ADMINISTRATIVE AND SUPPORT SERVICES BENCHMARKING REPORT

CORPORATE AND EXECUTIVE SERVICES (CES) PERFORMANCE FINDINGS

FY 2013/14

Contents

1. COMMENTARY

Communications: Diane De Deker Head of Profession –Communications , NZTA
Legal Services: Philip Griffiths, Programme Director, Government Legal Network (GLN)
Enterprise Portfolio Management Offices: Ricky Utting, Manager, Investment Management and Asset Performance, The Treasury

Commentary (1 of 4)

Given the amount of spending on the CES function, we should improve our understanding of its performance and business value. The 26 agencies who participated in this benchmarking exercise spent $208.2m in FY 2013/14 on the CES function, making it the second largest area of expenditure within A&S services after ICT, as Property is no longer included in BASS. Building our understanding of the cost, quality and value of these services across government supports a robust discussion about whether or not there are meaningful opportunities for improvement or savings.

The findings of this and other reports suggest we can lift performance through greater collaboration. Larger agencies continue to be significantly more efficient in delivering CES, showing the impact of fixed costs on small agencies and suggesting that costs can be reduced by leveraging scale across government.

Work is underway to strengthen management and performance in the larger service areas. Recent activity in the two largest service groups in this function - communications and legal services - is described in service-specific commentary below.

Commentary (2 of 4)

Communications

Measurement of communications strategy and tactics remains one of the most vexed areas of the Communications profession globally for both private and public organisations. Although there is no one ‘super tool’ to effectively evaluate communications performance, BASS measurement continues to provide a helpful benchmark, and along with additional data, helps in understanding the wider picture. The introduction of the Capability Maturity Model (CMM) last year continues to have real value, enabling more effective strategic conversations within agencies. New effectiveness metrics, developed last year but not reported on, are now included in this report. These metrics have helped better understanding of the Communications profession.

Communications staff across government continue to work together as we strive to deliver better public services and achieve more with less. This also includes the need to create and then meaningfully measure our collective impact. This collaboration is necessary as numbers of communications employees are expected to remain similar to the 2008 figure due to the full time equivalent (FTE) numbers being specifically monitored within the wider government ‘cap’ on the number of positions in core government administration. During the FY 2013/14 benchmarking period, public service FTE communications staff numbers reduced slightly despite added public information requirements such as the post-Christchurch Earthquake rebuild and the change communications requirements of integrating the Ministry of Business, Innovation and Employment.

The introduction of the CMM has provided a useful tool to support better Communications performance within agencies. Although this is the second year of the CMM and it still being embedded we are confident that it will produce a greater understanding of just how effective we really are in our communications with New Zealanders, particularly as social media and direct communications are growing exponentially.

Commentary (3 of 4)

Legal Services

The Government Legal Network (GLN, or the Network) leads an across-government approach to the management and delivery of legal services. Formed in 2011, the GLN has the purpose of supporting an informed, connected and engaged community of public sector lawyers. Programmes administered by the Network are outcome-focused – reducing duplicative activity, improving the value of third-party spend, strengthening legal knowledge management and capability, and encouraging collaboration at a systems level. These initiatives underpin the provision of high quality and valued legal services to the Crown, helping to minimise Crown legal risk and enable the lawful execution of Government objectives.

The CMM is now in its second year and is a valued addition to existing legal sector reporting tools. Results illustrate increasing levels of maturity from FY 2012/13, with aspiration levels remaining similar. Significant improvement is evident in metrics relating to the monitoring of/reporting on legal function and risks, and increased alignment between legal function and agency objectives. This is demonstrative of considerable efforts across the Network to enhance systems and processes underpinning the effective evaluation and mitigation of Crown legal risk, and associated decision-making. Aspirational metrics highlight the drive for further improvements in legal practice, legal function influence at Chief Executive level, and individual development planning over the next two years. Importantly, participation in GLN programmes emerges as one of the most mature functions. As evidenced in other sections of this report, a synergised approach optimises progress and efficiency. Continued engagement with the GLN can therefore be viewed as an enabler, helping departments to achieve their individual and networked goals for legal service delivery.

Commentary (4 of 4)

Enterprise Portfolio Management Offices

Enterprise portfolio management is a central function designed to oversee the investment, delivery and associated processes relating to an organisation's projects and programmes on behalf of senior management. Questions were introduced in BASS in FY 2011/12 to gauge the level of uptake of this management practice approach across government.

The Enterprise Portfolio Management Office (EPMO) is still an emergent function, however there has been an increase since FY 2012/13 with 13 of the 26 agencies indicating they do have this function in FY 2013/14, compared to 12 the previous year. Almost all the EPMO functions are in the large and medium agency cohorts. Nearly 80% of the large agency cohort and half of the medium agency cohort indicate spending against an EPMO function (only one agency in the small agency cohort indicates an EPMO spend).

The EPMO function is a growing area of interest and expectation from Investment Ministers, there has been a significant increase in the overall spend against this function (increased by 60% over 2012 figures).

Overall, the EPMO function remains the lowest spend as a percentage of organisational running cost of any of the functions covered in the BASS analysis. There are different approaches to running an EPMO that reflect the specific needs of the organisation. This may account for the wide range of cost per full time equivalent (FTE).

The P3M3 (Portfolio, Programme and Project Management Maturity Model) was piloted as a Capability Maturity Model (CMM) last year with selected agencies. Further pilots of P3M3 have since been completed to refine its use. P3M3 will become a lead indicator in the agency 'Investor Confidence Rating' to be implemented in the 2015/16 financial year. The focus of the maturity measurement is to raise agency and overall capability.

2. HIGHLIGHTS

Highlights

Agencies spent $208.2 million on the CES function in FY 2013/14. When adjusted for inflation they reported spending $8.1 million (4%) more than FY 2011/12. There is a decrease in costs from FY 2012/13 of $6.7 million (3%). The decreased cost from FY 2012/13 relates primarily to the large cohort which makes up 56.8% of the spend. Agencies reporting the largest cost decreases cited the impact of reduced spending on consultants and contractors, consolidation of the EPMO function, and restructuring and lower cost projects as the primary reasons.

Three services - communications, legal and information management - make up the majority (68.6%) of expenditure in the CES function. There are seven services measured across the CES function, Communications, information management, audit and risk management, legal, strategy and planning, Enterprise portfolio Management and other corporate costs.

Agencies reported similar efficiency levels as in FY 2012/13 and there continues to be some variability within and between cohorts. The large agency cohort delivers the CES function significantly more efficiently than the medium-sized and small agency cohorts. The median cost of CES as a percentage of organisational running costs (ORC) is 4 times higher in the small agency cohort than it is in the large agency cohort. The medium-sized cohort reported costs 2 times higher.

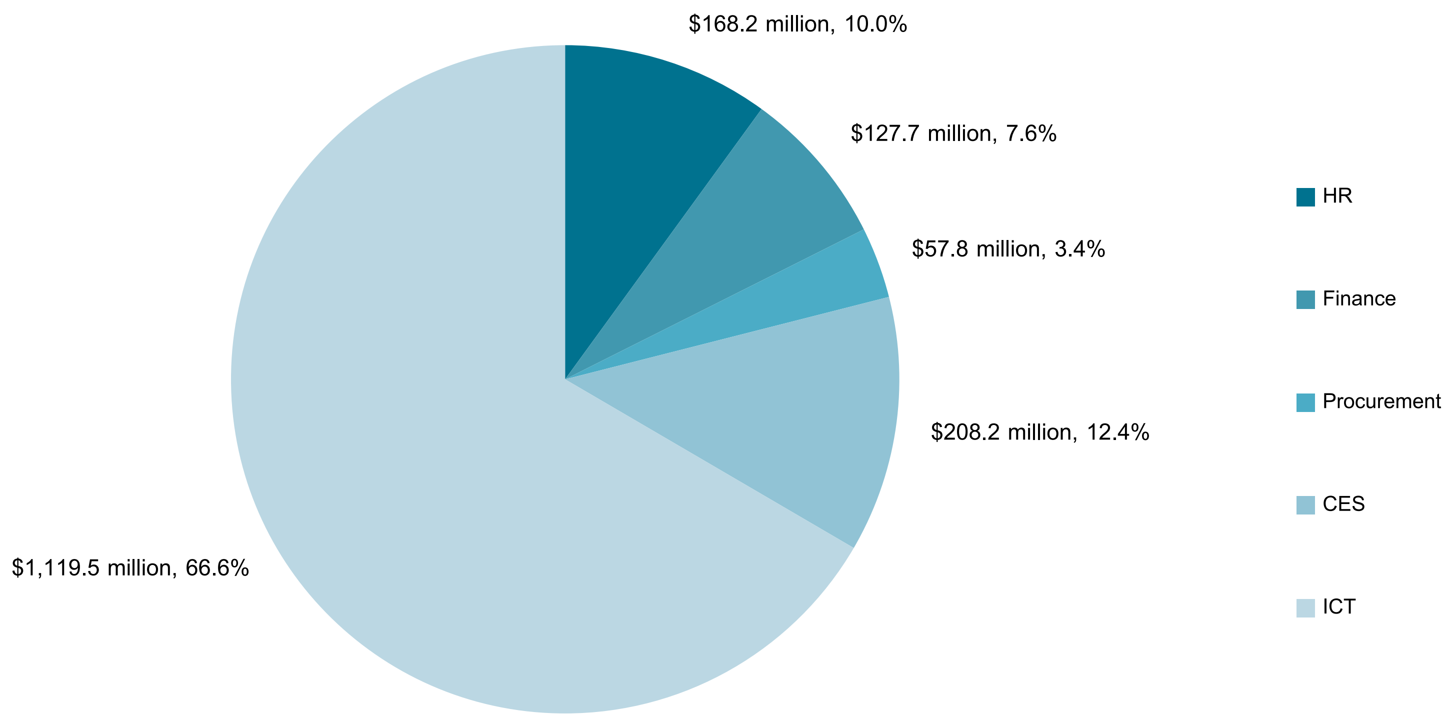
The capability maturity model introduced for Communications and Legal services last year has enabled a better understanding of the maturity of these functions. The highest priority areas for improvement across the New Zealand agencies for Communications were Channel integration and delivery and Effective organisational influence, and Alignment of legal function objectives with agency objectives for Legal. Overall, there have been increases in current maturity and future aspiration in both functions.

3. COST

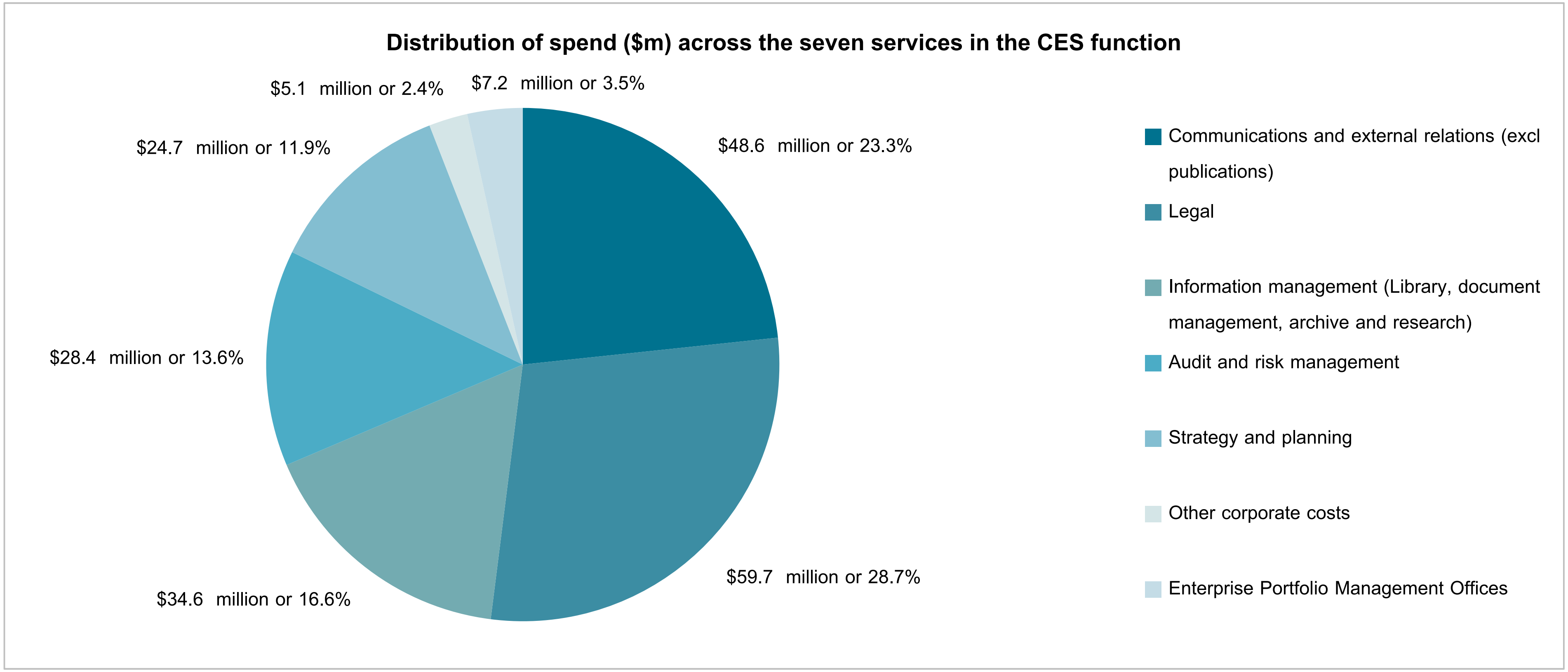
Cost findings include total spending overall and by cohort. This section also provides information about changes in spending since the previous reporting period both in nominal and inflation-adjusted terms.

CES makes up 12.4% of A&S service spending, making it the second largest function by reported expenditure

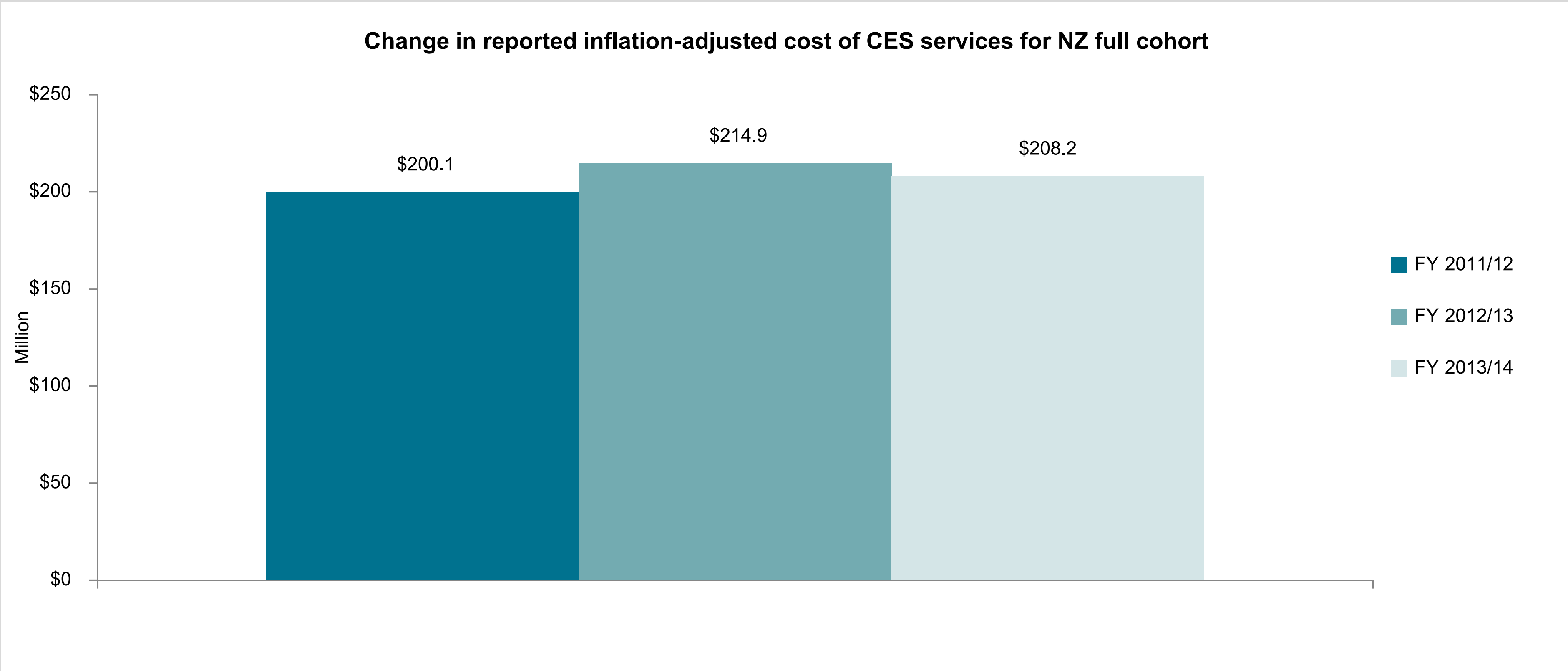
Distribution of spend across the five A&S service functions FY 2013/14



Communications, information management and legal services make up the bulk (68.6%) of CES expenditure in FY 2013/14



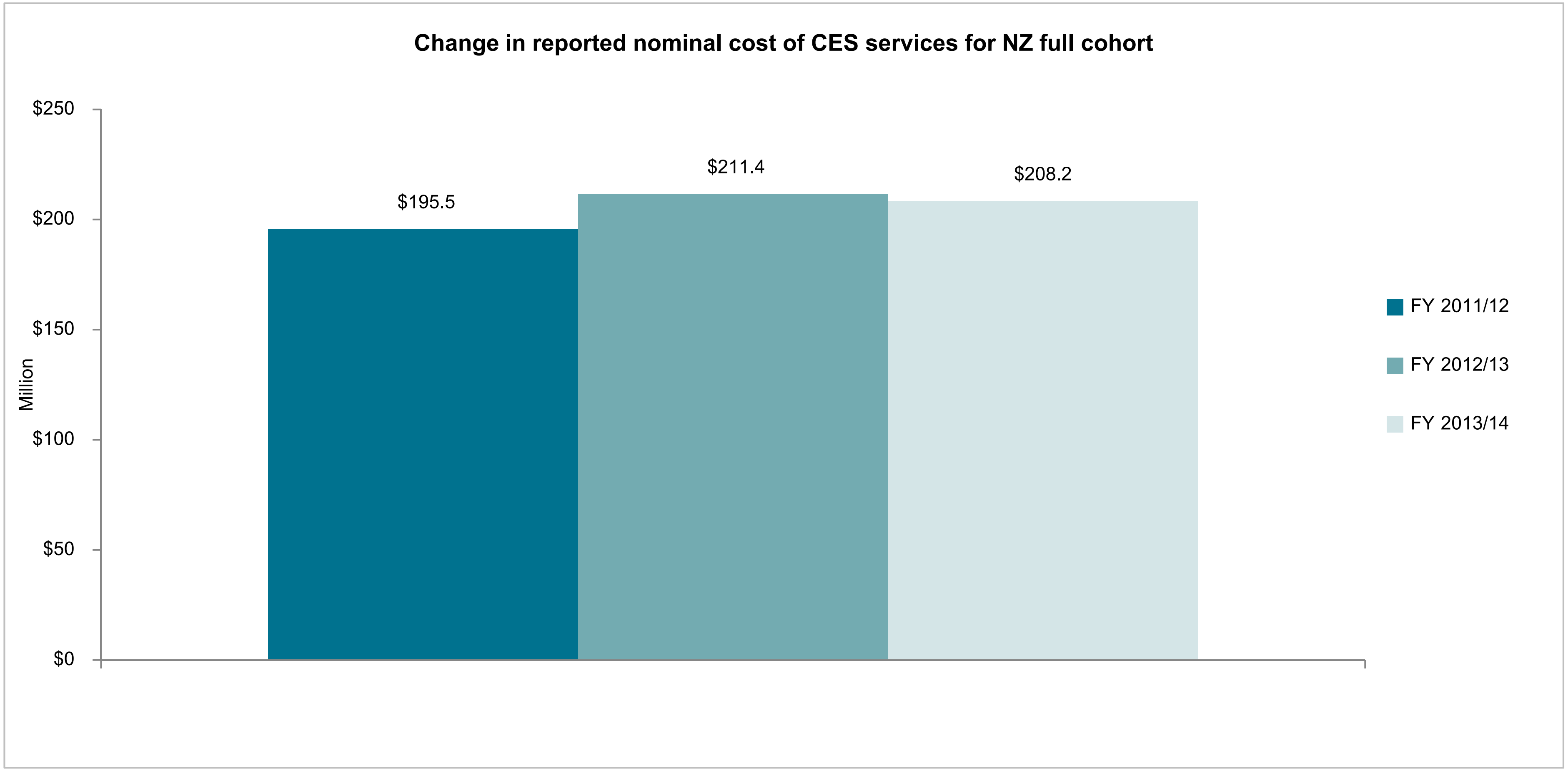
Agencies spent $208.2m on the CES function in FY 2013/14, down $6.7m (or 3.1%) from FY 2012/13 when adjusted for inflation



Costs in the graph above are represented in FY 2013/14 dollars.

