



TE TAI ŌHANGA
THE TREASURY

Companion to Strategic Intentions / Statements of Intent guidance

Process suggestions, prompts

April 2024

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The Treasury URL at April 2024 for this document is
<https://www.treasury.govt.nz/publications/guide/companion-document-strategic-intentions-and-statement-intent-guidance>

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Purpose

This companion document is designed to help agencies **before they start planning** the development of their next Strategic Intentions / Statements of Intent (SI/SOI).

It provides **suggestions for good practice processes** and planning which are associated with developing SI/SOI, and **prompts** which help agencies develop SI/SOI that fulfils legislative requirements in ways which are meaningful and understandable to users and to the agency itself.

The companion document was developed to provide a more flexible document that can be updated more regularly to reflect current and emerging developments, examples, and trends. The companion is linked to sections of the Treasury's guidance on [Strategic Intentions for Departments](#) and on [Statements of Intent for Crown Entities](#), as follows:

Department guidance on Strategic Intentions	Crown entity guidance on Statements of Intent
<ul style="list-style-type: none">• Why do departments publish strategic intentions?• When do strategic intentions need to be developed?• What content needs to be in strategic intentions?	<ul style="list-style-type: none">• Why is a Crown entity required to publish a statement of intent (SOI)?• When does a Crown entity develop and then provide their statement of intent?• What content needs to be in a statement of intent?

This document will use the word “agency” to cover both departments and Crown entities, and the acronym ‘SI/SOI’ to cover both types of documents, because the suggestions and content are relevant for both types of government agencies.

What is inside this companion?

This companion provides information, suggestions, and prompts covering three areas:

- how SI/SOI development could fit into the agency's existing or future **strategic thinking and planning**
- how SI/SOI development is a good opportunity to ensure **joined-up performance reporting** by the agency to Parliament, and
- **prompts to help people new** to developing SI/SOI lead a process which draws together the content for discussion with the relevant people inside the agency. This can then help the agency fulfil the Act's requirements in ways which are meaningful to users and to the agency itself.

Why and when should agencies use this companion?

We encourage agencies to use the companion's content to:

- build in appropriate planning for the development of their SI/SOI
- look at how they develop their SI/SOI in a way that provides the overall framing for the agency's performance reporting to Parliament and the public
- use the prompts to help them fulfil the legislative requirements for SI/SOI in ways which are meaningful to users and to the agency itself.

Using this companion should make the process of planning for and developing SI/SOI more straightforward and more connected with the ongoing operations of the agency.

We recommend using the companion's suggestions and prompts **at least 12 months before the next SI/SOI is due** (assuming the usual 'once every three years' period for producing SI/SOI), as this will allow sufficient time to influence the planning for new SI/SOI.

The Treasury is available to help as agencies use this companion and the guidance

The Treasury is happy to discuss and test what agencies are thinking, planning, or have produced with this companion, and to provide advice and support as they develop SI/SOI. Contact us at performance.info@treasury.govt.nz.

Where the SI/SOI should fit in an agency's strategic planning and reporting cycle

The SI/SOI should be viewed as the version of an agency's strategy for Parliament and the public. It should therefore provide information which reflects the results from the agency's strategic planning process. The SI/SOI should provide an **anchor point** for ongoing organisational planning and reporting.

Strategic planning is part of good organisational health and helps agencies exercise their stewardship responsibilities. Agency strategic planning should be based on [Treasury guidance about strategic thinking and planning](#). The processes should:

- Take an intergenerational approach.
- Think about the potential impacts of different options.
- Engage with stakeholders to have strategic conversations about choices and trade-offs and to test impacts and interdependencies.
- Identify a clear delivery plan which reveals the pathway forward.
- Establish a reliable basis for tracking performance and progress.

Strategic planning should happen on a regular basis (at least every three years) but can also be triggered by regular assessments of the existing strategy and progress against it (as part of the agency's annual organisational planning and reporting processes) and changes in the operating environment. It could result from an Agency Capability Review. It might be requested by a Minister or following a change in senior leadership at the agency.

A strategic planning process that leads to new priorities, objectives, or overarching performance framework(s) for an agency is likely to trigger the need for a new SI/SOI. Material changes to an agency's strategic intentions would lead to the existing SI/SOI becoming false or misleading in a "material particular" (note that this is a particular legal term used in legislation) [s38 (5) PFA, s148 (2)(a) CEA].

While SI/SOI will predominantly focus on the medium-term, they should also acknowledge the different timeframes which may apply to distinct parts of the agency's operations. Regular assessments of existing strategy are likely to show some parts of a department's strategy are enduring over the long-term. Some parts may have some changes of emphasis and direction in response to the Government's and responsible Ministers' policies and performance expectations.

