

Performance Improvement Framework Follow Up Review – Treasury Response

Our Progress

We published the findings of our first Performance Improvement Framework (PIF) review in May 2011. The review noted the important strategic leadership role that the Treasury plays in the State sector. It commented on the overall quality of our organisation and the work that we do. It also identified areas where we could do better.

Even before we published our first PIF review, we were taking actions that addressed the recommendations. We prioritised the most important initiatives and integrated these into our Change Programme for 2011/12.

Our 2012 PIF Follow Up review tells us that we have made good progress since our first review, but as expected, we have more to do.

Our key achievements:

- ▶ A **clearer vision and strategy** for improving economic and State sector performance.
- ▶ **Stronger senior external engagement and leadership**, including being more active in shaping the public debate.
- ▶ **Better capability to deliver on our vision** – for example, stronger and more visible leadership from our senior team, and better organisational practices and disciplines such as performance management.

Our Follow Up review also highlights the opportunities we have to contribute further to achieving our vision of increasing the living standards of New Zealanders.

Our key opportunities:

- ▶ The Government is committed to transforming the State sector to deliver **better public services** for New Zealanders within tighter fiscal constraints. The Corporate Centre – the Treasury, State Services Commission and the Department of the Prime Minister and Cabinet – will lead and support this transformation.
- ▶ As part of the **Corporate Centre**, we need to think and work in different ways: keeping the best of our traditional strengths but changing the behaviour and approaches that are holding us back.
- ▶ We need to become more effective in our **Ministry of Finance** role – as part of an influential Corporate Centre – so that we can more systematically and rigorously measure and advise on lifting performance across the State sector. This will help us support chief executives to drive better performance, and provide assurance to Ministers that we are on track to deliver. We need to lift our capability to perform this role.
- ▶ We have begun to use our **Living Standards Framework** as a practical tool to assess the choices arising from our policy advice. We now need to embed this tool in our organisation.
- ▶ We have defined a **shared set of values** that underpin the way we work. We want to be bold and innovative, passionate and ambitious, collaborative and challenging, and adaptable and focused. We need to ensure that our behaviour is consistently aligned with these values.

Achieving Our Vision

To achieve our vision, we need to be influential. Our ability to influence stems from the strength of our values, the quality of our analysis and engagement, and our ability to bring practical, concrete ideas on raising living standards to the table. When we are successful, businesses, agencies and individuals across the country will respect us for the relevance of what we say – even if they do not always agree with us.

When we become a Treasury that is achieving its vision, we will:

- ▶ focus on the right work: work that has a real, positive impact and drives New Zealand forward to higher living standards.
- ▶ see our efforts reflected in New Zealand performing well on the key living standards indicators.
- ▶ be an exciting place to work: full of energy, ideas and intellectual curiosity.

Our Priorities for Change

Our Follow Up review confirms that we have the right strategic direction for the future. We need to keep working at pace to bring this vision to life and embed our values in everything we do.

We are pleased with the progress we have made but recognise that we still have a way to go. **The Treasury's leadership will collectively focus our efforts on three priorities** that will make the biggest impact on achieving our vision. These priorities form the basis of our Change Programme for 2012/13.

Our Change Programme priorities for 2012/13:

- ▶ **Working with Others:** this is about changing the way we engage with people outside 1 The Terrace. It is about working in partnership with other agencies and using our complementary skills to lift State sector performance and deliver better services for New Zealanders. More broadly, it is about engaging with New Zealanders to better understand how we can make a difference.
- ▶ **Living our Values:** this is about everyone in the Treasury playing their part in driving our culture, and in particular about our leaders – the Executive Leadership Team, managers, principal advisors and team leaders – supporting our staff to make real changes to how we work. This will ensure that our vision and values are reflected in our day-to-day business and how others experience us.
- ▶ **Growing our People:** this is about attracting, rewarding and motivating our staff and equipping them with the skills and capability to meet our stakeholders' high expectations and achieve our vision of higher living standards for New Zealanders.

The activities that we will deliver to give effect to these priorities are set out overleaf. These do not represent all of the change-related activities currently underway in the Treasury, or all of the areas where we need to lift our performance. They do, however, represent the areas where we think we have a great deal to gain, that our leaders need to own and drive, and where we need to move with pace.

THE TREASURY'S CHANGE PROGRAMME FOR 2012/13

PRIORITY	WHAT WE WILL DO	WHAT SUCCESS WILL LOOK LIKE
<p>Working with Others</p>	<ul style="list-style-type: none"> Invest in the products, activities and operating models needed to deliver our Ministry of Finance, Corporate Centre and Crown asset performance management roles Open up our external communication channels – including high quality and diverse engagement, a better website, and social media 	<p>Our external stakeholders agree that:</p> <ul style="list-style-type: none"> There has been a significant improvement in both the quality of our performance analysis and advice, and the way we engage with State sector agencies and others to achieve results Central agencies are working more effectively with the State sector to deliver better services for New Zealanders
<p>Living our Values</p>	<ul style="list-style-type: none"> Communicate a compelling story – internally and externally – about our vision and culture Identify actions to embed our values in the organisation, and hold our leaders to account for their delivery Equip our leaders with the capability and practices needed to drive the shift in culture 	<ul style="list-style-type: none"> Treasury staff are living our values Treasury's leaders are a strong team driving our culture and vision from the top
<p>Growing our People</p>	<ul style="list-style-type: none"> Deliver training and development to grow our capability – with a particular focus on our Ministry of Finance role and engaging effectively with others Update our reward, recognition and recruitment practices to attract, retain and recognise talent 	<ul style="list-style-type: none"> Our staff feel valued, passionate about the work they do, and equipped with the right skills to do it We are consistently able to attract and retain a talented and diverse workforce

OUR VALUES

BOLD AND INNOVATIVE

PASSIONATE AND AMBITIOUS

COLLABORATIVE AND CHALLENGING

ADAPTABLE AND FOCUSED