Nominal costs – ie, costs that are not adjusted for inflation – appear on the next slide.

Agencies reported a nominal spending decrease of $3.2m (or 1.5%) since FY 2012/13



A closer look at spending within agencies shows that changes in recruitment practices, legal expenditure and the establishment and consolidation of the EMPO function were the main cost drivers

A net nominal spending decrease of $3.2m in FY 2013/14 results from 9 agencies spending $15m less and 17 agencies spending $11.8m more

What we learned from agencies that spent less this year

Three of the nine agencies reported $12m (or 80%) of the reported $15m reduction.

Reasons cited for cost reductions were :

1. Reduced spending on consultants and contractors
2. Consolidation of the EPMO function
3. Restructuring and lower project costs

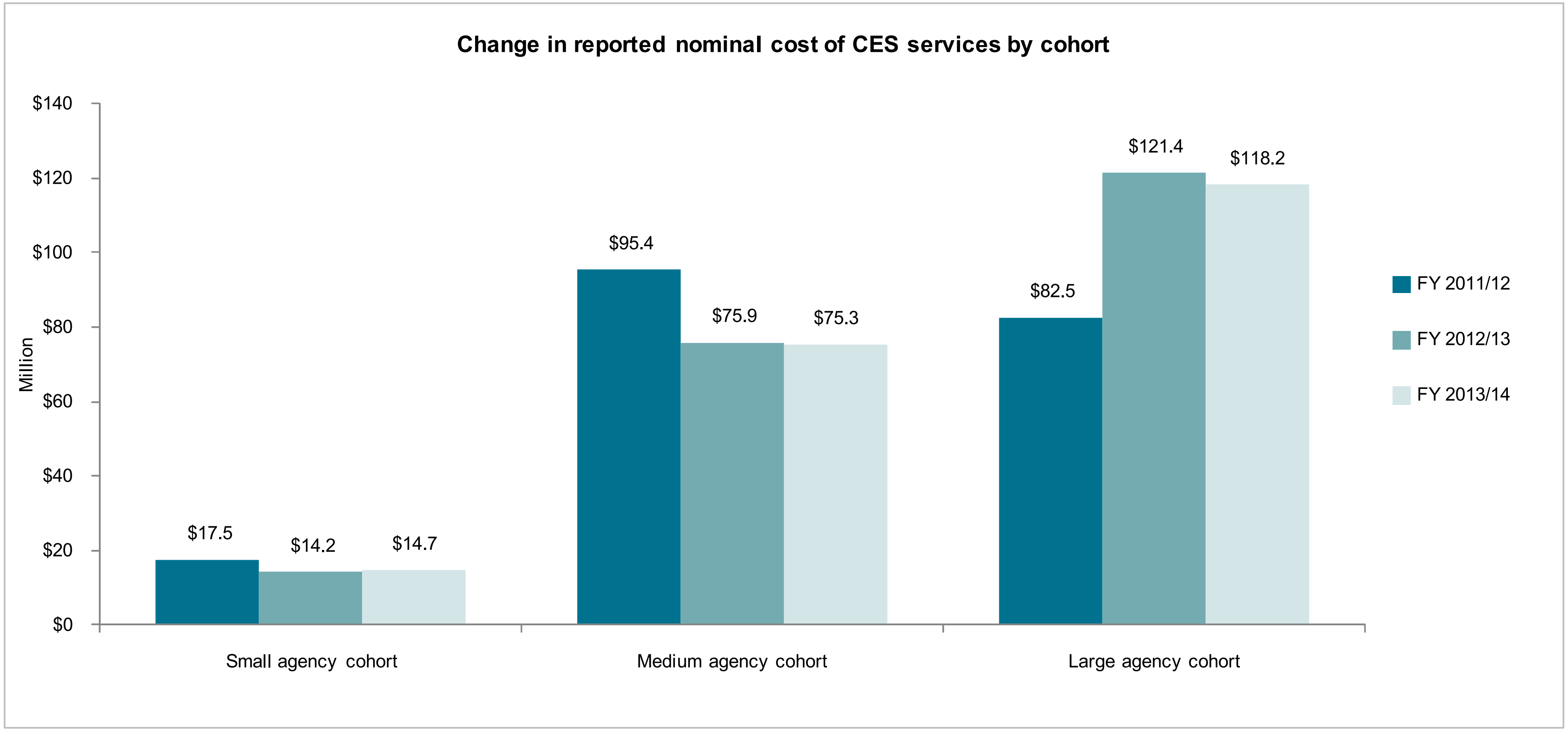
What we learned from agencies that spent more this year

Eight of the 17 agencies reported $9m (or 76%) of the reported $11.8m increase.

Reasons cited for the increases in costs were:

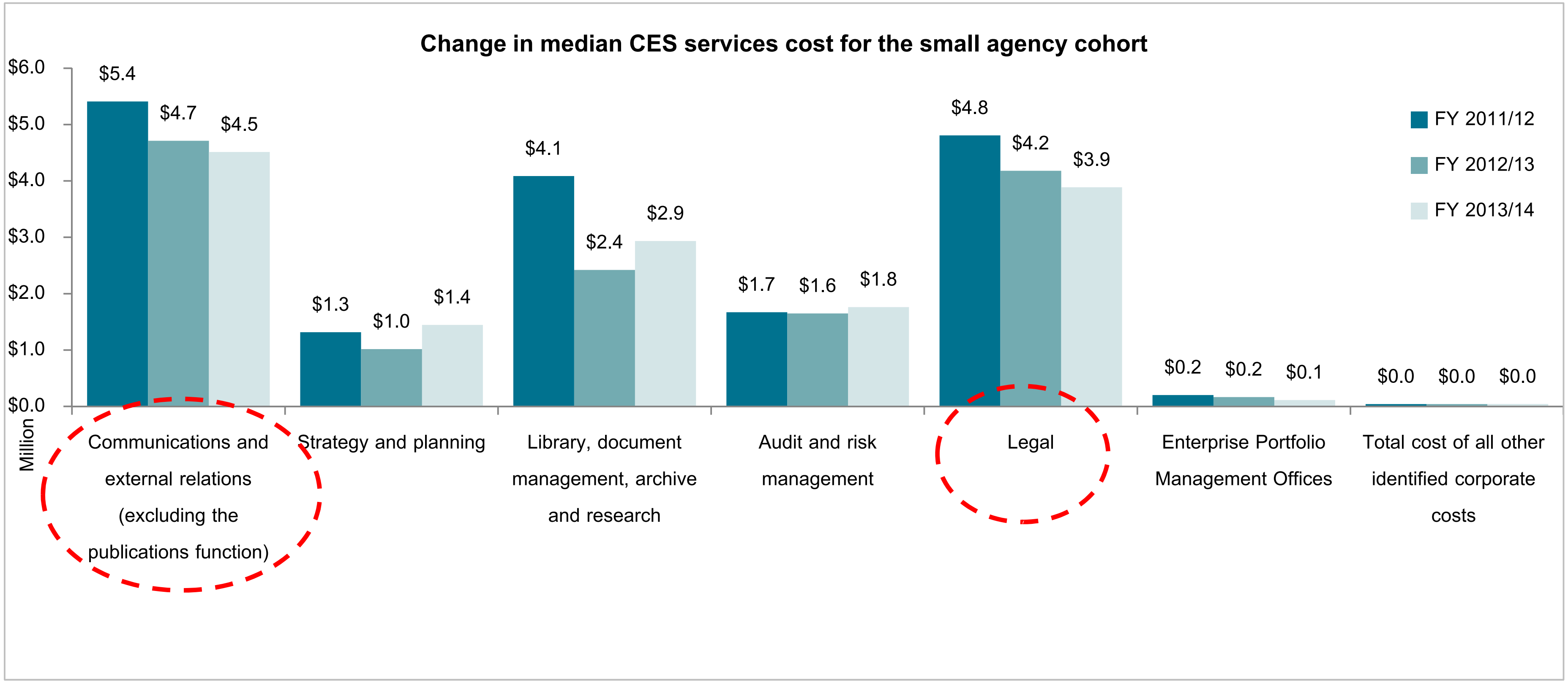
1. Impact of restructuring, additional recruitment and reassignment of roles
2. Increases in the number of qualified staff
3. Increased legal services costs
4. Establishment costs of setting up an EPMO

The medium agency cohort is the only cohort to report year-on-year reductions in overall CES expenditure since FY 2011/12, when the impact of the MBIE merger are taken into account



Note Caveat : The Ministry of Business, Innovation and Employment (MBIE) merger had an impact on the comparative metrics across cohorts, with Department of Building and Housing (DBH) moving out of the small agency cohort, and Department of Labour (DOL) and Ministry of Economic Development (MED) out of the medium agency cohort, to now all be included in the large agency cohort as MBIE. Note that the significant lower cost for the large cohort, and higher costs for the small and medium cohorts in FY 2011/12 relate to this merger. DBH, DOL and MED spent $3.7m, $9.1m and $5.5m respectively on CES in FY 2011/12. If these costs($18.3m) were reflected in the large cohort costs for FY 2011/12 the relative cost would be $100.8m. Please see the data quality section of this chapter for more detail.

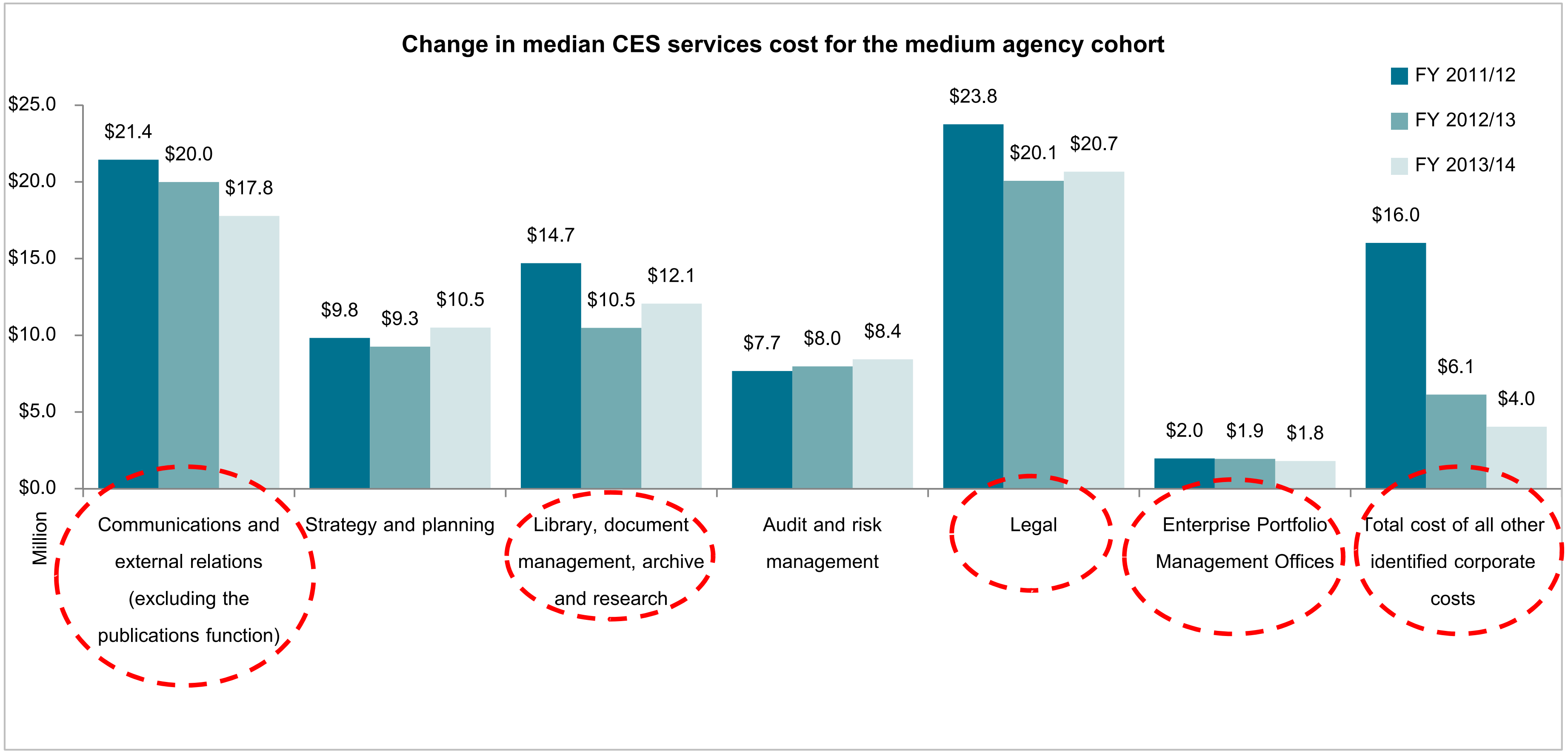
The small agency cohort has consistently reported cost reductions in Communications and Legal service areas since FY 2011/12



The small cohort CES costs have reduced by $2.8m since FY 2011/12.

Note Caveat *for the MBIE merger in FY2012/13 . The merger had an impact on the comparative cost across cohorts and processes. – see the data Quality section of this chapter.*

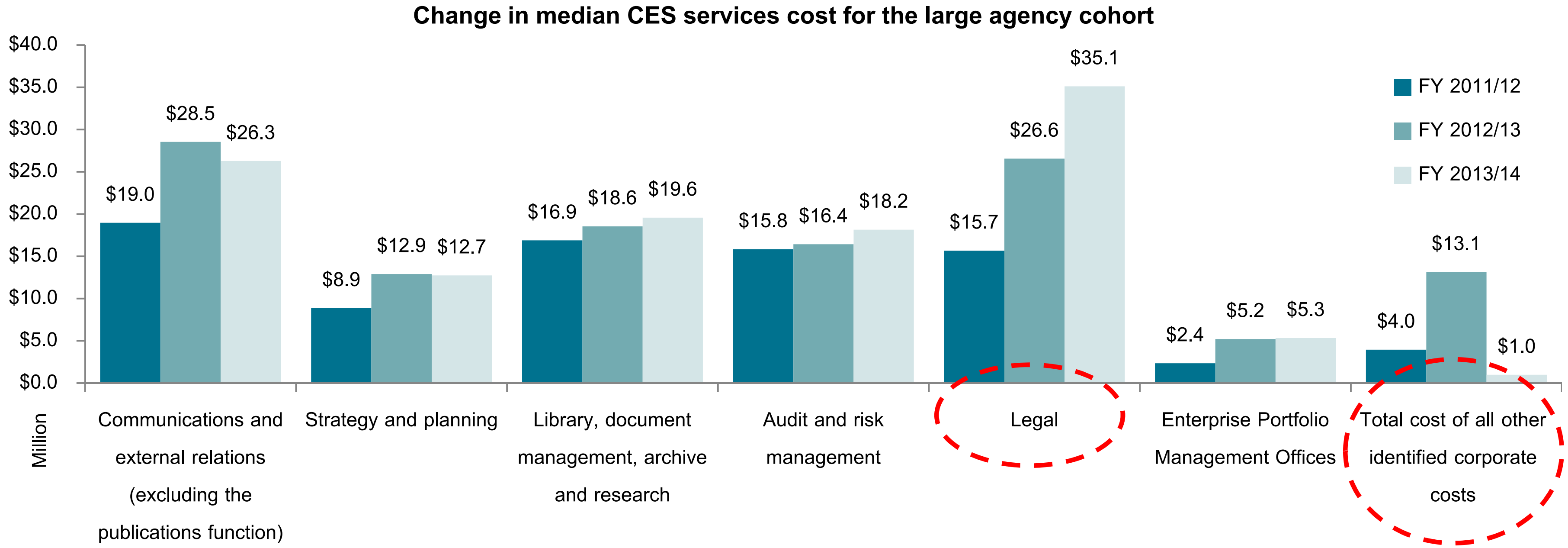
The medium agency cohort reports cost reductions in five of seven service areas since FY 2011/12, when taking into account the MBIE merger



The medium cohorts CES costs have decreased by $20.1m since FY 2011/12.