Longer timeframes may apply to other parts like **investment planning and asset management**. Agencies may develop long-term investment intentions and identify investment proposals that could deliver benefits over an agreed timeframe, based on an agency's strategic planning and asset management practices. For more see the [Cabinet Office circular \(23\) 9: Investment Management and Asset Performance in Departments and Other Entities](#). Agencies should refer to these longer term intentions in their SI/SOI as relevant.

Good strategic planning will often have two ‘halves’ – where you want to go and how you plan to get there. The SI/SOI’s objectives and frameworks should guide subsequent **annual organisational planning**. Organisational planning helps provide the detailed pathway of how the organisation plans to achieve its objectives, such as through resource allocation, implementation plans, and timelines. All agency work programmes and projects must be able to show a link to the agency’s SI/SOI.

Organisational planning can also generate useful information about how fit for purpose the current SI/SOI is, and whether ‘updated’ or ‘refreshed’ information on strategic intentions could better guide the organisation’s operations and activities.

Planning for upcoming SI/SOI presents an opportunity to ensure joined-up performance reporting

The processes and planning which are associated with developing SI/SOI – such as strategic thinking and planning, and performance reporting – provide opportunities to:

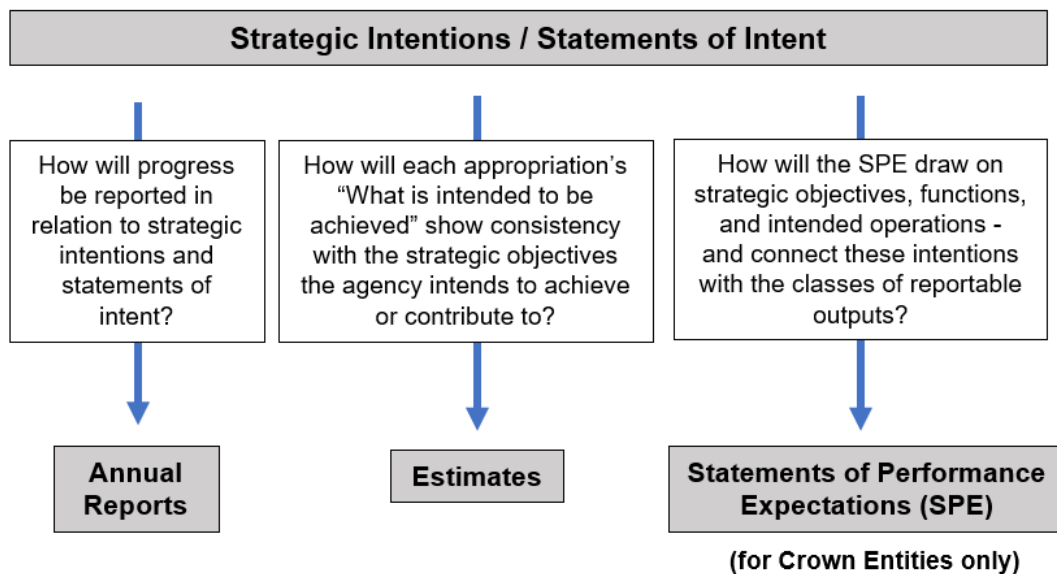
- check and reassess the connections with other agency performance reporting to Parliament, and
- develop new or update current performance frameworks.

SI/SOI are one element of an agency's public strategic planning and reporting documentation. The set of publications agencies produce annually and at least once every three years should operate as a system, where each publication has relationships and connections to one another. It should be straightforward for users to see or find the 'lines of sight' between key sets of information in agency publications, such as through cross-referencing and overall consistency in framing and terminology.

When an agency plans for and produces one publication, it should be thinking what this means for the other publications the agency must produce. This means the work and processes which produce performance reporting should be interconnected so they provide greater value to the agency and users compared to separate processes.

SI/SOI should set out the performance framework agencies use to track and report performance and progress in achieving the agency's strategic intentions. The relationships and connections between different levels of the agency's performance framework should influence the setup and production of other performance reporting, such as Annual Reports, Information Supporting the Estimates, and Statements of Performance Expectations (for Crown Entities).

Key connections between SI/SOI and other agency performance reporting



Department annual reports are required to assess the department's progress in relation to its SI/SOI, and include information about the department's organisational health and capability (s45(2)(b) + (c) PFA). Crown entity annual reports also have similar requirements about progress on strategic intentions as outlined in the statement of intent (s151 (2) CEA). Agencies should think about how they will report against these two factors when developing their SI/SOI. This will make the production of their Annual Report easier.¹

Estimates' supporting information should include meaningful performance information to enable assessment of performance at year end. Each appropriation and multi-category appropriation category must have a concise explanation of 'what is intended to be achieved' – or in other words, the benefit New Zealanders, the taxpayer or the recipient will receive or see from the proposed expenditure.. The substance of the explanation should relate to the agency's most recent SI/SOI where appropriate.

