vulnerable in society, maintain the rule of law, provide high-quality public services, look after the environment, and provide opportunities for young people. The vital contributions of women to that goal are reflected in the outcomes set out in the Ministry of Women's Affairs Statement of Intent.

The Ministry of Women's Affairs (the Ministry) is the government's primary provider of gender-specific advice. Policy advice, including advice on women candidates for appointment to State sector boards and committees, is the Ministry's sole product. As a specialist policy agency, the Ministry sets high standards for the quality of its work. In 2011, the Ministry was ranked first by NZIER following a comparative assessment of the quality of policy advice from 22 government agencies. Harnessing the Ministry's agility will enable it to respond to the opportunities to become more effective, as identified in its Performance Improvement Framework review last year.

The Ministry's work is focused on three priority outcomes, agreed with the Minister of Women's Affairs:

- increasing women's economic independence
- increasing the number of women in leadership
- increasing women's safety from violence.

These outcomes are linked: gains on each enable or reinforce gains on the others.

Making better use of women's skills will make a significant contribution to increasing productivity and raising our standard of living. For example, the recent Goldman Sachs report says removing impediments to women's full participation in the economy could increase New Zealand's GDP by up to 10 percent.

There is compelling evidence that greater gender balance in governance correlates with better decision-making and organisation performance, with both economic and other benefits. The Ministry is well-placed to offer its expertise in identifying candidates for governance appointments to other government agencies, if required.

Increasing women's safety from violence will also ensure greater security and prosperity, not only for women but also for their children. Greater economic independence in turn has been shown to reduce the likelihood of women experiencing violence.

The Ministry seeks to enhance its impact on outcomes through an active role in cross-government initiatives, notably the emerging Labour Market and Skills cluster. The cluster has been established to ensure that labour market and education outcomes deliver a higher quality of life and standards of living for all New Zealanders. To do this, high level results have been identified to ensure that all New Zealanders have the skills they need to succeed, businesses have the skills they need and, ultimately, New Zealand's labour productivity growth is doubled. Some of the Ministry's priorities will contribute to these results. The Ministry will continue to work with the other cluster agencies to achieve greater consistency and integration in policy and service delivery.

Operating Model

Over the past 18 months, the Ministry has made significant changes to its operating model in pursuit of its objective to become the most efficient small policy agency, with a disproportionately large policy impact.

There are three parts to the change. The first has involved an intentional shift to a more strategic policy posture around our three outcomes. This means:

- focusing on a critical few issues in depth, rather than many, and therefore on specific groups of women where we can add the greatest value
- constantly measuring our work plan against the test of achieving the most significant impact on our outcomes
- switching from a focus on communicating the issues and managing risk to robust engagement and influence through evidence-based analysis, relationships and actionable advice
- ensuring that we can tell a compelling gender story about the issues we address
- working deftly across portfolios and sectors.

The second part of the change has involved an intentional shift of resources to support this more strategic policy posture. A review of our administrative and support services in early 2011 revealed that our corporate cost structure was out of line with both local and international benchmarks. We designed and implemented a more fit-for-purpose, efficient and sustainable arrangement for business support, resulting in a net reduction of five positions, and an improvement in our BASS metric from 28 percent to 23 percent of operating costs. Combined with reductions in non-salary costs (such as building rental) and reduced use of contractors, this change has allowed us to increase our investment in strategic policy advice, particularly in the area of women's economic independence.

The third part of the change involves on-going attention to sustaining the Ministry within a lean cost structure and fit-for-purpose business model. The Ministry's leadership team has a firm resolve to 'stay awake at the wheel'. This means that we are constantly alert to our costs and we take every opportunity to reduce operating costs that add little value to achieving outcomes. For this reason, we have been active and early adopters of the various syndicated procurement deals negotiated with third-party providers by the Ministry of Economic Development and Department of Internal Affairs. Although our item savings are modest in dollar terms, they add up over time and will help provide a buffer to enable us to respond to emerging issues and needs that bear on our core purpose.