***Note Caveat** for the MBIE merger in FY2012/13 . The merger had an impact on the comparative cost across cohorts and processes. – see the data Quality section of this chapter.*

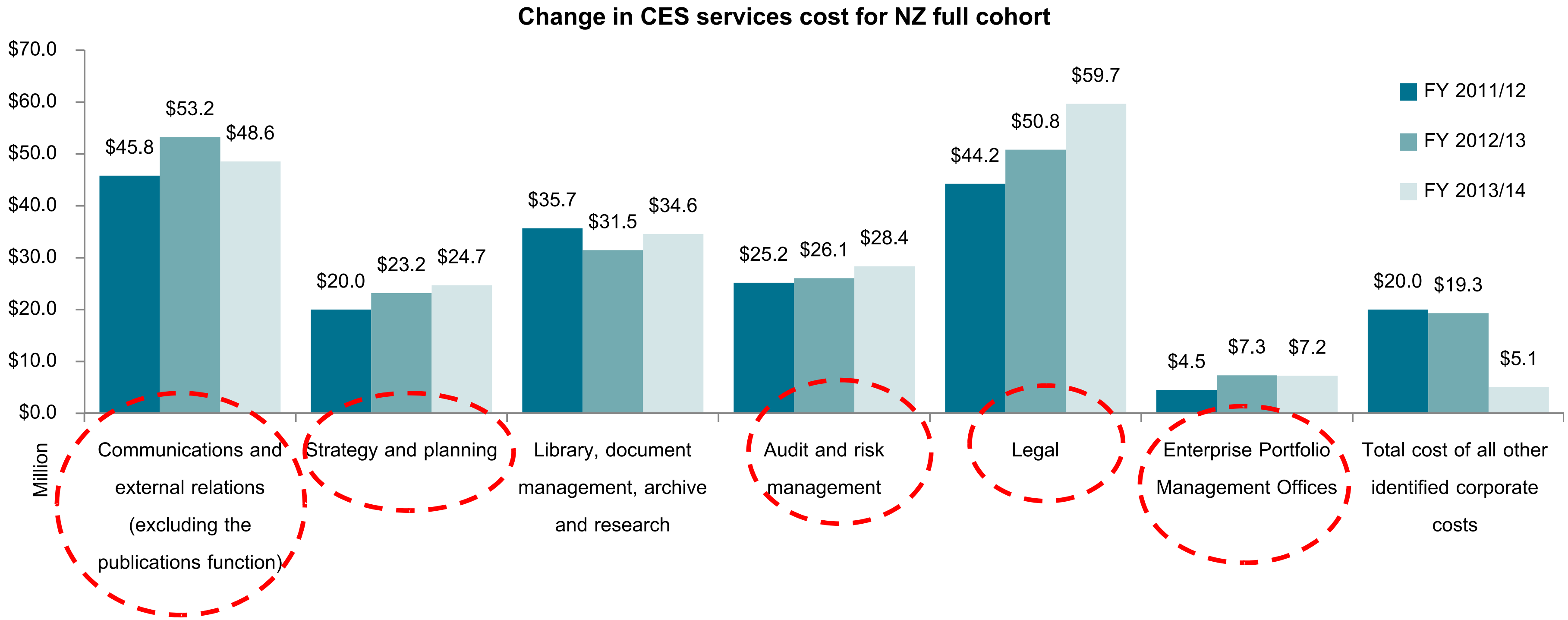
The large agency cohort reports cost increases in service areas, apart from Other Identified Corporate Costs since FY 2011/12, when taking into account the MBIE merger



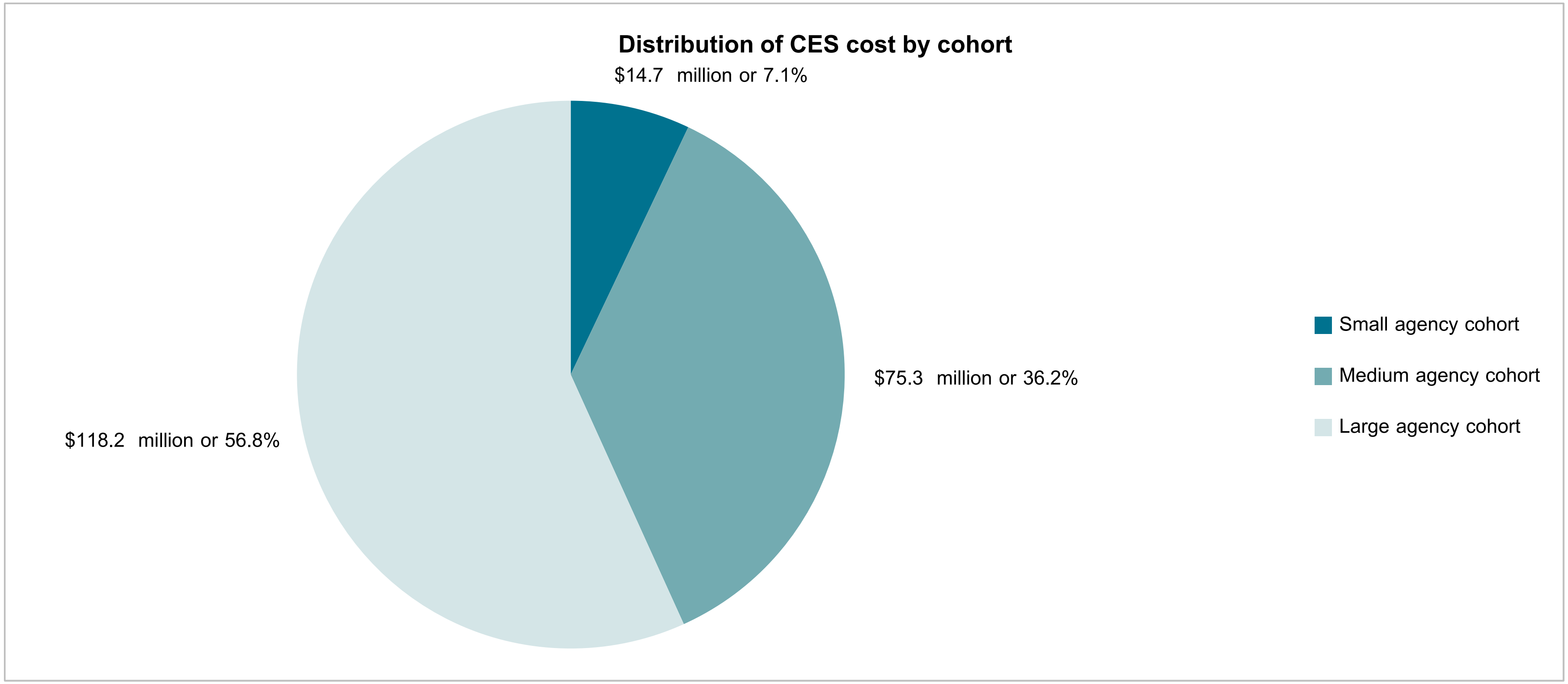
The Large cohort's CES costs have increased by 35.7m since FY 2011/12

Note Caveat *for the MBIE merger in FY2012/13 . The merger had an impact on the comparative cost across cohorts and processes. – see the data Quality section of this chapter.*

The New Zealand full cohort reports cost increases in five of seven service areas since FY 2011/12



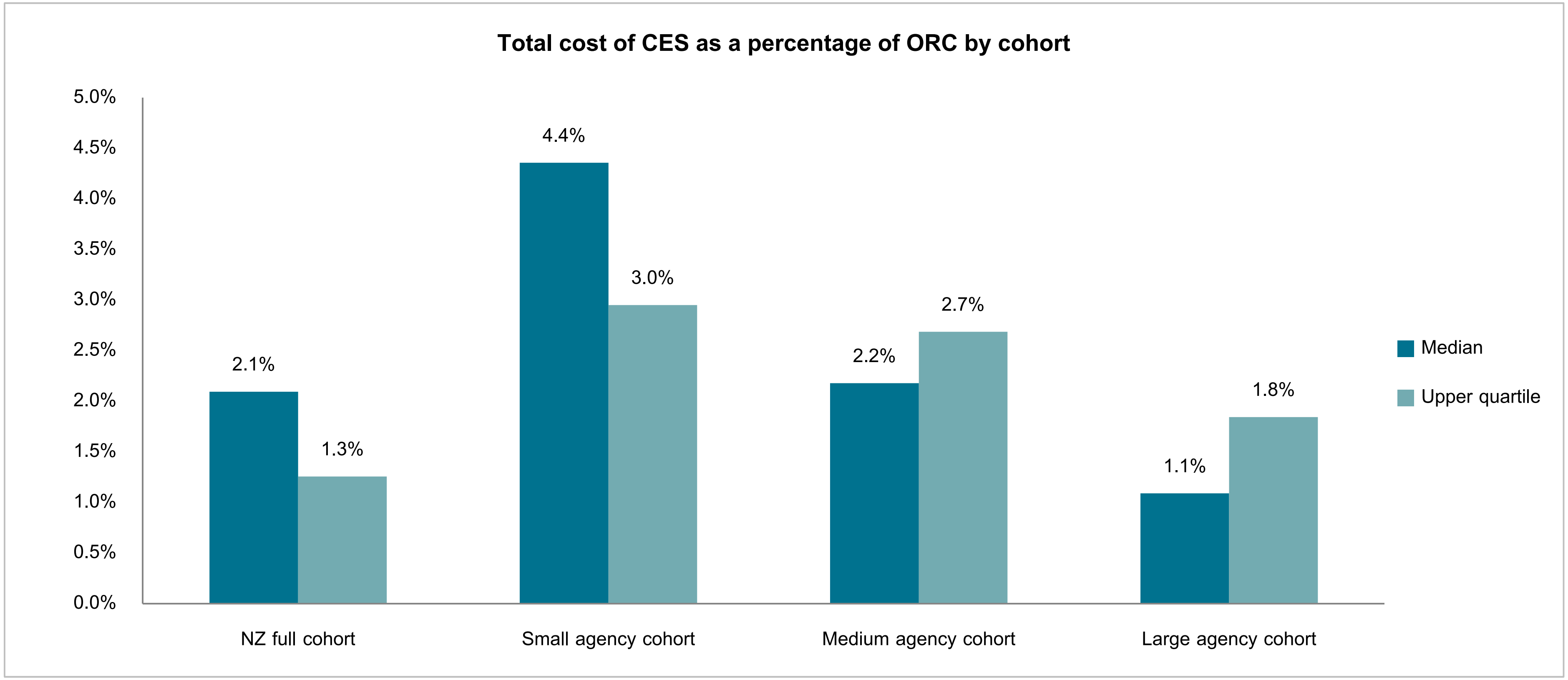
The medium and large agency cohorts make up 93% of reported CES expenditure



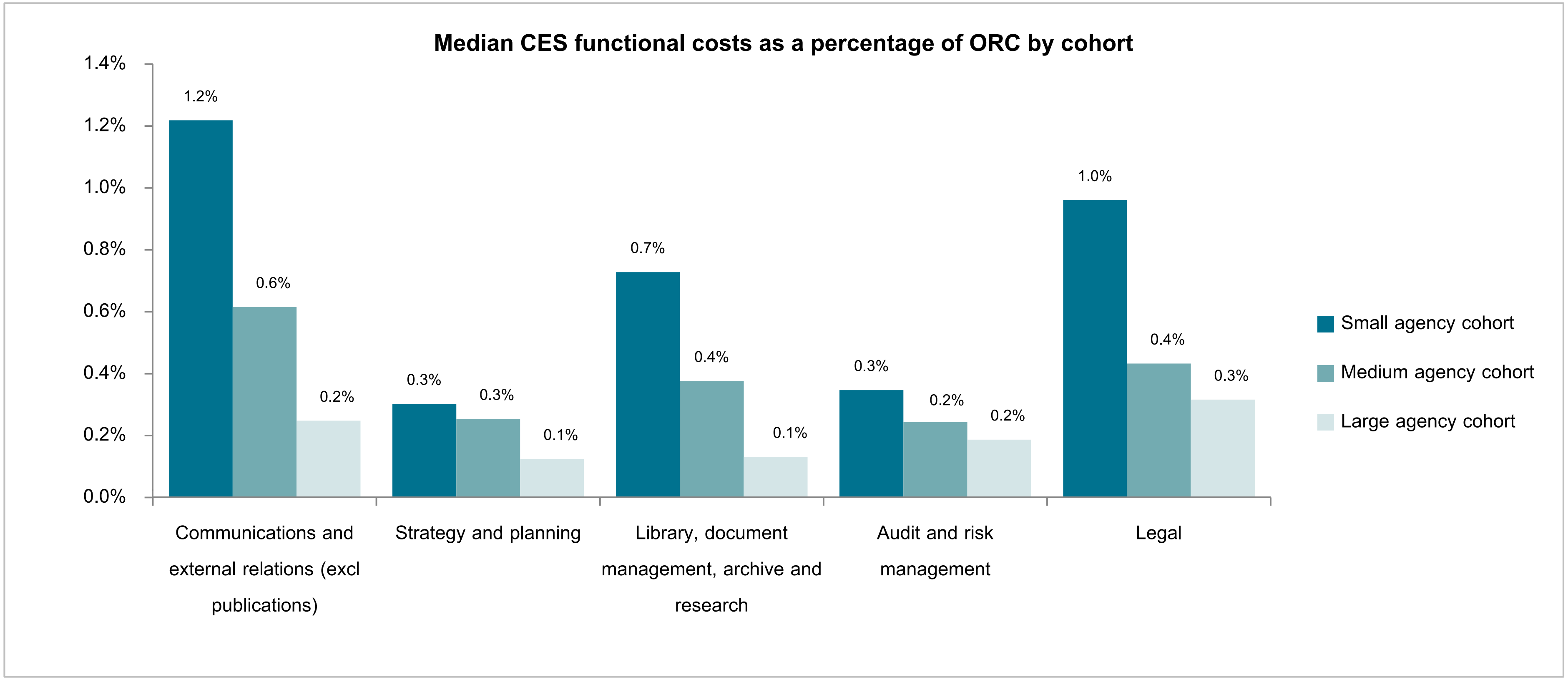
4. EFFICIENCY

Efficiency findings report on the ratio of input to output (or the use of resources in a manner that minimises cost, effort, and time) as well as opportunities for efficiency gains and their implications for potential gross savings. This section also examines changes in efficiency since previous reporting periods. Efficiency findings are based on the cost of the CES function overall as a percentage of organisational running costs (ORC). Efficiency findings also examine the cost of the seven services within the CES function as a percentage of ORC.

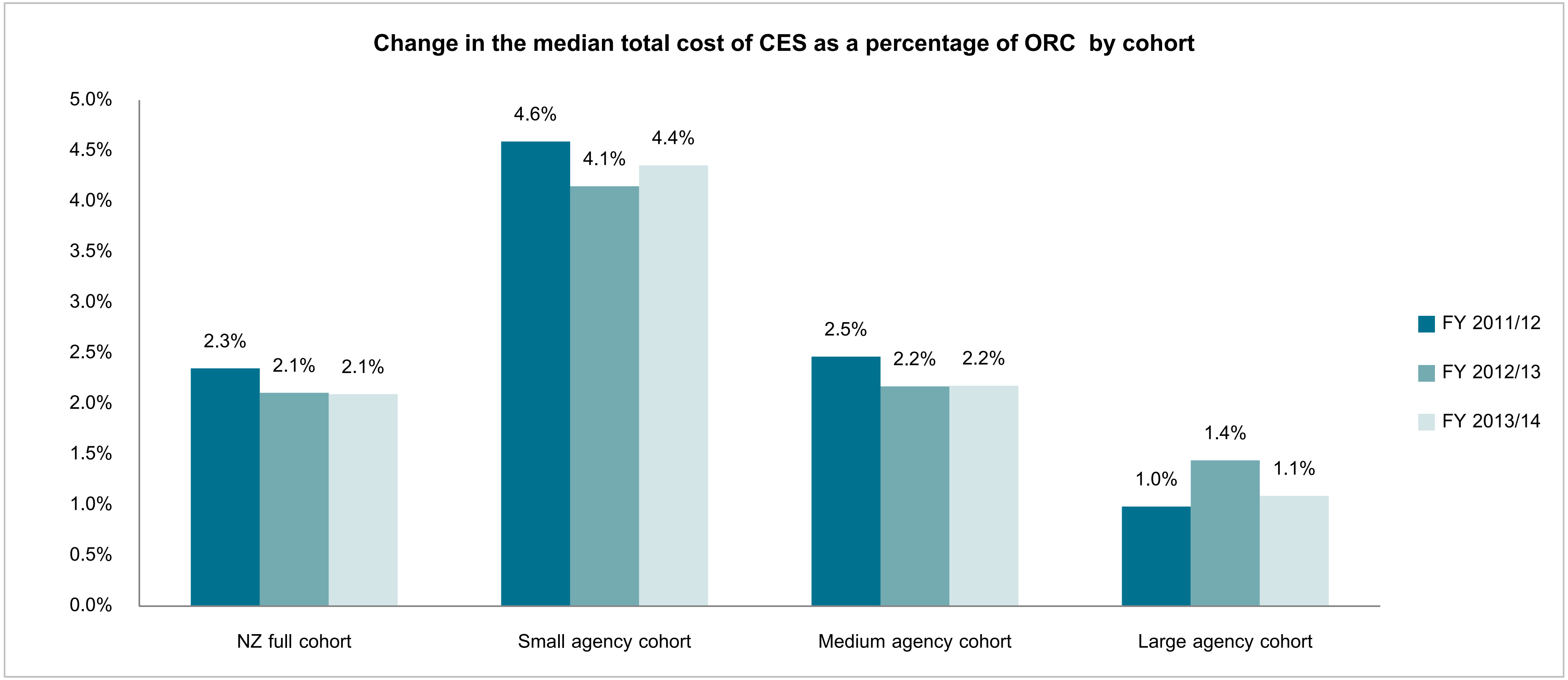
The large agency cohort delivers CES services significantly more efficiently than the small and medium agency cohorts