SPEs provide an important connection point between a Crown entity's strategic objectives, intended functions, reportable classes of outputs, and appropriations. While SPEs should be able to be read as a stand-alone document, they should align with the Crown entity's strategy as expressed in its Statement of Intent, and with the Estimates of Appropriations and Supporting Information.

¹ For assistance refer to the Treasury's [Annual Report guidance](#), and '[Performance Expectations – How Performance Will Be Assessed](#)'.

Five prompts that will help an agency develop the content required for SI/SOI

These prompts link to the:

- ‘What content needs to be in Strategic Intentions?’ section of the Department guidance on Strategic Intentions, and the
- ‘What content needs to be in a Statement of Intent?’ section of the Crown entity guidance on Statements of Intent.

Purpose of prompts

The following five prompts are intended to help people in agencies new to developing SI/SOI. These prompts will help an agency:

- develop SI/SOI which provide a meaningful medium-term framework for the agency’s performance reporting to Parliament
- reconfirm and then articulate its objectives, functions, and intended operations to an external audience
- find specific answers from the agency’s own context which will help fulfil legislative requirements.

Ideally, these prompts will be canvassed during the agency’s strategic planning and organisational planning processes. If agencies have used the prompts as part of those processes, they should already have the answers to key questions “what are we seeking to achieve?” and “what difference do we intend to make?”.

The agency’s past SI/SOI and past organisational strategies can also provide pointers, as well as any reviews of lessons learned and possible improvements for the SI/SOI development process.

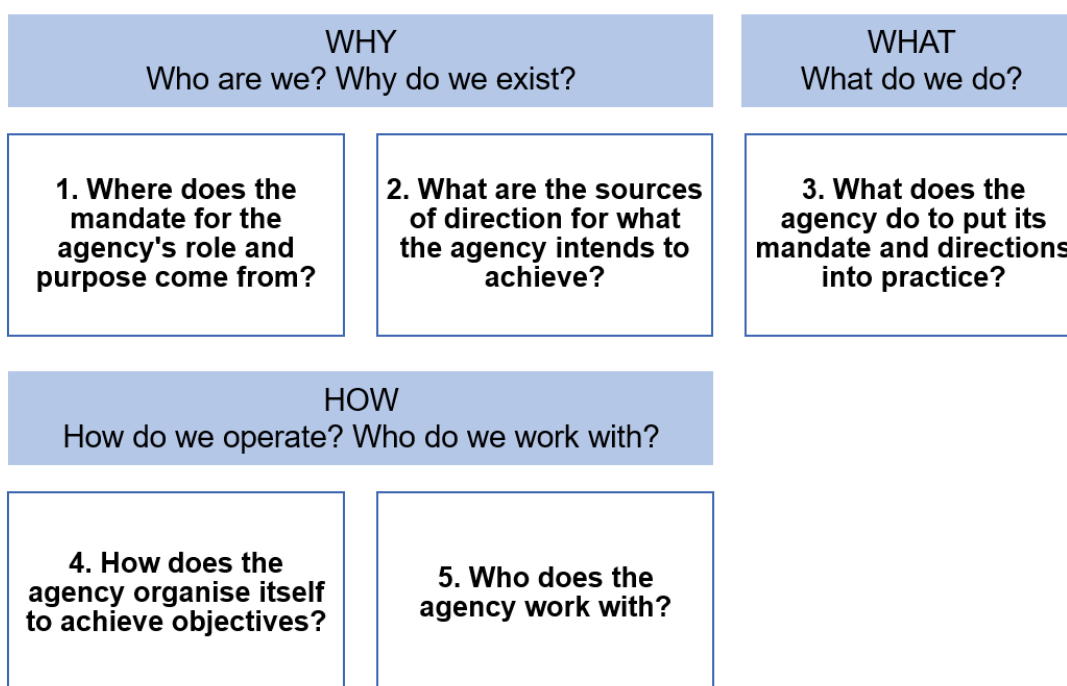


Table 1 below outlines which legislative requirements the prompts particularly relate to.

Table 1: How the prompts link to the key legislative requirements for SI/SOI content

	Key legislative requirement the prompts primarily link to		
Companion prompts	set out the strategic objectives that the department / entity intends to achieve or contribute to s40 (1) PFA and s141(1) CEA	explain the nature and scope of the department's / entity's functions and intended operations s40 (2) (a) PFA and s141 (2) (a) CEA	explain how the department / entity intends to manage its functions and operations to meet its SI/SOI s40(2)(c) PFA, s141 (2) (b) CEA "explain how the entity proposes to manage its organisational health and capability :" s141 (2) c) CEA
1. Where does the mandate for the agency's role and purpose come from?	✓	✓	
2. What are the sources of direction for what the agency intends to achieve?	✓	✓	
3. What does the agency do to put its mandate and directions into practice?		✓	
4. How does the agency organise itself to achieve objectives?			✓
5. Who does the agency work with?			✓

How to use these prompts

Table 2 is a worksheet which provides more detail and examples relating to the prompts. People can use the worksheet independently or with their colleagues to find their own answers to these prompts. People could fill it out and discuss the results together and can adapt the prompts and sources to their own situation.

