

# The Treasury

## Budget 2013 Information Release

### Release Document

July 2013

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



**THE TREASURY**

Kaitohutohu Kaupapa Rawa

STATE SERVICES COMMISSION  
Te Komihana O Ngā Tari Kāwanatanga



20 March 2013

Alastair Morrison  
Chief Executive and Director General of Conservation  
Department of Conservation  
PO Box 10420  
WELLINGTON 6143

Dear Alastair

### **Four-year Plans**

Thank you for forwarding the final Four-year Plan for the Department of Conservation (DoC). The purpose of this letter is to outline overall themes from Four-year Plans, to provide some feedback on central agencies' analysis of DoC's Plan and to signal next steps.

Overall the Four-year Plans developed by agencies for Budget 2013 have provided richer information than the previous (separate) Four-year Budget Plans and Workforce Strategies, providing better clarity on how agencies and sectors are delivering on Government priorities.

Ministers and central agencies see the Plans as key documents enabling agencies and sectors to describe how they will manage their resources and pressures, and deliver on Government priorities in the medium-term. In future, the Plans will be 'living documents' that can be adapted when necessary to address changing circumstances, and used to outline strategic intentions, monitor progress and inform performance discussions. Four-year Plans will be central to chief executives' relationships with Ministers. Done well, Plans will provide confidence to Ministers that the State Sector has the capability to deliver on the Government's strategy and priorities.

There are a number of high level themes evident across the various Plans received.

- There is some evidence that agencies and sectors are looking to lift the pace of organisational change to drive efficiency and achieve 'more for less', but some of the change and reprioritisation described is short on detail.
- Most Plans reference Government priorities including Better Public Service results, although the focus on the Christchurch rebuild is not as strong as expected.
- The financial picture identifies significant cost pressures over the next four years, and a number of key agencies and sectors facing a significant challenge to manage within baselines. Notwithstanding this, the aggregate 'funding gap' has reduced from last year, reflecting an increased focus on managing within available funding.
- Most plans would have been enhanced by the inclusion of savings options over and above reprioritisation within Votes, to assist the Government in the wider prioritisation of its available funding.

There are still areas for improvement. Change is happening, but the pace and extent of this needs to pick up. We would expect to see:

- More focus on changing operating models to achieve results in the best way, within the available resources.
- Resources reprioritised away from lower-value work and targeted towards achieving better results for the people of New Zealand.
- More collaborative working across agencies and sectors, including full backing of functional leaders and work programmes, and shared service models.

### **DoC Four-year Plan**

Overall the Four-year Plan is strong. The objectives are well aligned with the Government's four priorities and DOC's contribution to result area 10, "*New Zealanders can complete their transactions with the Government easily in a digital environment*", and the natural resources sector. The plan sets out a credible strategy to achieve the priorities within existing baselines.

The following areas of the Plan were particularly strong:

- The strategic direction
- The medium term intentions to deliver on the Plan
- The organisational capability and workforce section
- The savings initiatives

Successful achievement of the strategy hinges upon DOC's Delivery Model Review currently underway. The Plan gives a comprehensive and coherent account of this transformation programme's intent, the risks are identified and mitigation strategies discussed briefly. However, due to this project, there are some details of how DOC will implement their Four-year Plan that won't be available until decisions are made later in 2013.

Given that significant change to the way the Department operates is expected as a result of the Delivery Model Review, we consider it will be necessary for the Department of Conservation to **provide a new Four-year Plan for Budget 2014.**

### Next Steps

Treasury and SSC have undertaken a joint analysis of all Four-year Plans similar to that completed for the draft Plans that were submitted at the end of November 2012. If you would like more detailed feedback from the analysis of your Four-year Plan, please contact us.

Central agencies provided overall advice on Four-year Plans to the Ministers of Finance and State Services in early February. A copy of this letter will also be provided to the offices of the Ministers of Finance and State Services, who may share it with Vote Ministers.

Yours sincerely



Mervyn English  
Assistant Commissioner  
State Services Commission



Melody Guy  
Manager Natural Resources  
Treasury