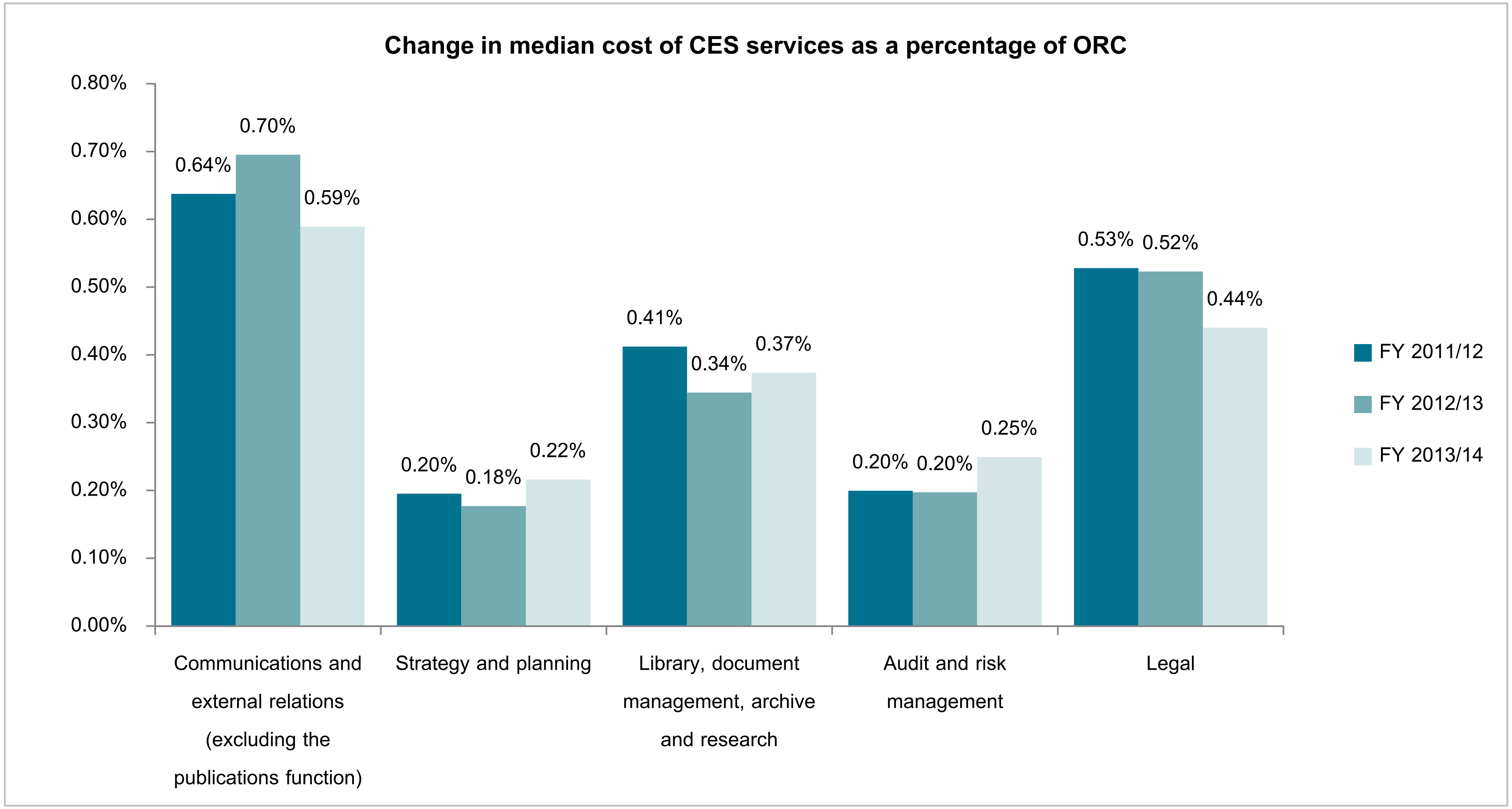
The large agency cohort delivers all component service types within CES more efficiently than the medium and small agency cohorts



The reported efficiency of the CES function has remained relatively flat over the three reporting periods for the New Zealand full cohort

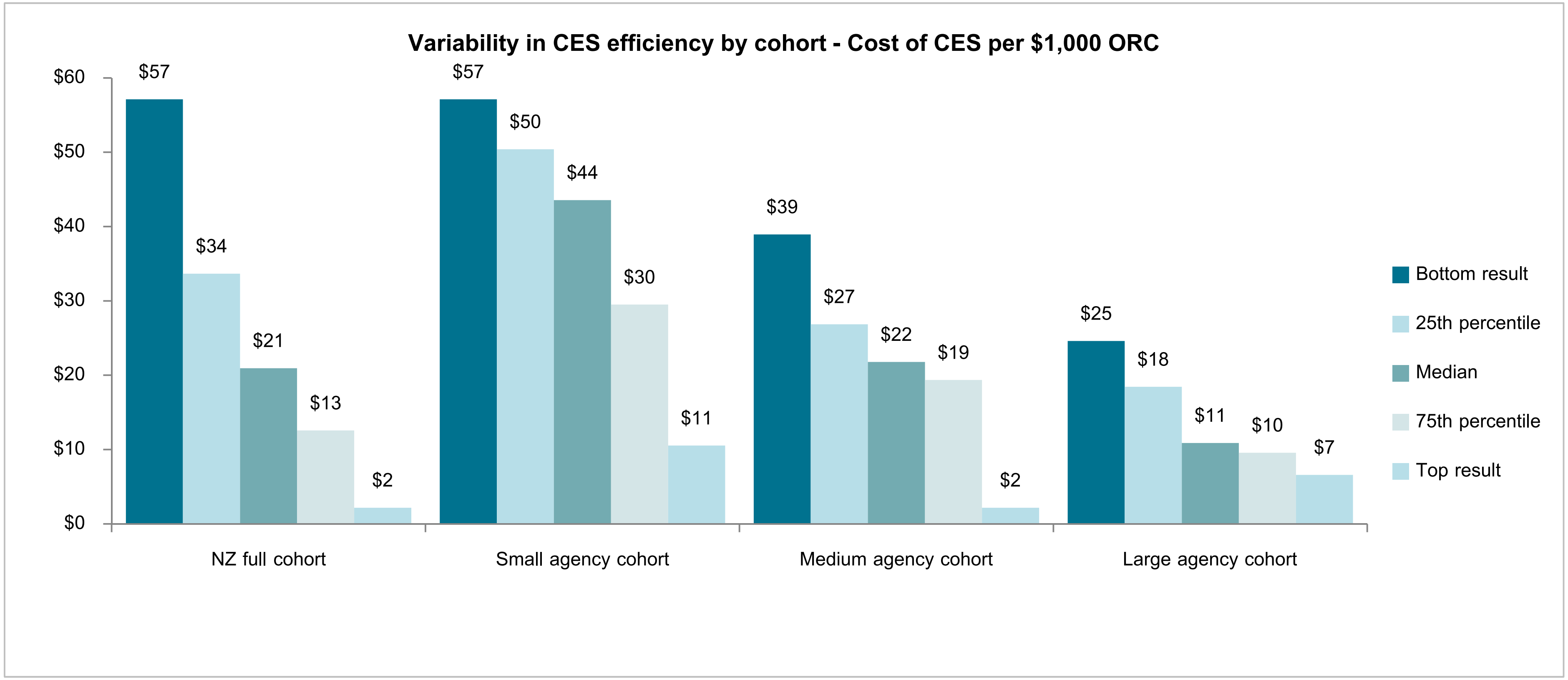


There are marginal changes in the reported efficiency of each component service over the three reporting periods



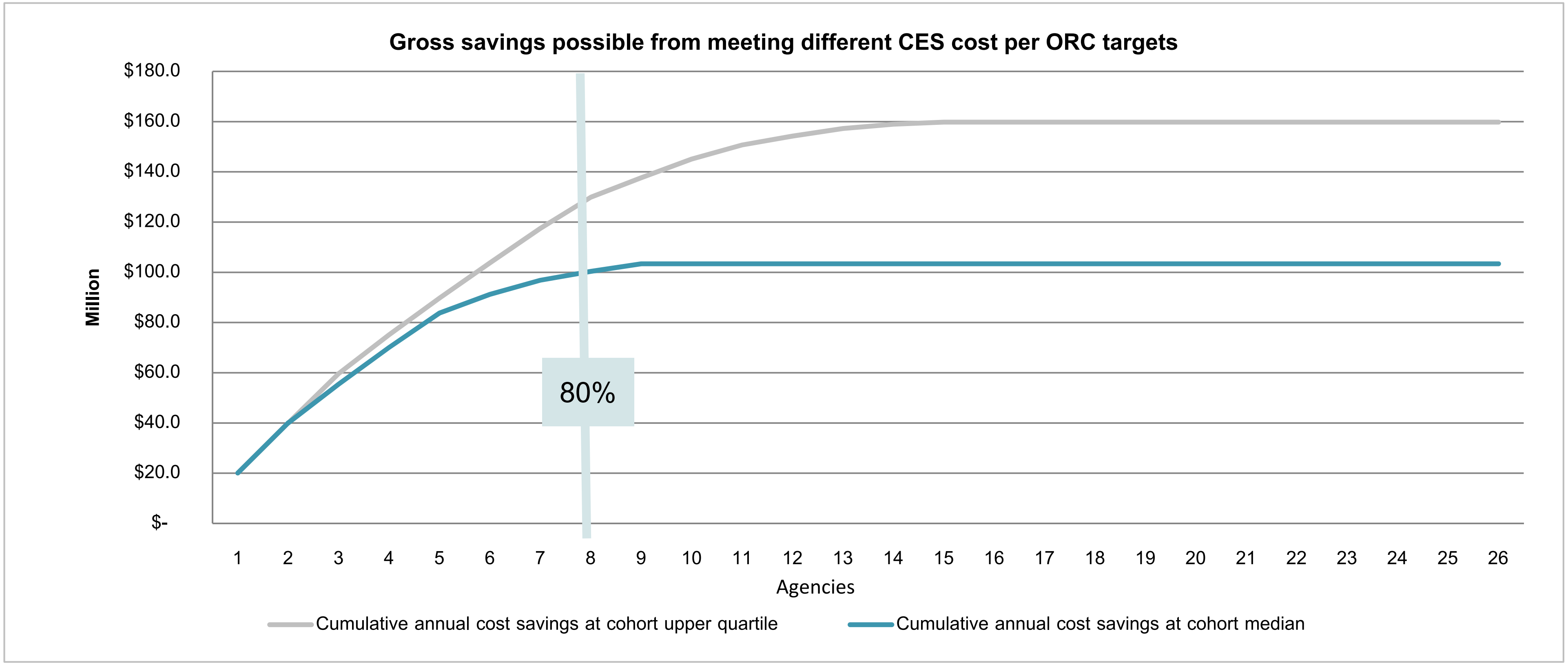
As illustrated in slide 25, changes in year-on-year spend for the different services is all but balanced out for overall CES spend for the New Zealand full cohort.

There is high variability in reported efficiency of the CES function for FY 2013/14 within all agency cohorts



A high degree of variability remains within the small and medium cohorts.

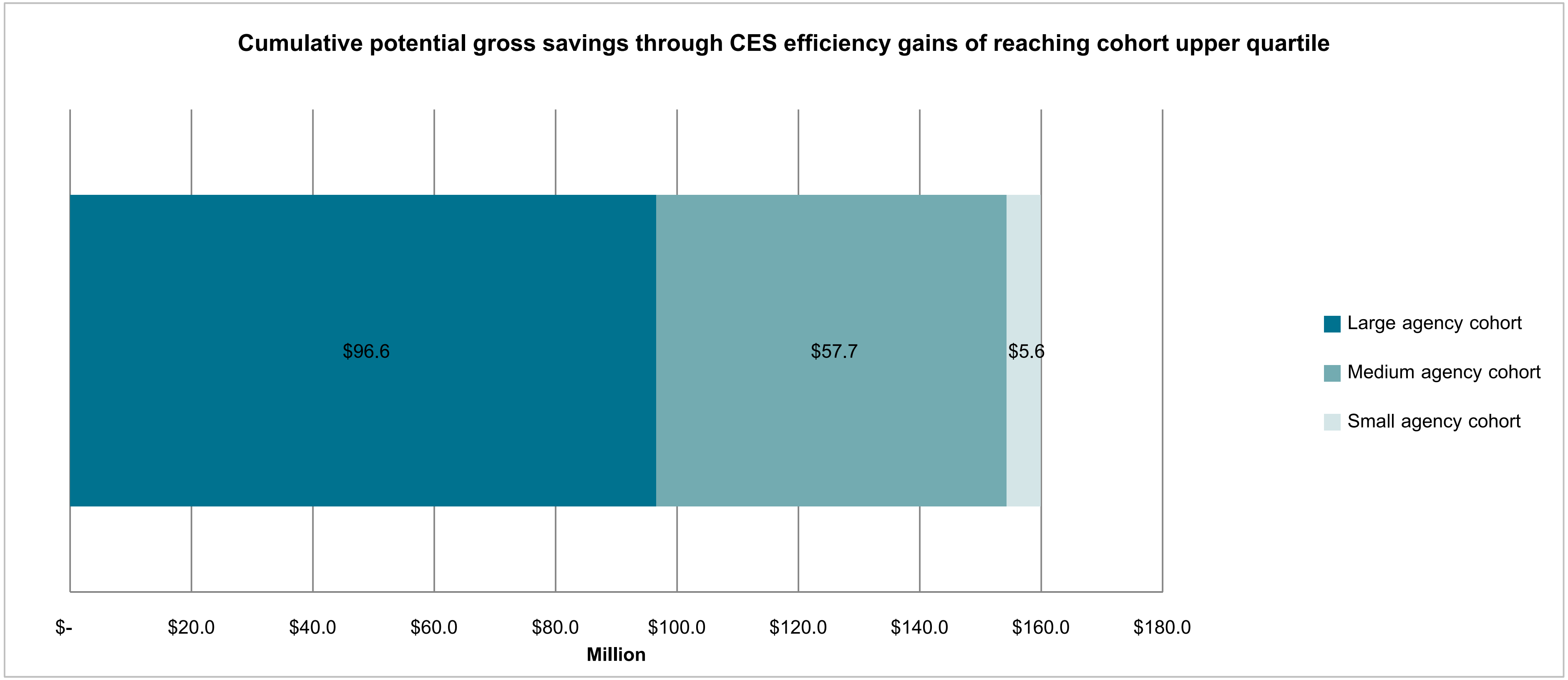
Gross annual savings between $103m and $160m are possible if agencies below median or upper quartile efficiency met those levels in their cohorts



The potential scenarios for gross savings by improved CES cost per ORC targets are:

- $103.4m in gross savings if the 9 agencies below the median reach median performance within their cohort
- $159.8m in gross savings if the 15 agencies below the upper quartile meet upper quartile performance for their cohort.

The greatest potential for cost savings is in the medium and large agency cohorts



Even though the large and medium-sized agencies are more efficient, $154.3m, or 96%, of a potential gross saving of $159.8m would be realised from these cohorts moving to their cohort upper quartile. Conversely, only around $5.6m, or 3.5%, would be realised from small agencies moving to their cohort upper quartile, because they make up only 7.1% of CES expenditure.

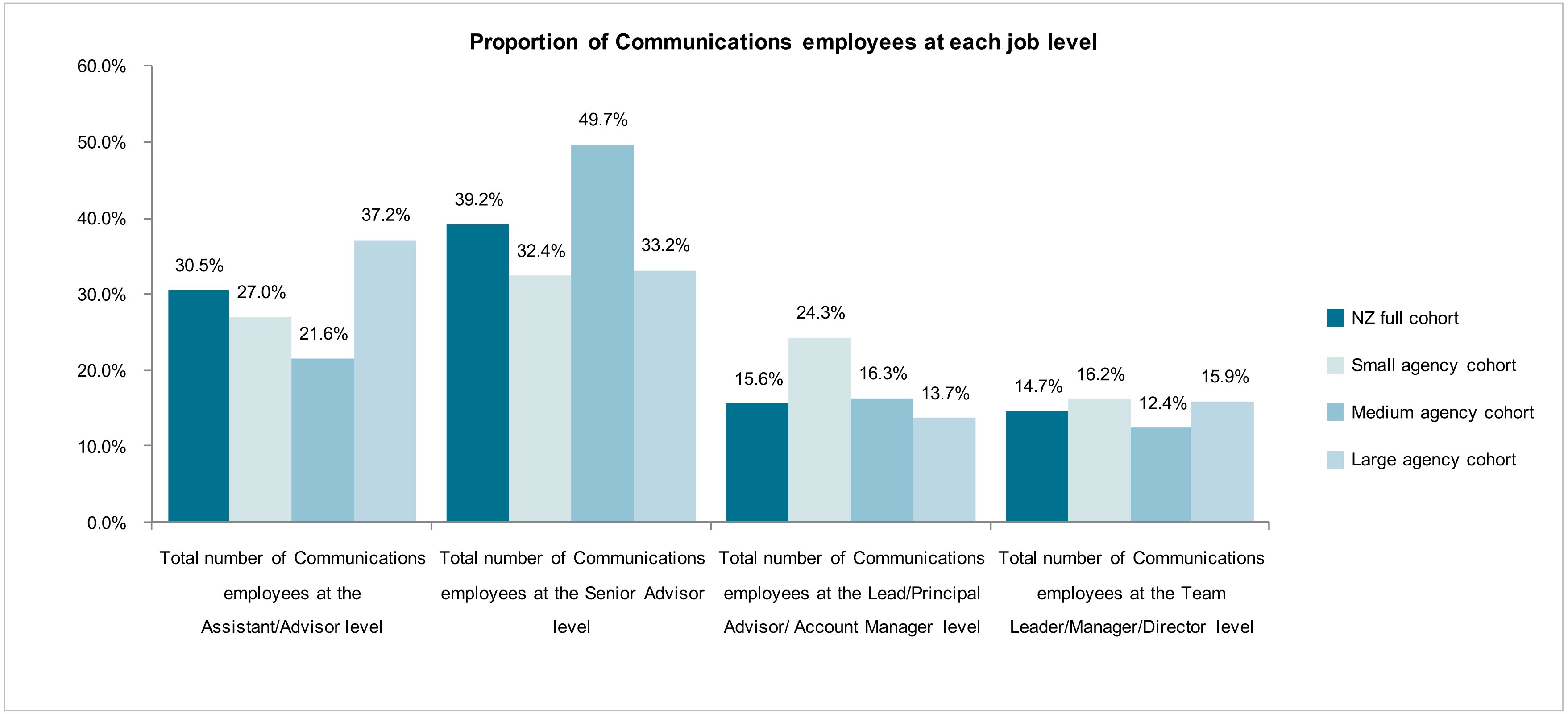
5. EFFECTIVENESS

Effectiveness findings report on the extent to which CES activities achieve intended or targeted results. CES effectiveness metrics are limited to indicators for communications and legal services.

