



Chapter

7



The community has made it clear that it wants the State Plan to be delivered.

This State Plan is designed for delivery. The priorities have been defined in specific, measurable terms so they can drive action – and so actions can be assessed to see if they've produced the desired outcomes.

In addition, this State Plan ushers in a wide range of changes to the way Government is conducted in NSW, to ensure an unwavering focus on delivery. Transparent reporting of results will occur so the community can judge whether or not the Government is delivering real results.

In summary, these changes will introduce:

- Stronger accountability for delivery of priorities
- New structures to drive decision making and support delivery
- New approaches to working with our partners
- Reforming budget processes to allocate resources to deliver the priorities
- Building capabilities across the public sector to drive delivery.

Delivering the Plan

A. Stronger accountability for delivery of priorities

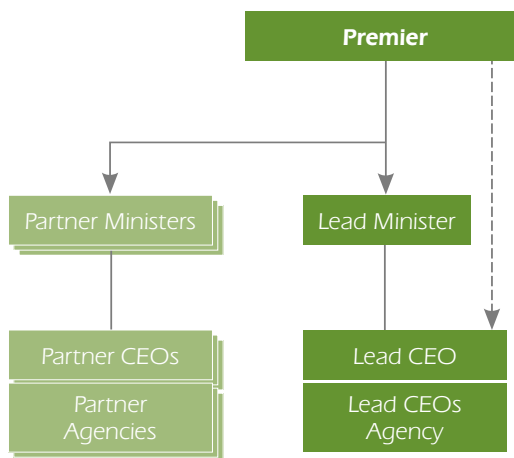
The Premier has the overall responsibility for the State Plan. At his direction, each priority has been allocated to a Lead Minister and to a Lead CEO who reports to the Minister (see figure 38 Accountability Framework).

Lead responsibilities have been allocated to the Ministers and CEOs responsible for the agency that has the greatest capacity to deliver the priority. 'Partner Ministers' and 'Partner CEOs' will also be identified based on their agency's ability to significantly contribute towards delivering a priority. The Premier will issue directions in formal letters to each Minister in relation to these responsibilities.

Lead Ministers will be accountable to the public and within Cabinet for Government performance on the priority. They will be responsible for coordinating with their Partner Ministers to ensure that their agencies are working together effectively and providing strategic direction and oversight.

Lead CEOs will be accountable to their Ministers and to the Premier for the delivery of their priorities. CEOs' performance agreements will reflect this responsibility, with all Lead CEOs having the Premier and Director General of Premier's Department as signatories to their agreement. Annual performance reviews will be coordinated by the Director General of the Premier's Department, bringing together the input of both Ministers and Premier.

Figure 38: Accountability Framework



Partner CEOs will be accountable to their Minister. Their performance agreements will also be signed by the Director General of Premier's Department and the Director General will provide advice to their Minister regarding their performance in supporting lead CEOs.

In addition, the Premier's Department will coordinate a 'blind' peer feedback process amongst CEOs as a key input into performance reviews, to provide frank and comprehensive information on CEOs' performance.

The lead agencies responsible for the delivery of the State Plan priorities at the commencement of the plan are as follows:

Heading	Theme	Priorities	Lead Agency
Rights, Respect and Responsibility	Keeping people safe	R1: Reduced rates of crime, particularly violent crime	NSW Police
		R2: Reducing re-offending	NSW Department of Corrective Services
	Building harmonious communities	R3: Reduced levels of antisocial behaviour	NSW Police
		R4: Increased participation and integration in community activities	NSW Premier's Department
Delivering Better Services	Healthy communities	S1: Improved access to quality healthcare	NSW Department of Health
		S2: Improve survival rates and quality of life for people with potentially fatal or chronic illness	NSW Department of Health
		S3: Improved health through reduced obesity, smoking, illicit drug use and risk drinking	NSW Department of Health
	Students fulfil their potential	S4: Increasing levels of attainment for all students	NSW Department of Education and Training
		S5: More students complete Year 12 or recognised vocational training	NSW Department of Education and Training
	A high quality transport system	S6: Increasing share of peak hour journeys on a safe and reliable public transport system	NSW Ministry of Transport
		S7: Safer roads	Roads and Traffic Authority
	Customer friendly services	S8: Increased customer satisfaction with Government services	NSW Department of Commerce
Fairness and Opportunity for the Most Vulnerable	Strengthening Aboriginal communities	F1: Improved health and education outcomes for Aboriginal people	NSW Department of Aboriginal Affairs
	Opportunity and support for most vulnerable	F2: Increased employment and community participation for people with disabilities	NSW Department of Disabilities, Ageing and Home Care
		F3: Improved outcomes in Mental Health	NSW Department of Health
	Early intervention to tackle disadvantage	F4: Embedding the principle of prevention and early intervention into Government Service delivery in NSW	The Cabinet Office
		F5: Reduced avoidable hospital admission	NSW Department of Health
		F6: Increased proportion of children with skills for life and learning at school entry	NSW Department of Community Services
		F7: Reduced rates of child abuse and neglect	NSW Department of Community Services