We have also embarked on a business improvement journey, with extensive staff involvement, to identify and implement smarter and more productive ways of working that create greater value for the Government and our stakeholders, at the same or lower cost.

Summary of Changes (applies to all agencies and votes)

1. <i>Operating changes sought</i>	Impact \$m increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16
Current Baseline	4.564	4.550	4.550	4.550	4.550
Cost pressures resulting from existing policies/settings [section 3]	-	0.075	0.150	0.225	0.305
Cost of new/increased activities [section 4]	-	-	-	-	-
Efficiency savings [section 4]	-	(0.131)	(0.131)	(0.134)	(0.134)
Amount reprioritised [section 4]	-	(0.075)	(0.150)	(0.225)	(0.305)
Net impact	-	(0.131)	(0.131)	(0.134)	(0.134)
New baseline	4.564	4.419	4.419	4.416	4.416

2. <i>Capital investments being considered for new funding in Budget 2012 [section 4]</i>	Impact \$m increase/(decrease)					
	2011/12	2012/13	2013/14	2014/15	2015/16	Out-years
None	-	-	-	-	-	-

3. <i>Capital investments likely to require new funding in future Budgets [section 4]</i>	Total impact across years \$m increase/(decrease)		
	Budget 2013	Budget 2014	Budget 2015
None	-	-	-

4. <i>Baseline capital expenditure</i>	Impact \$m increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16
Departmental					
Baseline funding available for departmental capital expenditure [section 5, table 5, row e]	1.010	1.065	1.105	1.145	1.185
Investments funded from departmental capital expenditure [section 5, table 5, row f]	0.065	0.080	0.080	0.080	0.080
Non-departmental					
Total [section 5, table 6]	-	-	-	-	-

Section 2: Priorities

Greater economic independence for women

Priorities for the Ministry within this outcome are:

- achieving a better return to the economy from investment in women's skills
- improved lifetime incomes, assets, and earnings for women.

Planned key achievements from the Ministry and other agencies' work over the next four years include:

- key decision-makers and stakeholders are aware of the opportunities arising from women's untapped skills
- practical solutions are developed that open opportunities and remove barriers to women using their skills, such as encouraging women into higher-paid, less traditionally female work and ensuring that key enablers such as flexible work and child care are readily available.

Increasing women's participation in leadership

Priorities for the Ministry within this outcome are:

- improved decision-making and governance practices, contributing to better business performance
- women's skills at board level are valued and women candidates are sought out
- women can apply their skills to suitable governance roles across sectors.

Planned key achievements from the Ministry and other agencies' work over the next four years include:

- key decision-makers have the data and information they need to make informed decisions about the appointment of women to boards
- existing leaders in both public and private sectors actively champion greater participation by women in both executive and governance roles
- women know the types of governance roles that align with their skills and interests, and how to get them.

Increased safety from violence for women

Priorities for the Ministry within this outcome are:

- reduced prevalence of violence against women
- mitigation of the effects of violence, including restoring victims to well-being.

Planned key achievements from the Ministry and other agencies' work over the next four years include:

- key decision-makers and stakeholders have access to evidence and practical solutions to reduce violence against women and its impacts, spanning: prevention, response systems and ongoing support to victims
- improved evidence and solutions to increase safety for vulnerable groups of women, especially those at risk of revictimisation.

Measuring the difference

The Ministry's Statement of Intent for 2011–2014 contains several measures of impact that it uses to gauge its effectiveness. The measures focus on indicators of policy effectiveness, such as uptake of the Ministry's analysis and advice by other agencies and sector leaders. While necessary, these indicators are insufficient. The Ministry recognises that the more important measures relate to the outcomes that New Zealand women experience. The Ministry is committed to developing meaningful and feasible measures to monitor and evaluate the progress of women.