CES effectiveness findings are based on three metrics:

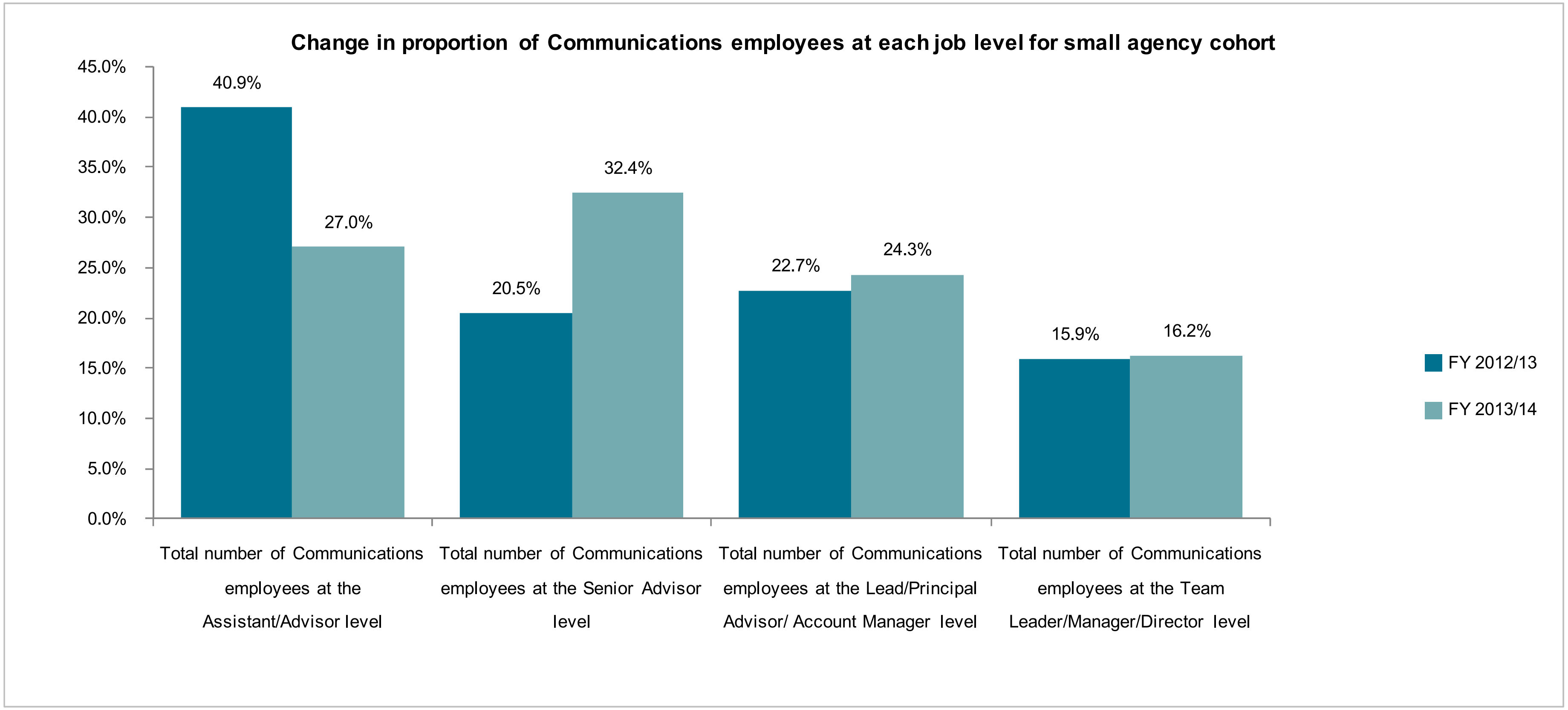
1. The percentage of total Communications employees by level of experiencePercentage of ‘commodity’ Procurement spend channelled through collaborative Procurement arrangements, where a higher percentage is considered more effective.
2. Professionally qualified Communications employees as a percentage of total Communications employees.
3. The Capability Maturity Model, which enables agencies to indicate current and future levels of maturity, their priorities and any initiatives in progress.

Overall, the proportion of communication employees is highest at the Senior Advisor level



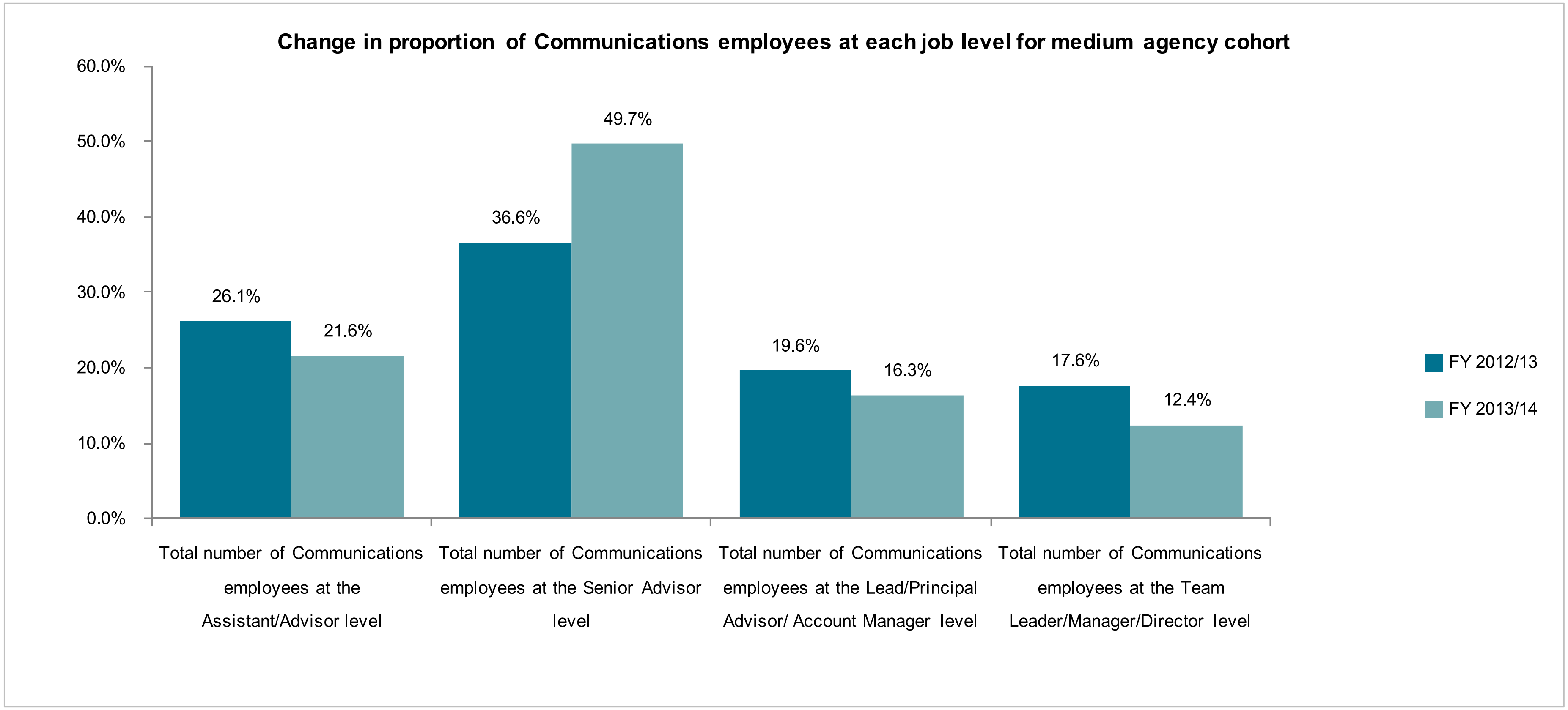
There is variability across job levels between cohorts, with the majority of communications employees at the advisor / senior advisor level.

There has been a significant decrease in the proportion of communications employees at the advisor level, and a corresponding increase at the senior advisor level for the small cohort since FY 2012/13



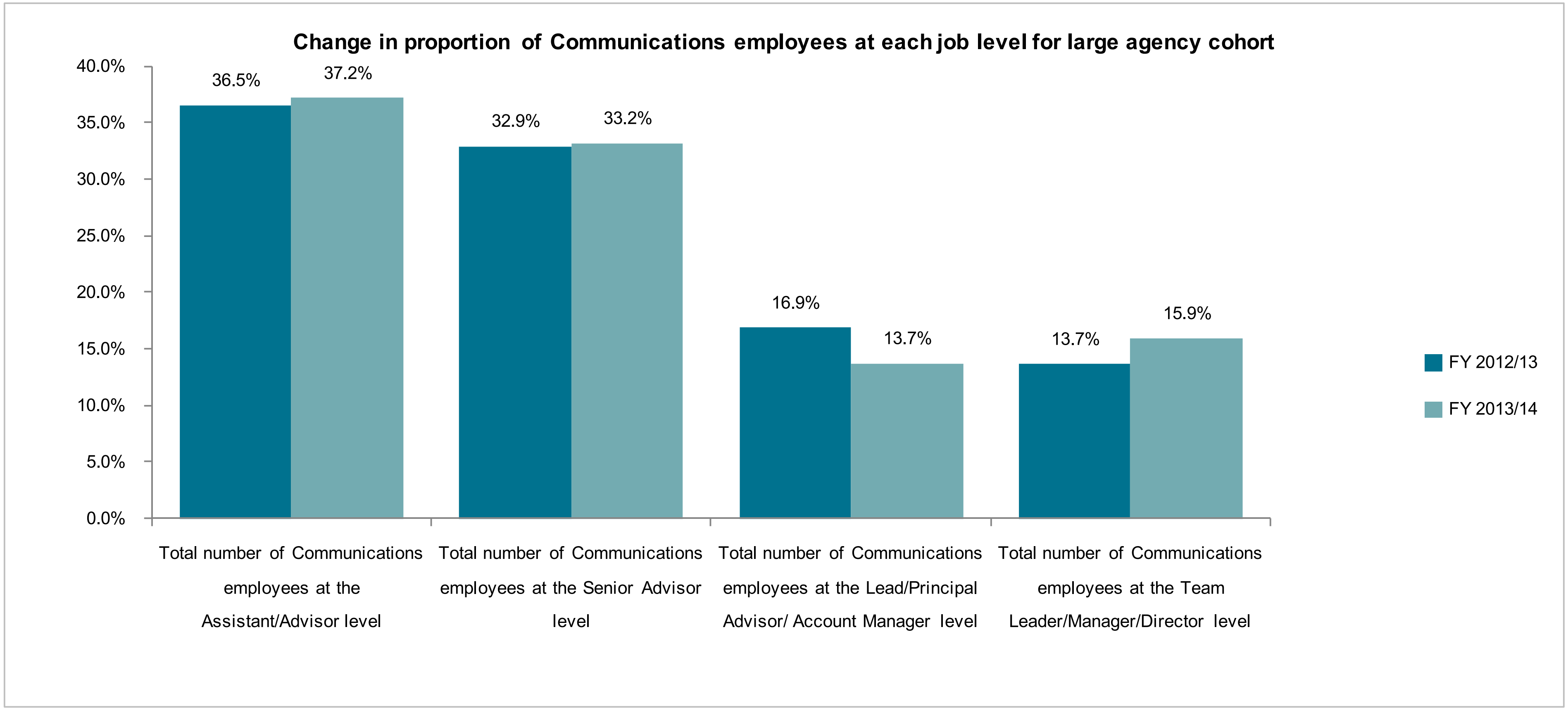
A high degree of variability is seen in the advisor / senior advisor job levels when compared to FY 2012/13. Whereas the total number of communication employees at the principal advisor / team leader job levels have remained relatively consistent compared to FY 2012/13.

There has been a significant increase in the proportion of communications employees at the senior advisor level for the medium cohort since FY 2012/13

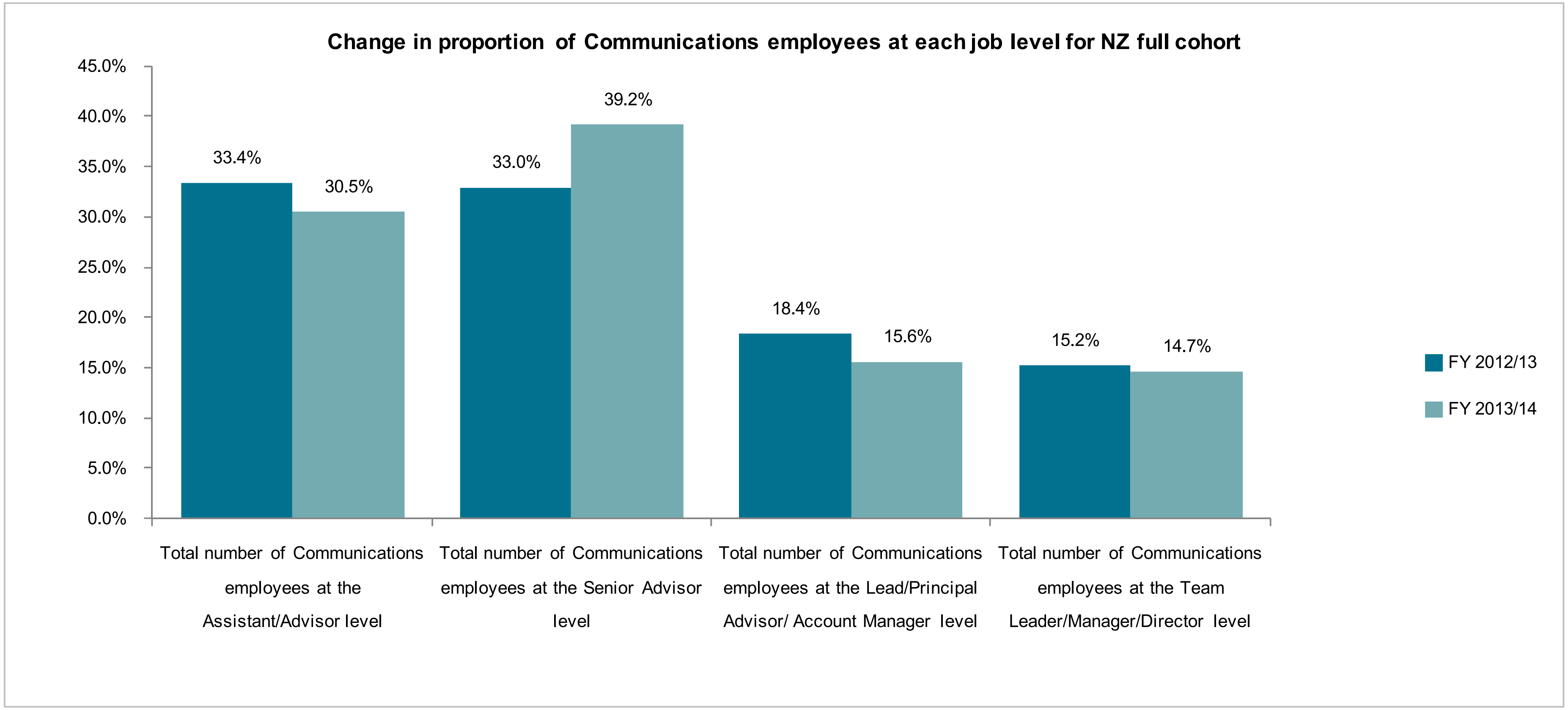


The increase in the proportion of communications employees at the senior advisor level is reflected by decreases in all other levels.

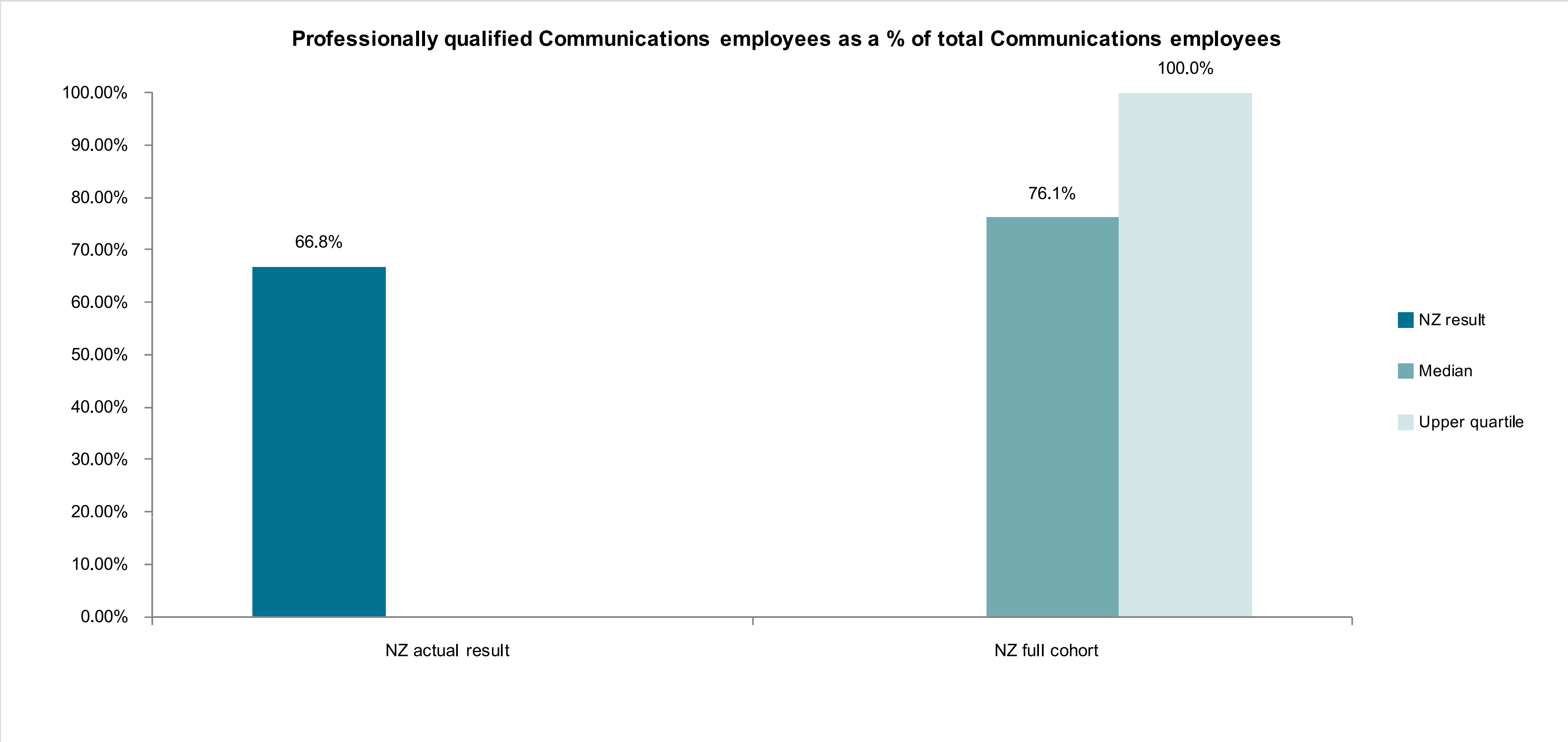
The proportion of communications employees across job levels has remained relatively flat for the large cohort since FY 2012/13



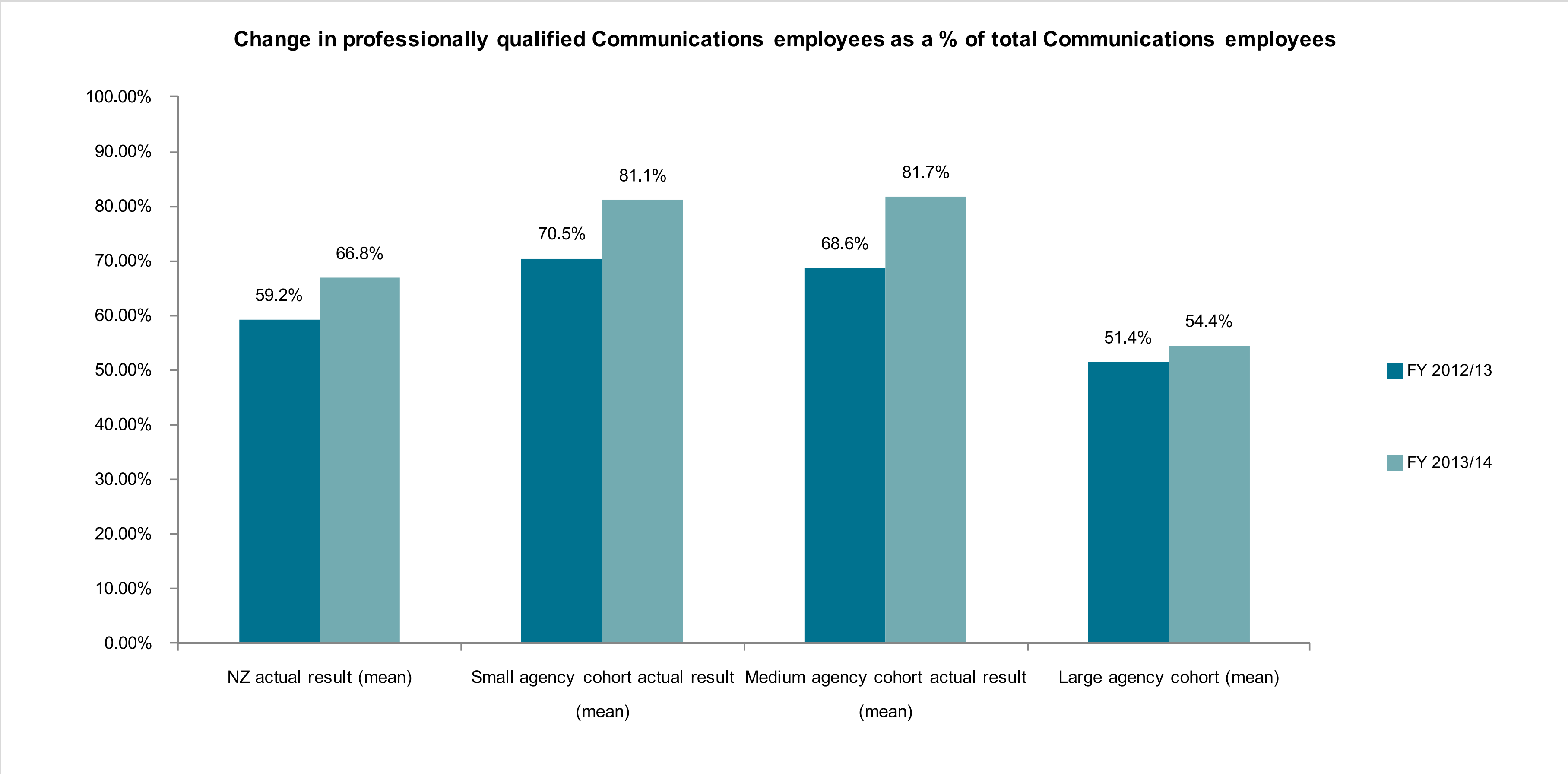
The greatest change in the proportion of communications employees across job levels since FY 2012/13 is at the senior advisor level for the full NZ cohort



Over two thirds of all communications employees were professionally qualified in FY 2013/14



Overall, the percentage of professionally qualified Communications employees has increased by 7.6% since FY 2012/13



The increase in the percentage of professionally qualified Communications employees is due to significant increases in the small and medium cohorts and a smaller increase in the large cohort.