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Heading	Theme	Priorities	Lead Agency
Growing Prosperity across NSW	NSW: A preferred location for business	P1: Increased business investment	NSW Department of State and Regional Development
	NSW Open for business	P2: Maintain and invest in infrastructure	NSW Treasury
		P3: Cutting red tape	The Cabinet Office
		P4: More people participating in education and training throughout their life	NSW Department of Education and Training
		P5: AAA rating maintained	NSW Treasury
	Stronger rural and regional economies	P6: Increased business investment in rural and regional NSW	NSW Department of State and Regional Development
		P7: Better access to training in rural and regional NSW to support local economies	NSW Department of Education and Training
Environment for Living	Securing our water and energy	E1: A secure and sustainable water supply for all users	The Cabinet Office
		E2: A reliable electricity supply with increased use of renewable energy	NSW Department of Energy, Utilities and Sustainability
	Practical environmental solutions	E3: Cleaner air and progress on greenhouse gas reductions	NSW Department of Environment and Conservation
		E4: Better environmental outcomes for native vegetation, biodiversity, land, rivers and coastal waterways	NSW Department of Natural Resources
	Improved urban environment	E5: Jobs closer to home	NSW Department of Planning
		E6: A supply of land and housing that meets demand	NSW Department of Planning
		E7: Improve the efficiency of the road network by targeting congestion hotspots	NSW Ministry of Transport
		E8: More people using parks, sporting and recreational facilities and participating in the arts and cultural activity	NSW Department of Arts, Sport and Recreation

The Lead Ministers and Lead CEOs will be responsible for delivering. How they work with their partner Ministers and CEOs will be up to them. Existing platforms and processes, such as Chief Executive Officer Cluster Groups, will be used where appropriate, but lead CEOs will be free to use the approaches that work best in each situation.

The community will be able to hold Government accountable for delivery through:

- Online updates of performance results as they become available
- Annual verification of the accuracy of performance data by the NSW Auditor-General
- State Plan Annual Report
- Review of the Plan with full community consultation in 2009.

State Plan performance data will be published as and when it becomes available on a State Plan website. This will enable the community to see, in a single, consolidated location the most up-to-date information regarding the performance of the NSW Government. This will be a simple, fact-based site, allowing community members to judge for yourself.

The Government will also publish a State Plan Annual Report every year. The Report will provide interpretation of the results and will identify emerging challenges and new programs and strategies that are being introduced. This Report will provide an opportunity for the community to understand the context of reported performance. The successes and areas of improvement noted in this Plan will feed back into the Budget process and establish the priorities and funding arrangements for the following year.

The community will have a significant role in reviewing the Plan in 2009. There will be a further State-wide consultation to finetune priorities to ensure they remain relevant as new challenges and opportunities emerge. This will ensure the State Plan remains a dynamic document that drives public policy, rather than being dismissed as outdated.