Section 3: Cost pressures

The major pressure on Vote Women's Affairs continues to be controlling costs within fixed nominal baselines. Eighty percent of the Ministry's costs are people-related: salaries and associated employment costs, training and development, contractors and recruitment. The next largest category, at 7 percent, is property.

Even with recent changes to our operating model and reduction in overhead costs, we need to manage cost pressures over the medium term from:

- increased people-related costs, including SSRSS and KiwiSaver contributions
- inflation and price pressure on operating expenditure, in particular office accommodation costs.

The Ministry has positioned itself to be sustainable and we expect to manage these cost pressures within our existing baseline.

For expenditure projection purposes, the following assumptions have been made:

- annual salary movement of up to 2 percent to cover REM changes and staff progression
- an annual CPI adjustment of 2 percent.

Section 4: Proposed changes for 2012/13 to 2015/16

Efficiency savings

In order for Vote Women's Affairs to deliver the efficiency savings targets agreed by Cabinet, the Ministry is undertaking further efficiency measures including:

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- Careful management of discretionary personnel costs, especially recruitment, training and use of contractors. We have taken most of our recruitment activity in-house, apart from press advertising. We have changed how we manage training budgets to ensure a stronger connection with skill needs. We have curtailed the use of contractors for non-priority tasks and consolidated the relevant budget lines to apply to high-impact strategic policy advice.
- A programme of business improvement initiatives to ensure the Ministry operates on a fit-for-purpose and least cost basis. While direct savings are likely to be modest, a systematic focus on core processes (such as the production of policy advice and the operation of our workplace) will also lead to quality improvements, greater productive capacity from existing resources and a culture of continuous improvement.

Proposed changes

No changes are proposed to Vote Women's Affairs for Budget 2012 that require Cabinet decisions.

The Ministry will continually review the efficiency of its activities to ensure it is sustainable within its existing baseline, while maintaining the desired level of critical mass to remain a high-performing specialist policy agency.

Section 5: Baseline capital expenditure

5. Departmental capital expenditure	\$m increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16
a. Opening baseline funding available ¹	0.870	0.945	0.985	1.025	1.065
b. Depreciation funding (1:51:1, 199)	0.140	0.120	0.120	0.120	0.120
c. Sale of assets (1:52:0, 1999)	-	-	-	-	-
d. Other (please specify)	-	-	-	-	-
e. Total baseline funding available (a+b+c+d)	1.010	1.065	1.105	1.145	1.185
f. Capital investments funded from baselines	0.065	0.080	0.080	0.080	0.080
g. Closing baseline funding available (e-f)	0.945	0.985	1.025	1.065	1.105

6. Non-departmental capital expenditure	\$m increase/(decrease)				
	2011/12	2012/13	2013/14	2014/15	2015/16
Capital investment in organisations other than departments (0:6:X & 0:7:X, 599)	-	-	-	-	-
Baseline funding available for the purchase or development of Crown capital assets (0:6:X & 0:7:X, 699)	-	-	-	-	-
Total	-	-	-	-	-

¹ For the 2011/12 year, this figure should represent assets held on the balance sheet (e.g. cash and debtor Crown) that are available to fund future purchases of property, plant and equipment. The figure in row (g) for 'closing baseline funding available' becomes the figure in row (a) for 'opening baseline funding available' in the following year.

Table: Major departmental investments to be funded from baselines from 2012/13 to 2015/16

Name	10-year capex (\$m)	10-year opex (\$m)	Year	Driver	Description	Benefits
None	-	-				

Table: Major non-departmental investments to be funded from baselines from 2012/13 to 2015/16

Name	10-year capex (\$m)	10-year opex (\$m)	Year	Driver	Description	Benefits
None	-	-				

Section 6: Further options

Although there are limited options to make fundamental changes to the delivery of policy advice services due to the size of the Ministry and specialist nature of the work, we will continue to focus on achieving the most cost efficient structure possible to sustain a viable high-performing specialist policy agency.

Section 7: Reconciliation of financial movements

A reconciliation spreadsheet of financial movements has been uploaded into CFISnet.