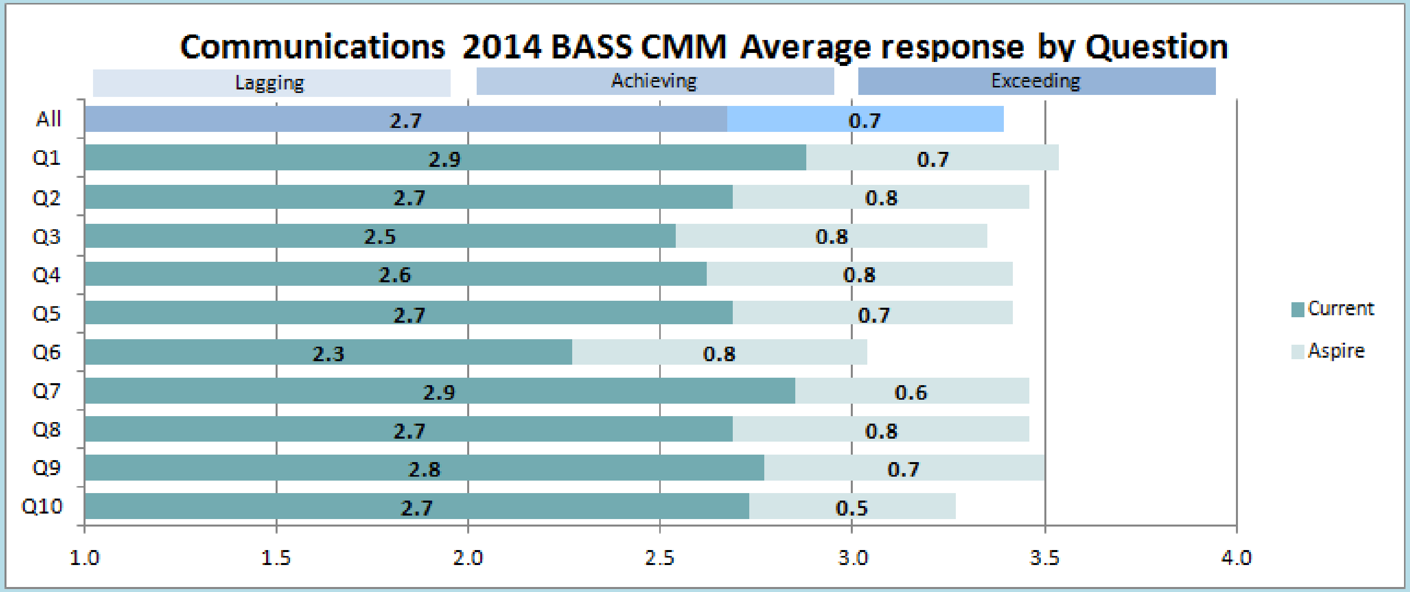
The Capability Maturity Model (CMM) was introduced for Communications and Legal functions in FY 2012/13 to improve the effectiveness measurement of these functions

The CMM framework enables agencies to indicate current and future assessments of their Communications and Legal services maturity, their priorities and any initiatives in progress.

Agencies were asked to respond to 10 questions with a rating of 1-4 for both their current and aspirational state, where 1 = lagging, 2 = achieving, 3 = exceeding, 4 = leading.

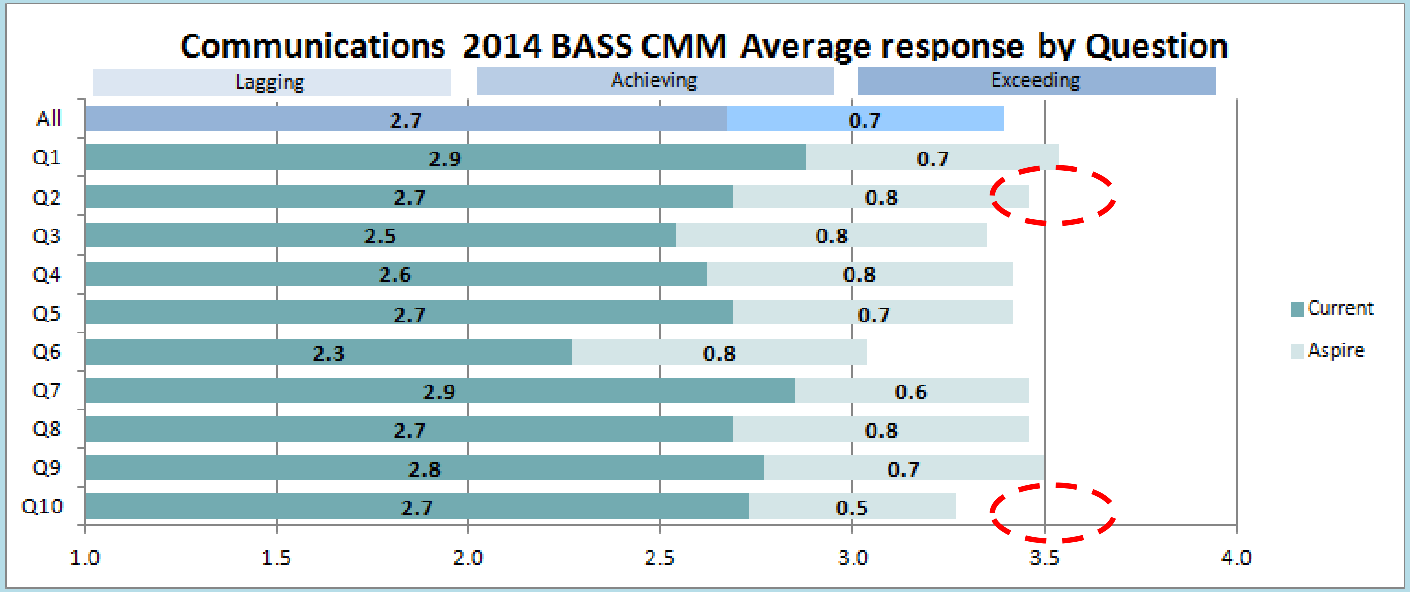
The model is based on a methodology from The Hackett Group.

Overall, agencies aspire to significantly improve the maturity of their Communications practices over the next two years, with five out of ten questions having an aspirational gap of 0.8



Q1: Linkage of Communications strategy and activity to broader business goals
Q2: Recorded communications strategy
Q3: Robust strategy and planning
Q4: Customer insight and input
Q5: Channel integration and delivery
Q6: Evaluation of communications activity
Q7: Executive leadership in governance
Q8: Effective organisational influence
Q9: Developing professional skills of communications staff
Q10: Cost of communications services

Across agencies, linkage of Communications strategy and activity to broader business goals (Q1) and Developing Professional Skills of Communications Staff (Q9) were rated with the highest level of aspiration



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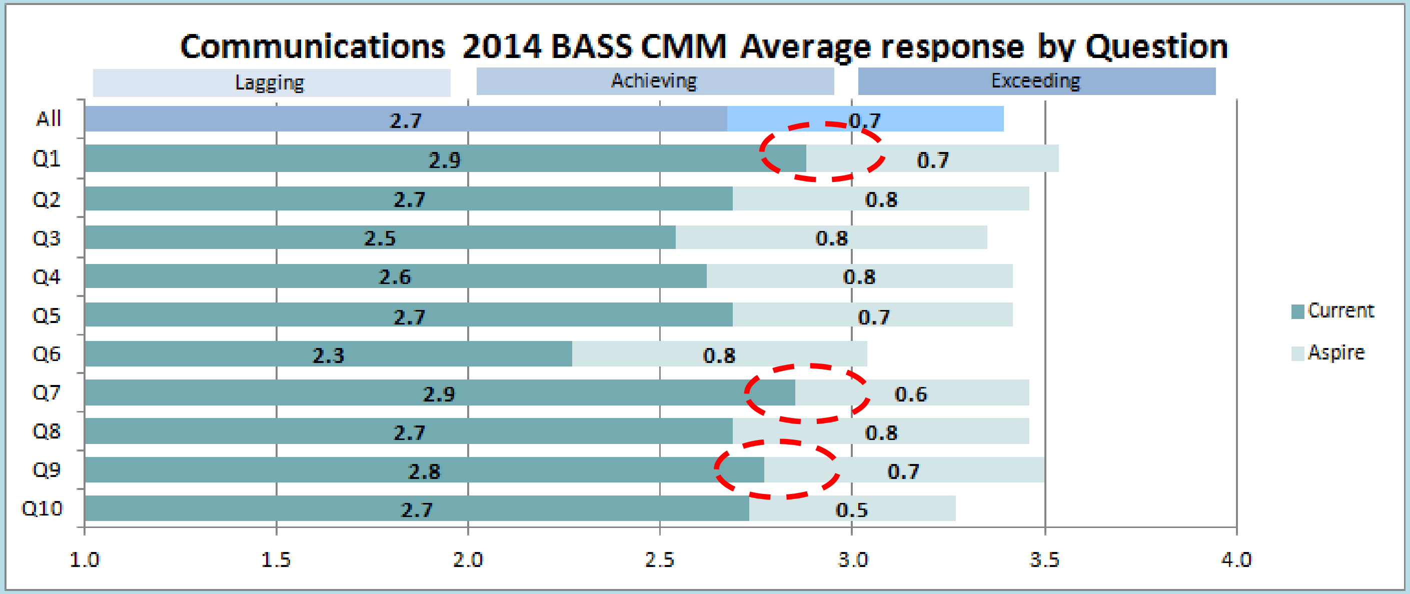
Q7: Executive leadership in governance
Q8: Effective organisational influence
Q9: Developing professional skills of communications staff
Q10: Cost of communications services

Agencies rated linkage of Communications strategy and activity to broader business goals (Q1), executive leadership in governance (Q7), and Developing professional skills of communications staff as their most mature practices



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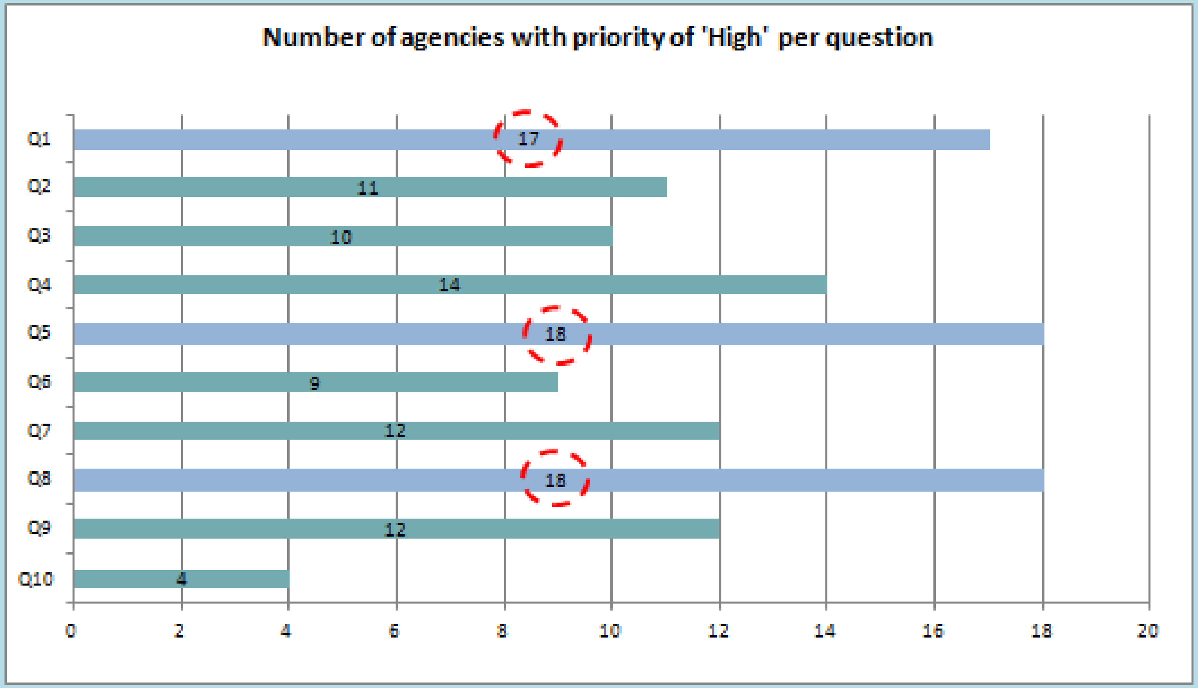
Q9: Developing professional skills of communications staff
Q10: Cost of communications services

The three highest priority areas for improvement are Linkage of Communications strategy and activity to broader business goals (Q1), Channel integration and delivery (Q5), and Effective organisational influence (Q8)



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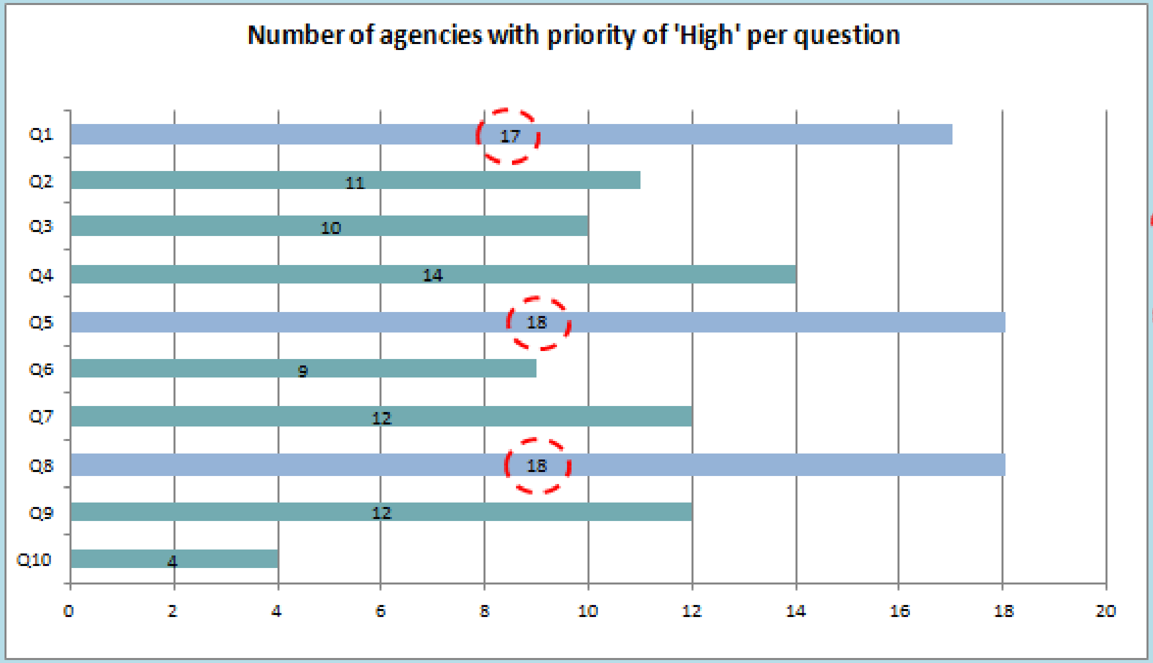
Q6: Evaluation of communications activity
Q7: Executive leadership in governance
Q8: Effective organisational influence
Q9: Developing professional skills of communications staff
Q10: Cost of communications services

...and the three areas with the most improvement activity are linkage of communications strategy and activity to broader business goals (Q1), Robust strategy and planning (Q3) and Channel integration and delivery (Q5)