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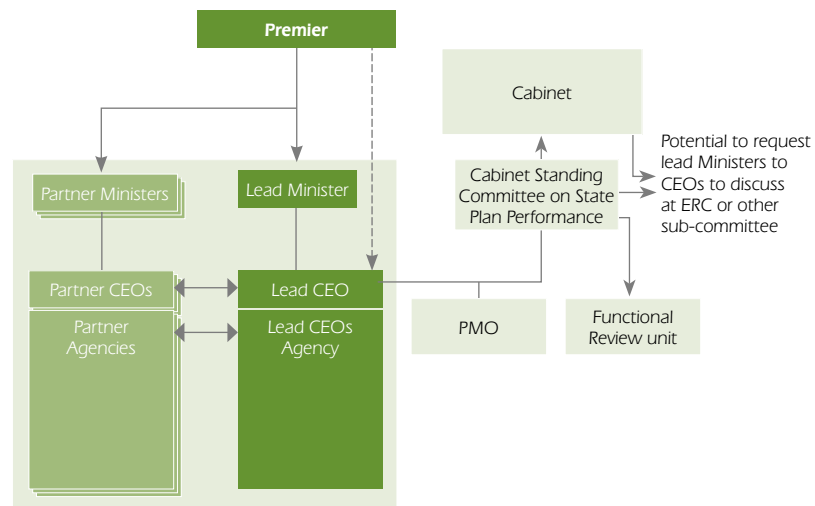
B. New structures to drive decision making and support delivery

The overall delivery of the Plan will be managed by a new Cabinet Committee. The Cabinet Standing Committee on State Plan Performance will drive the detailed review of progress, resolution of challenges, and will request the preparation of policy, legislative and expenditure related proposals for consideration by Cabinet and the relevant Cabinet Committees.

For the first time in the history of the NSW Government, this new committee will invite individuals from outside Government to advise Cabinet. People will be appointed by the Premier on the basis of their expertise in driving delivery in large and complex organisations. The Committee will comprise the Premier, Deputy Premier, and Treasurer and up to two other senior Ministers selected by the Premier. The Committee will invite lead and partner ministers and CEOs as relevant to attend to account for performance against their priorities and issues for resolution. This will enable fast and rigorous decision making.

Lead ministers and their partner ministers, along with the relevant CEOs, will report to this Committee regarding their progress on delivering State Plan priorities. This reporting process will be coordinated by the program management office (PMO). The PMO will coordinate the preparation of 'delivery plans' by lead CEOs. Delivery plans will set out major actions and milestones and key leading indicators that will enable the Cabinet to assess whether or not the priority is on track. The PMO will also coordinate quarterly reporting against the delivery plan. Cabinet will consider 'exception reports' each quarter.

Figure 39: Framework for Managing Delivery



Where a priority requires new policy development, new legislation or new funding, those matters will progress to the appropriate Cabinet committees or to Cabinet. In these cases, the Cabinet Standing Committee on State Plan Performance will agree a scope for the proposed Cabinet Minute up front and may request interim reports that set out the evidence base.

The Cabinet Standing Committee will be able to commission reviews of either whole agencies or specific programs within agencies. The reviews will be conducted by a new Functional Review Unit. The Functional Review Unit will work with agencies to review their scope of operations to identify opportunities to reprioritise expenditure to support the State Plan priorities. Reviews will answer three basic questions:

- Is an activity consistent with State Plan priorities or core Government business?
- If so, is it achieving its stated objectives in full or in part?
- If not, should the activity be stopped or changed?

All Cabinet Minutes, regardless of whether they are directly related to a State Plan priority, will be required to set out the impact they have on any of the State Plan priorities and to provide the evidence base for the claimed effect. Lead CEOs will be asked to review and advise on these claims.

It is intended that these processes will be in place by December 2006. The new structures and processes will not lead to an ongoing increase in central agency staffing.

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C. New approaches to working with our partners

The delivery of new programs and reforms will be carried out by agency staff. In most cases they will have to work in collaboration with other agencies and with external partners including local government, the Federal Government, business and non-government organisations.

Many of the priorities in the State Plan cannot be achieved without purposeful collaboration between the State and Commonwealth Government. NSW will continue to work through mechanisms such as the Council of Australian Governments (COAG) and Ministerial Councils to ensure both levels of Government contribute to improved service delivery in NSW. At the same time, we will stand up strongly to demand a fairer share of the GST for the people of NSW.