The prompts apply to all agencies, but the amount of information related to each question will vary based on the agency's context and not all the sources in the second column may be relevant to the agency. For example, the answers will depend on how precise agency-specific legislation may be, how many stakeholders an agency has, the levels of engagement needed, and how long the agency has existed.

Table 2: Worksheet of prompts that can help an agency develop the content required for SI/SOI

Prompt	Sources of information which could help provide answers to the prompt	Possible answers to the prompt
<p>1. Where does the mandate for the agency's role and purpose come from?</p>	<p>Legislation specific to the agency's roles – this leads to 'core' roles, statutory roles, and the scope of an agency's powers and responsibilities.</p> <p>The agency's role in the system or sector it operates in (for example, justice, maritime, health, education) – based on past and current practices and behaviours, as well as legislation and other strategic and regulatory frameworks, and Cabinet decisions.</p>	
<p>2. What are the sources of direction for what the agency intends to achieve?</p>	<p>From legislation</p> <p>From the Government of the day</p> <p>From the organisation itself</p> <p>Note: Table 3 has examples relating to this prompt.</p>	
<p>3. What does the organisation do to put its mandate and directions into practice?</p>	<p>Activities, services, functions, system levers, work programmes</p> <p>Key areas of activity</p> <p>Organisational structure and business units (also relates to prompt 4)</p> <p>Appropriation scope and intention statements</p> <p>Output classes (for Crown entities) [1]</p>	

[1] Note: A reportable class of outputs is a class of outputs that the Crown entity proposes to supply in the financial year, and that is directly funded (in whole or in part) by the Crown, grants, and/or levies, fees and charges. For more, see p11 of the Treasury's [guidance for Statements of Performance Expectations](#).

Prompt	Sources of information which could help provide answers to the prompt	Possible answers to the prompt
<p>4. How does the agency organise itself to achieve objectives?</p>	<p>Organisational values Ways of working How it engages with others Operating model Organisational health and capability. This could include outlining existing internal organisational strategies and plans in areas such as: workforce, Māori capability, diversity equity and inclusion, health and safety, risk management, investment and asset management, capital, data and digital.</p>	
<p>5. Who does the agency work with?</p>	<p>Such as:</p> <ul style="list-style-type: none"> • government organisations (for example departments and Crown entities) • cross-government arrangements, like inter-departmental executive boards • non-government organisations • delivery partners • stakeholders • customers • whānau, hapu, and iwi • Pasifika, Asian, and other population groups • unions, business associations, professional bodies • international bodies and stakeholders. 	

Table 3: Examples for prompt 2 ‘Sources of direction for what the agency intends to achieve’

From legislation	From the Government of the day	From the organisation itself
<p>Cross-government strategies required by legislation <i>(for example, Child and Youth Wellbeing Strategy, Health Strategy, Tertiary Education Strategy)</i></p> <p>Government Policy Statements required by legislation <i>(for example, Land Transport, Housing and Urban Development)</i></p> <p>Public Service Act principles and values, and Public Service Commission guidance, standards, and advice</p>	<p>Public statements of direction from the Government <i>(for example, Speech from the Throne, Enduring Letter of Expectations)</i></p> <p>Cabinet decisions <i>(for example, Cabinet decisions about an agency’s budget, role and functions, or about work programmes involving one or more agencies)</i></p> <p>Fiscal decisions and considerations <i>(for example, budgetary expectations relating to the agency, Budget Policy Statement, the Fiscal Strategy report as required by the PFA, the Treasury’s Statement on the Long-term Fiscal Position)</i></p> <p>Ministerial expectations and engagement <i>(for example, Ministerial Letters of Expectation, ongoing engagement with Ministers, feedback on draft SI/SOI, feedback on Statements of Performance Expectations)</i></p> <p>Government work programmes or statements of priorities and direction which are agreed by Ministers and led by departments <i>(for example, Education Work Programme, Employment Strategy, NZ Disability Strategy)</i></p>	<p>The organisation’s vision, purpose, and/or mission <i>(which could be developed based on its legislative roles and sources of direction from government)</i></p> <p>Results from strategic thinking and planning <i>(this could explain or outline the department’s strategic / operating context, operating environment, desired strategic shifts or system shifts, desired system outcomes, etc)</i></p> <p>Particular organisational strategies and plans <i>(such as workforce, Māori capability, diversity equity and inclusion, health and safety, risk management, investment and asset management, capital, data and digital)</i></p> <p>Performance frameworks</p> <p>Long-Term Insights Briefings</p>