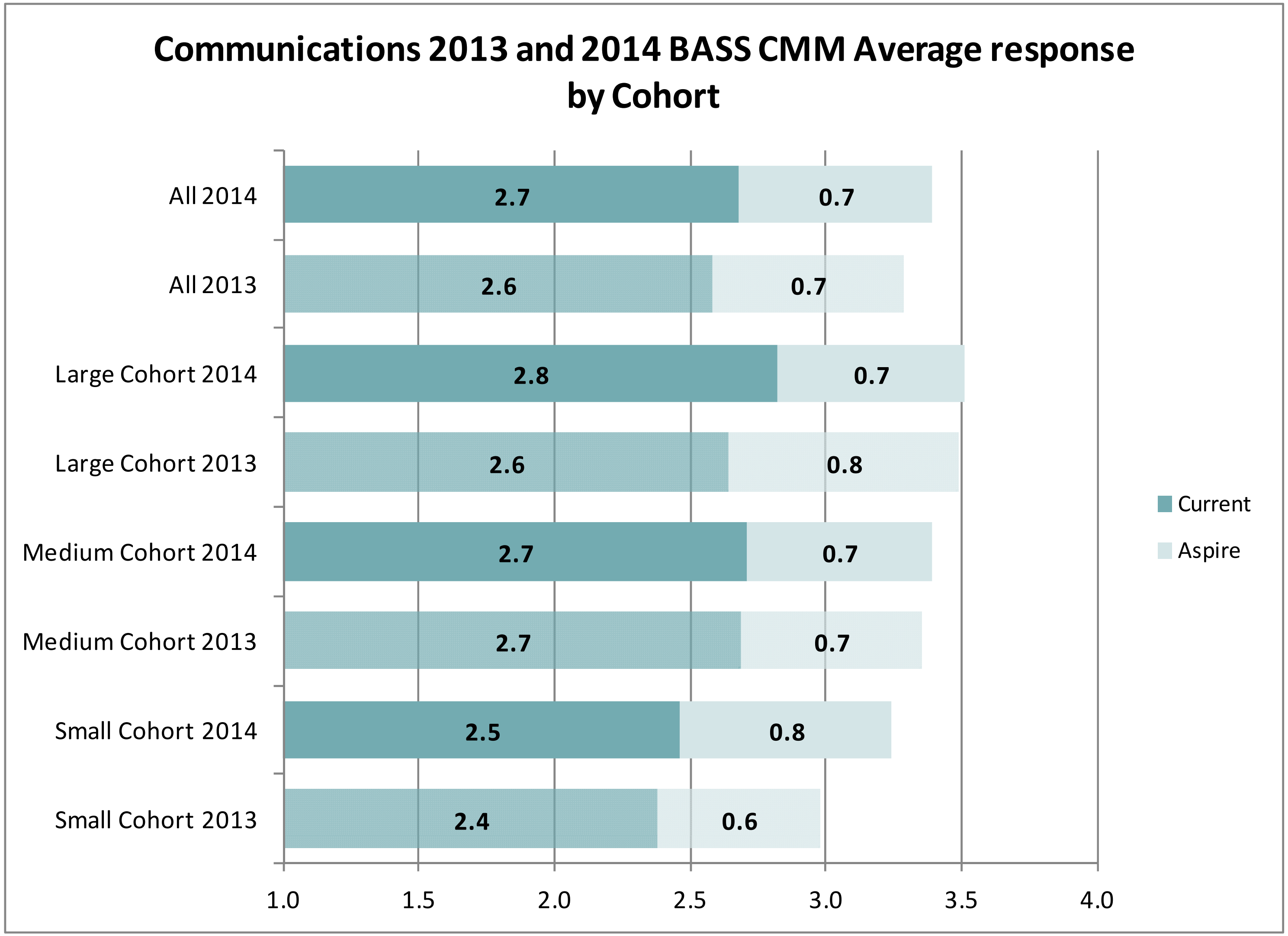


Number of Agencies with Initiatives in Progress

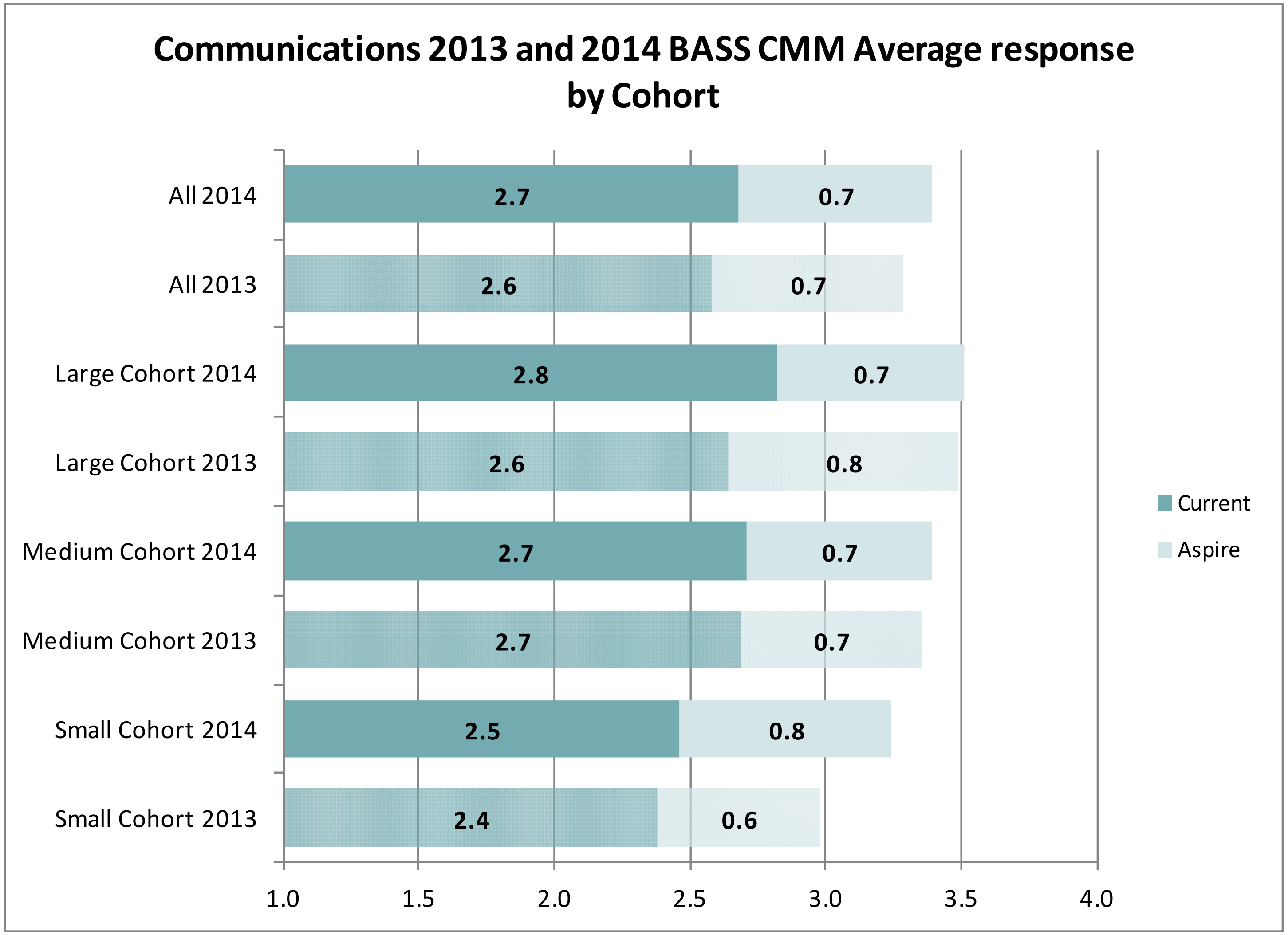
Q1 - 25
Q2 - 24
Q3 - 26
Q4 - 21
Q5 - 25
Q6 - 22
Q7 - 17
Q8 - 20
Q9 - 23
Q10 - 20

Q1: Linkage of Communications strategy and activity to broader business goals
Q2: Recorded communications strategy
Q3: Robust strategy and planning
Q4: Customer insight and input
Q5: Channel integration and delivery
Q6: Evaluation of communications activity
Q7: Executive leadership in governance
Q8: Effective organisational influence
Q9: Developing professional skills of communications staff
Q10: Cost of communications services

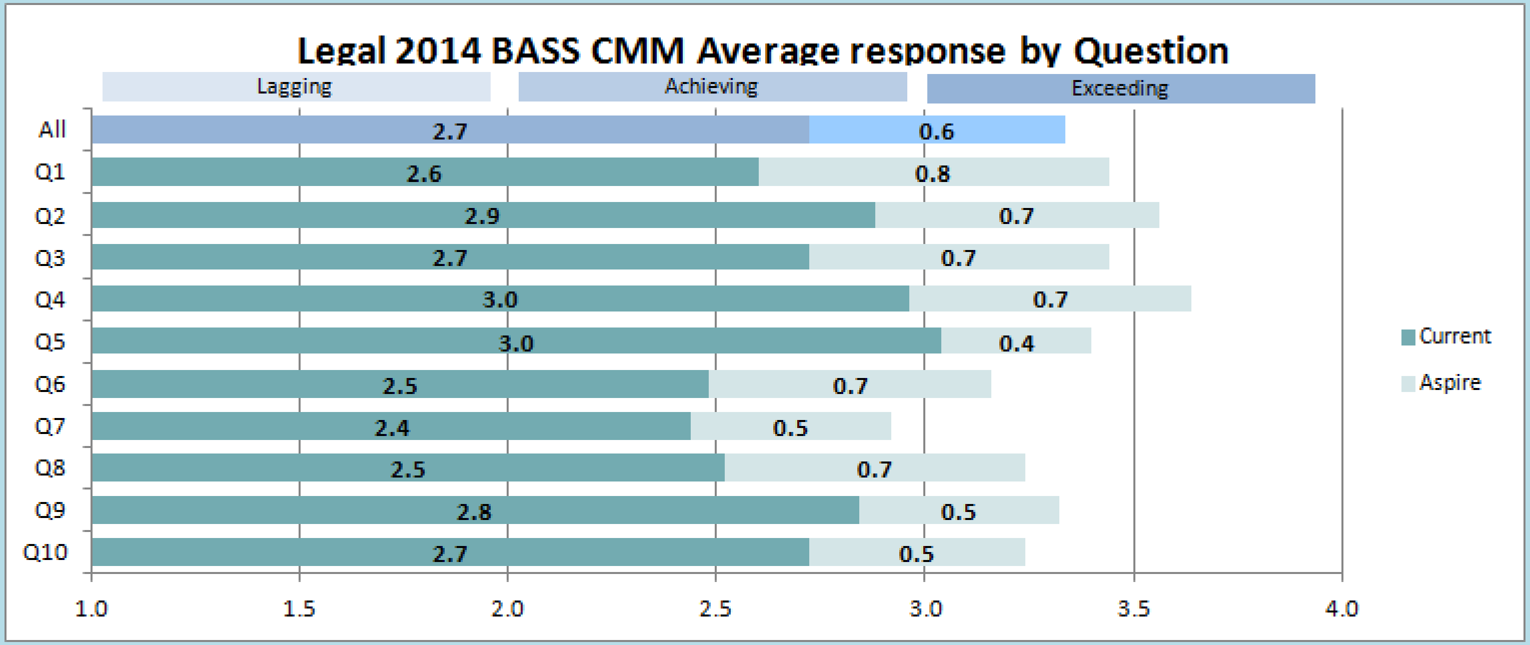
The small and large cohorts demonstrate a slightly higher current assessed maturity level than FY2012/13 whereas the medium cohort maturity level has remained consistent



...and the small and large cohorts also demonstrated increased future aspiration levels than in FY 2012/13 whereas the future aspiration for the medium cohort remained consistent



Overall, agencies aspire to significantly improve the maturity of their Legal practices over the next two years



Q1: Alignment of legal function objectives with agency objectives

Q2: Influence of legal function at CE and leadership team level

Q3: Monitors and reports on legal function performance and legal risk to a senior level

Q4: Individual development plans in place for legal team members

Q5: Contributes to & participates in GLN initiatives relating to more effective & efficient management & delivery of legal services to Crown

Q6: Monitors and reports on feedback from key users of the legal function services

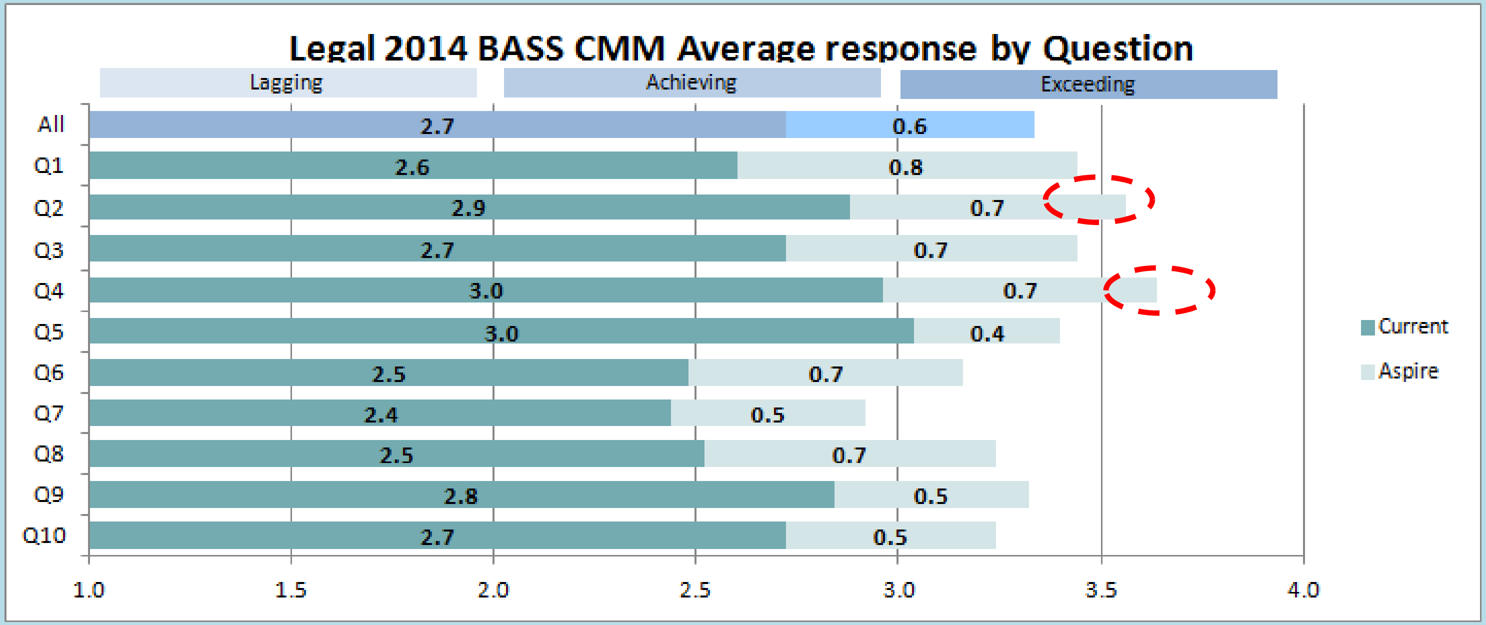
Q7: Has a formal quality assurance process that meets the needs and legal risk profile of your agency

Q8 Adopts systems, processes and technology to enhance efficiency and effectiveness

Q9: Knows the cost and demonstrates the benefits of the legal function

Q10: Actively manages the performance of & relationship with the external legal panel providers (including Crown Law) to optimise value

Agencies continued to rate influence of the legal function objectives with agency objectives (Q2) and individual development plans in place for legal team members (Q4) with the highest level of aspiration



Q1: Alignment of legal function objectives with agency objectives

Q2: Influence of legal function at CE and leadership team level

Q3: Monitors and reports on legal function performance and legal risk to a senior level

Q4: Individual development plans in place for legal team members

Q5: Contributes to & participates in GLN initiatives relating to more effective & efficient management & delivery of legal services to Crown

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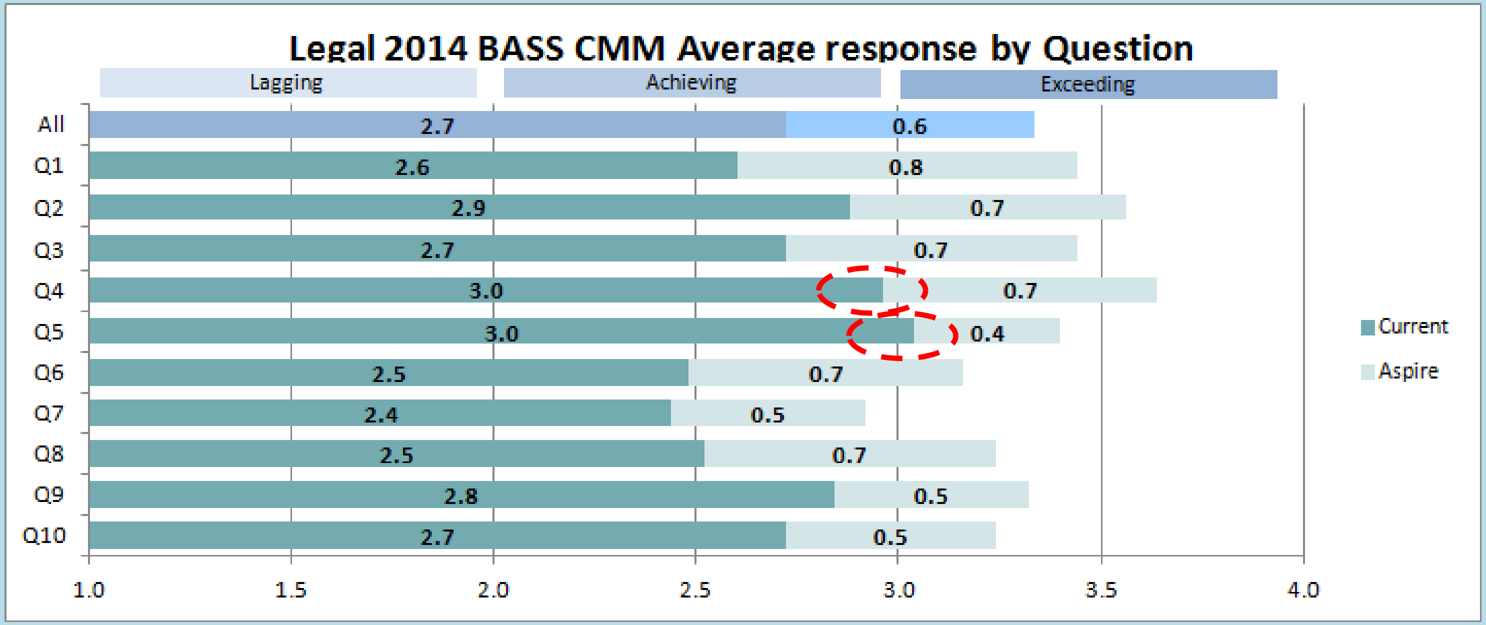
Agencies continued to rate individual development plans in place for legal team members (Q4) and contributes and participates in GLN initiatives (Q5) as their most mature practices