The community consultation process for the State Plan highlighted the benefits of engaging directly with the broader public, local government and local service providers, businesses and community leaders in developing our plans. This was also done successfully in the development of *Stronger Together* the NSW Disability Plan. This approach – of engaging directly with the community in developing major new plans and policy reforms – has to become our standard approach. The Government will ensure that more community consultation occurs in the development of major policies and strategies.

The community feedback also highlighted the need for the State Government to work more effectively with local partners on its priorities, to ensure local delivery. Lead Ministers and Lead CEOs will be encouraged to fully explore opportunities for both formal and informal engagement with key partners in delivery, including mobilising cross agency and cross-sector resources.

Agencies will be particularly encouraged to come together with local government, business and non-government organisations to deliver and monitor locally tailored solutions. This will be driven locally by the Regional Coordination Management Groups (RCMGs) that bring together senior officers from across State Government at the regional level. RCMGs will develop regional work plans to support the achievement of the State Plan priorities locally. Flexible approaches to meeting challenges in rural and regional locations will be particularly encouraged.

There will also be a greater level of formal consultation with local government. For example, Government agencies will consult with local government as they develop their contributions to the State Infrastructure Strategy. We will also look to work more effectively with individual councils, in particular through alignment of their strategic plan with the NSW State Plan.

D. Reforming the Budget process to allocate resources to deliver the priorities

The Government is implementing a new Budget process to ensure that the priorities of the plan are funded. The new system will incorporate the principal recommendations of the Government commissioned Audit of Expenditure and Assets. It is part of an integrated performance management and budgeting system.

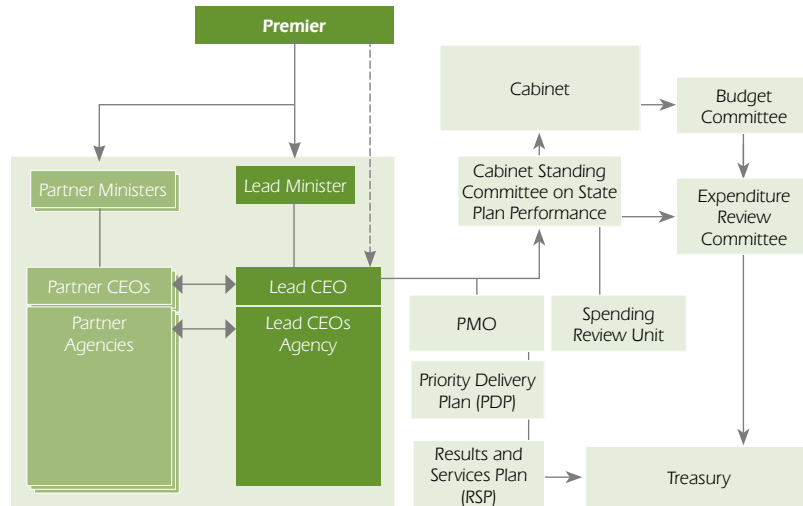
The Budget process will be aligned with the State Plan as follows:

- All new proposals for additional expenditure by agencies will be required to show how the outcomes will contribute towards the priorities of the State Plan
- The lead Minister responsible for each State Plan priority will be able to submit funding proposals to the Budget Committee that reallocate resources to support that priority
- In addition to the accountability for delivery of other Government services, the priorities set out in the State Plan will be linked to agency business plans through Results and Services Plans. Government businesses and State Owned Corporations will reflect State Plan priorities within their Statements of Business and Corporate Intent
- Agency funding will be based on their contribution to State Plan priorities and other Government priorities where applicable, as reflected in their Results and Services Plans
- Agency strategic, corporate and business plans will incorporate more detailed performance expectations consistent with Government priorities.

While the delivery of State Plan priorities is largely within the core business of most agencies, an agency may require additional resources to meet a target. The new budget process will allow the Government to use State Plan priorities and performance measures to determine the best way of funding, which in most cases will involve reallocating funding between departments and programs.

Delivering the Plan

Figure 40: Relationship between State Plan and Performance Management Budgeting System



1. Funding matters associated with the PDP are captured in the RSP
 - a total funding and service delivery plan for an agency
 - which is assessed by Treasury.
2. Efficiency related matters around State Plan priorities and RSPs are referred to ERC, including further assignments to the Spending Review Unit

The new system will ensure that there is a strong evidence base to evaluate both current expenditure and proposed future expenditure.