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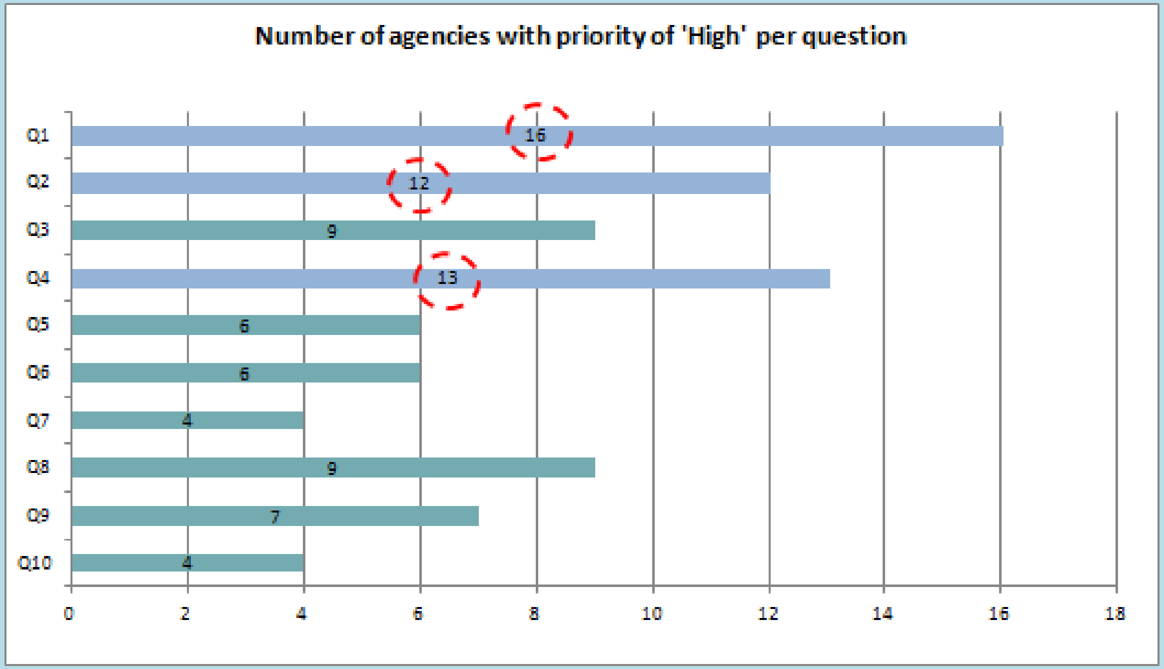
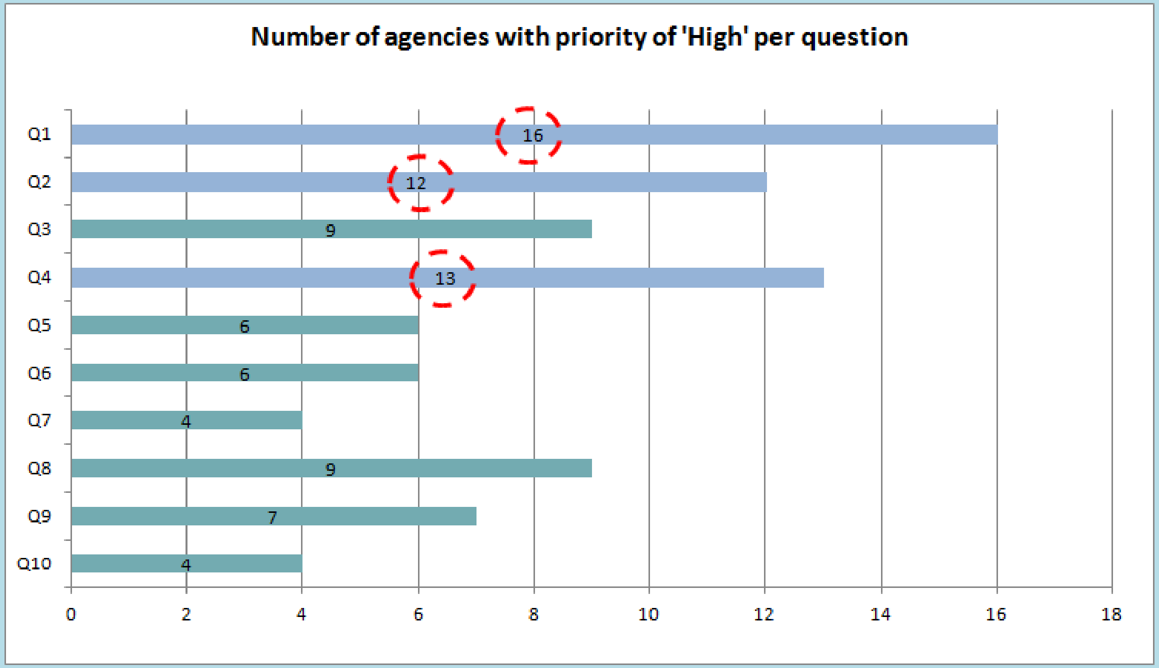
The three highest priority areas for improvement continue to be alignment of legal function objectives with agency objectives (Q1), influence of legal function at CE and leadership team level (Q2), and individual development plans in place for legal members (Q4)...



Q1: Alignment of legal function objectives with agency objectives
Q2: Influence of legal function at CE and leadership team level
Q3: Monitors and reports on legal function performance and legal risk to a senior level
Q4: Individual development plans in place for legal team members
Q5: Contributes to & participates in GLN initiatives relating to more effective & efficient management & delivery of legal services to
Q6: Monitors and reports on feedback from key users of the legal function services
Q7: Has a formal quality assurance process that meets the needs and legal risk profile of your agency
Q8 Adopts systems, processes and technology to enhance efficiency and effectiveness
Q9: Knows the cost and demonstrates the benefits of the legal function
Q10: Actively manages the performance of & relationship with the external legal panel providers (including Crown Law) to optimise

...and the two areas with the most improvement activity are Alignment of legal function objectives with agency objectives (Q1) and Monitors and reports on legal function performance and legal risk (Q3)



Number of Agencies with Initiatives in Progress

Q1 - 23

Q2 - 16

Q3 - 19

Q4 - 17

Q5 - 15

Q6 - 16

Q7 - 12

Q8 - 14

Q9 - 17

Q10 - 14

Q1: Alignment of legal function objectives with agency objectives

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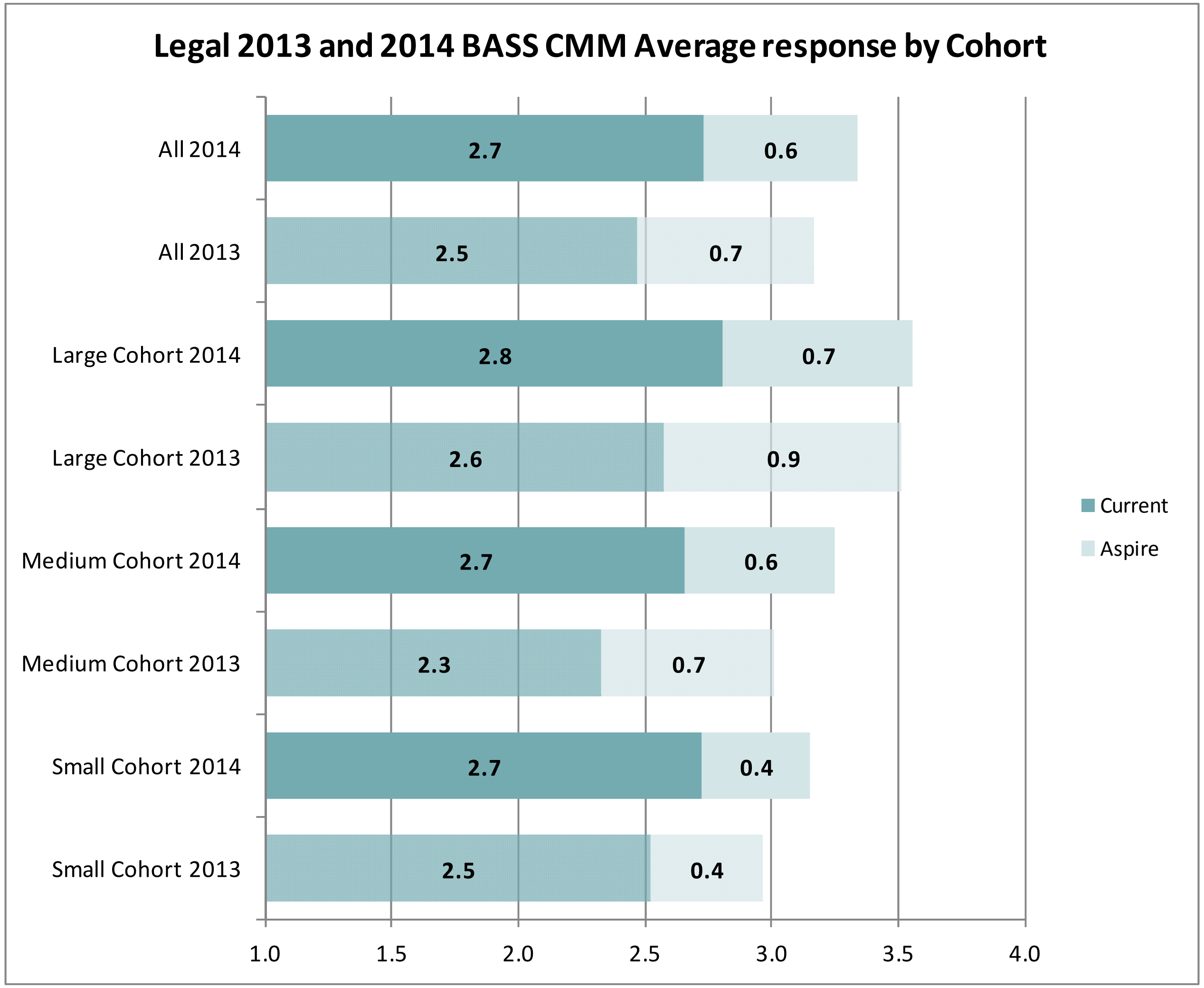
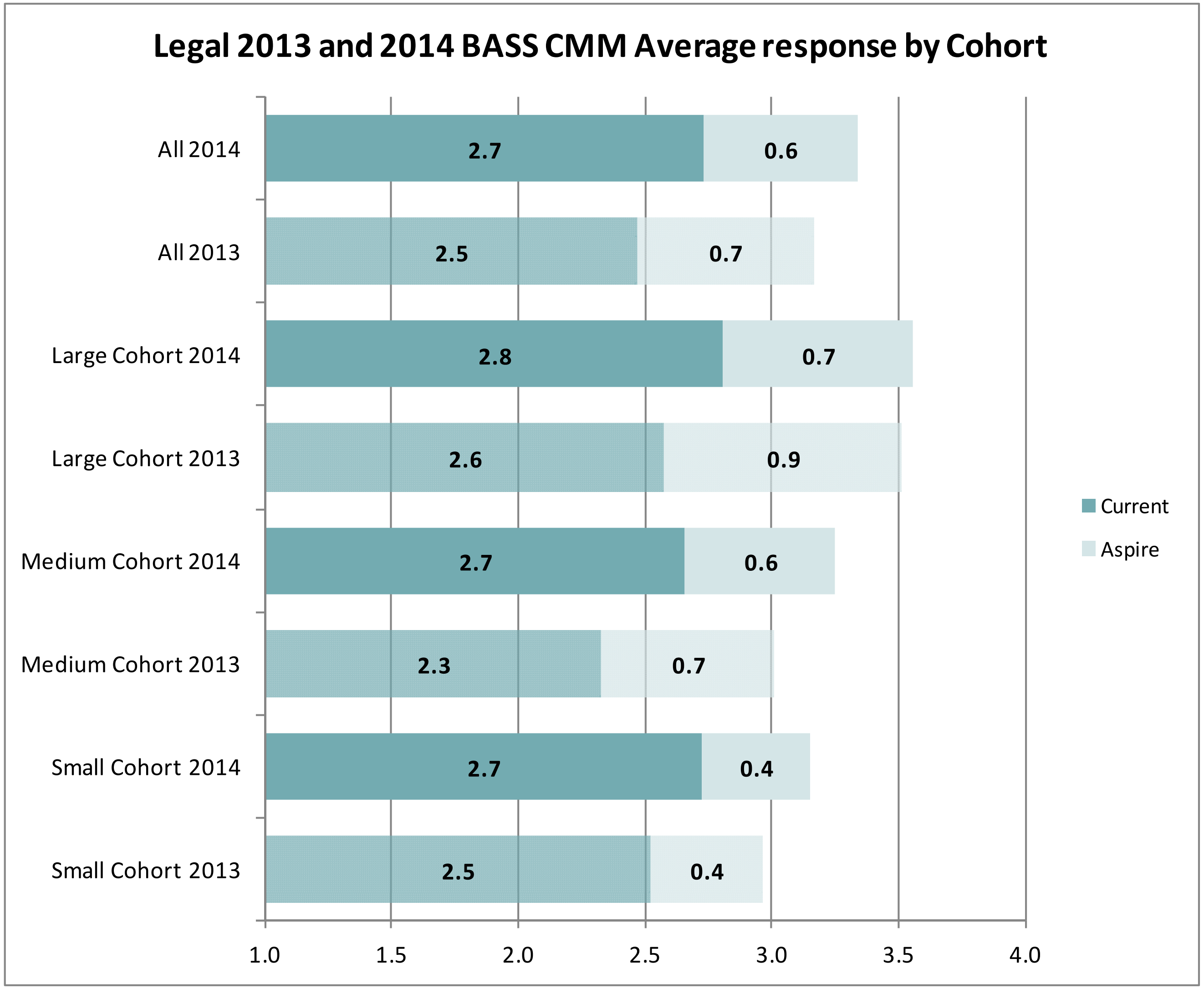
All cohorts demonstrate higher current assessed maturity since FY 2012/13



...and levels of aspiration have increased for the small and medium cohorts whereas the future aspiration for the large cohort has remained consistent



6. QUALITY OF MANAGEMENT INFORMATION

These findings report on known CES data quality issues, limitations of the indicator set in providing insight into CES service performance, and opportunities for improvement. The introduction section in the summary BASS report includes common quality of management information findings across all functions that are not repeated in this chapter.

Benchmarking of Administrative and Support Services is guided by five principles:

1. **Metrics are selected with practitioners across government.** Selection is based on three criteria:
    - Metrics reflect performance – they provide meaningful management information that can support business decisions.
    - Results can be compared – they are comparable across New Zealand agencies and comparator groups.
    - Data is accessible within agencies – the measurement costs are reasonable.
2. **Methods and results are transparent.** The Treasury makes its metric calculation methods and underlying definitions publicly available along with the results of individual measurement agencies to promote transparency, facilitate discussion and debate, and to support collaboration with other jurisdictions undertaking similar exercises.
3. **Performance results should be understood within the operational context of each agency.** While agencies have common features, each has their own unique functions and cost drivers that need to be considered when interpreting results. For example, results can be expected to differ depending on whether an agency is asset intensive, has large service delivery activities, has a wide range of activities (eg, multiple votes) or is supporting significant non-departmental activity. Accordingly, benchmarking results are only a guide to relative performance, and conclusions regarding efficiency and effectiveness should be made in light of each agency's operational context, with comparators chosen according to which function within a particular agency is being reviewed.
4. **Results should be used constructively, not punitively.** In leading practice organisations, performance information supports discussion, decision making, and learning.
5. **The quality of management information should improve each year.** Metric sets and data collection methods are refined and improved year-to-year based on lessons learned.

Quality of Management Information (1 of 3)

There are concerns with data quality for the CES function. In New Zealand and around the world, organisations undertake a range of activities within this function without standard definitions, and it is uncommon for organisations to benchmark these services. When they do benchmark, the quality of management information is impaired by data consistency issues and a limited pool of reliable comparator data.

Some costs may be understated. Agencies have varied reliance on certain corporate functions depending on the nature of their role. For example, agencies with direct engagement with the public have a greater need for communications. To improve the comparability of data, marketing and printing costs were excluded from communications costs and 'front-line' costs, such as prosecution teams, were excluded from legal costs. This approach improves the comparability of the data but does mean that costs are not a full reflection of the total cost of each service for every agency.
Note also that costs associated with functions performed by the Office of the Chief Executive, and administration and mailroom costs are outside of the seven CES functions. Dedicated research and evaluation teams are also excluded.

Note also that as the CES function is an amalgam of seven services, the metrics for this function typically capture data at the aggregate level (eg, total costs for legal services). In contrast, in the other functions the metrics capture information at a more granular level (eg, costs are further broken down into personnel costs, outsourcing costs, and system costs). The seven services within CES function are: Communications, Information Management, Audit and Risk Management, Legal, Strategy and Planning, Enterprise Portfolio Management and Other Corporate Costs.

Quality of Management Information (2 of 3)

The introduction of the Capability Maturity Model (CMM) for the Communications and Legal functions has enabled agencies to indicate current and future levels of maturity, their priorities and any initiatives in progress. The CMM is based on The Hackett Group's model, given this the second year of results, the quality of data may continue to vary due to self-assessment and self reporting. No peer review has been undertaken across the time series.

Caveat to time series: The Ministry of Business, Innovation and Employment (MBIE) merger, effective from 1 July 2012, has impacted on the comparative metrics across cohorts. The significant lower cost for the large cohort, and higher costs for the small and medium cohorts in FY 2011/12 related to the merger of the Department of Building and Housing (DBH), Department of Labour (DOL), Ministry of Economic Development (MED) and the Ministry of Science and Innovation (MSI) to form the Ministry of Business and Innovation and Employment (MBIE). DBH, DOL, and MED were previously in the small, medium and medium cohorts respectively. MSI previously did not participate in BASS. DBH, DOL and MED spend on CES in FY 2011/12 was $3.7m, $9.1m and $5.5m respectively. If these costs ($18.3m) were reflected in the large cohort cost for FY 2011/12 the relative cost would be $100.8m.

Quality of Management Information (3 of 3)

Measurement practice across agencies and international comparator groups. Agencies use common definitions and data collection practices, and these definitions and practices are aligned with those used by three main sources of comparator data: UKAA, APQC, and The Hackett Group. Nevertheless, results will be influenced by judgements necessary in applying these definitions and the management information systems used by agencies to support data collection.

Caveat to previous year's data: At the submission of data each year for the current reporting period, agencies have the opportunity to make reflective adjustments to the previous year's submitted data. As a result there may be a small difference between prior year figures in this report when compared with past years published figures.

Where there are concerns with data quality, the underlying problems are based in the maturity of measurement methods and are common in the private and public sectors around the world. For example, agencies are asked to only include function activity costs for staff that spend more than 20 percent of their time on the relevant function. The implication of this data collection practice is that, if agencies have highly devolved processes for a function, the true cost of the activity is likely to be understated as the data excludes line managers' time and effort.

Management Practice Indicator (MPI) and Capability Maturity Model (CMM) scores are self reported. It should be noted that MPI and CMM scores are self reported by agencies, and the responses have not been moderated across agencies for consistency. In these instances, the focus should be on the reported score for an agency and how this has changed over time, rather than comparison of scores across agencies.

More information

A glossary of terms, definitions and source material can be accessed via the main report, available on the Treasury website: http://www.treasury.govt.nz/statesector/performance/bass/benchmarking/2013-14

A full set of BASS data can also be accessed via the Treasury website: http://www.treasury.govt.nz/statesector/performance/bass/benchmarking/2013-14

Questions about the findings in this report should be directed to performance.info@treasury.govt.nz