Current expenditure will be assessed through the Expenditure Review Committee of Cabinet (ERC). Its principal role to date has been to ensure that agencies are living within their budgets and that the agency efficiency dividends, which will achieve annual savings of \$1.1 billion by 2009-10, are being delivered.

The savings targets for 2005-06 were substantially achieved and the targets for 2006-07 are on track. The ERC will continue to monitor the financial and non-financial performance of agencies compared with that agreed in Results and Services Plans.

Proposed future expenditure will require a strong evidence base:

- All policy proposals considered by Cabinet Committees will be supported by a Financial Impact Statement (FIS). The FIS must be signed by the Secretary of the Treasury to attest that the financial analysis underpinning the proposal has been conducted with sufficient rigour
- Budget committee will review brief proposals for increased expenditure before inviting those with sufficient merit to submit a full business case
- Any decision to increase an agency's budget allocation must be supported by a full business case and an evaluation against State Plan and related priorities.

When fully implemented, the new system will also incorporate more accountable reporting by the Government to the community on its performance including:

- Agency budgets that are based on rigorously costed current year services, rather than a projection of the previous year's spending. This means that each year's budget statements for the budget year and forward estimates will be determined on the same basis
- The new system will allow the Government to introduce longer term funding of specific programs to allow agencies to give appropriate attention to the long term strategies needed to implement the State Plan and provide flexibility. This will require agencies to demonstrate consistent delivery on targets set out in their Results and Services Plans supported by rigorous service costs and performance measures.

Delivering the Plan

E. Building capabilities across the public sector to drive delivery

The NSW public sector must build on its skills and capabilities to implement the State Plan. Government is not immune to the skills shortage affecting the rest of the economy, nor to the fast changes taking place in the way business is being done around the world. Therefore, it must invest wisely in building the capabilities of its staff and systems.

To deliver the priorities of the State Plan the public sector will build capability through:

■ **New fast-track graduate recruitment program**

NSW requires a skilled and capable workforce. The NSW Public Sector workforce is ageing and many highly skilled workers will leave the workforce over the next 10 years. This means there an obligation to train and support the next generation of public sector workers.

In order to assist the long-term growth of a skilled and capable public sector workforce, the Government will introduce a new fast-track graduate cadetship program. The program will be similar to the one used in the UK Government and builds on the successful graduate traineeship program already in place in NSW Treasury. The new program will include management training and cross agency placements so that new recruits see Government from a number of perspectives.

■ **New survey of public sector staff to evaluate management quality and identify areas for improvement**

The essence of good management is clear, frequent, informal and formal feedback. Most people want to do a good job and need to know if their work is meeting expectations. In well managed organisations, good performance is recognised through such processes and poor performance is similarly addressed.

The Government will promote these practices by surveying public sector staff on whether they believe good performance is recognised and poor performance is addressed in their agency. Measuring and reporting on progress towards this culture will provide a clear measure of success, demonstrate the Government's commitment to better management and reflect transparent accountability of the State Plan in our internal efforts.

■ **Information and Communications Technology (ICT) that puts people first by aligning planning and expenditure with service delivery priorities**

Implementation of the Government's current ICT strategy, together with the improved budget process and review of the Budget legislation will ensure that the whole of the Government's reporting infrastructure is designed around delivering outcomes and services that are important to the community.

■ **Enabling faster decision making**

Delivering on priorities will require public servants who can provide clear, speedy decisions.

In some cases, local public servants such as school principals, or local economic development facilitators, do not have the right delegations for decision making, yet they have the local knowledge required to make good local decisions. Decision making will be devolved to the appropriate level with emphasis given to ensuring local knowledge is used and appreciated in decision making.

Aside from being a cost impost on business and the consumer, red tape makes people's work frustrating and often less meaningful, and also has the potential to slow down the speed of delivery. The new Better Regulation Office will be tasked with looking at procedures within Government that could be improved to ensure faster and more meaningful service delivery. This work will complement the work of the new Project Management Office supporting the Cabinet Standing Committee on State Plan Performance in eliminating barriers to successful delivery.

Delivering the Plan