

Ministry for Primary Industries  
Manatū Ahu Matua

---



# New Zealand's Public Finance Act at 30

**30 Years On – How is it Progressing?**

*An Agency / Department perspective*

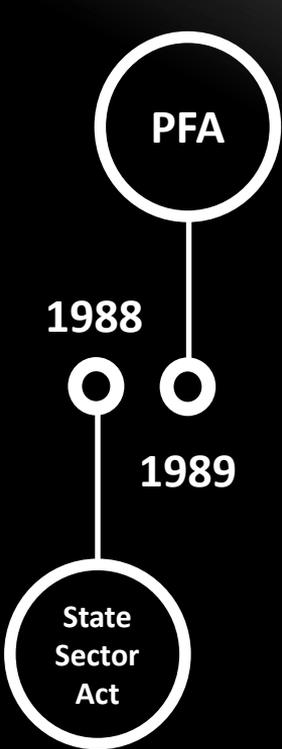
***Neil Cherry, Deputy Director – General, Corporate Services***

# Perspective Outline:

- 30 Years ago – what was it all about?
- What changes / shifts have we seen over the last 30 Years?
- 30 years on – how well placed are departments to manage the financial and performance challenges and expectations?
- Next 30 years - Is there more work to do / a future agenda?



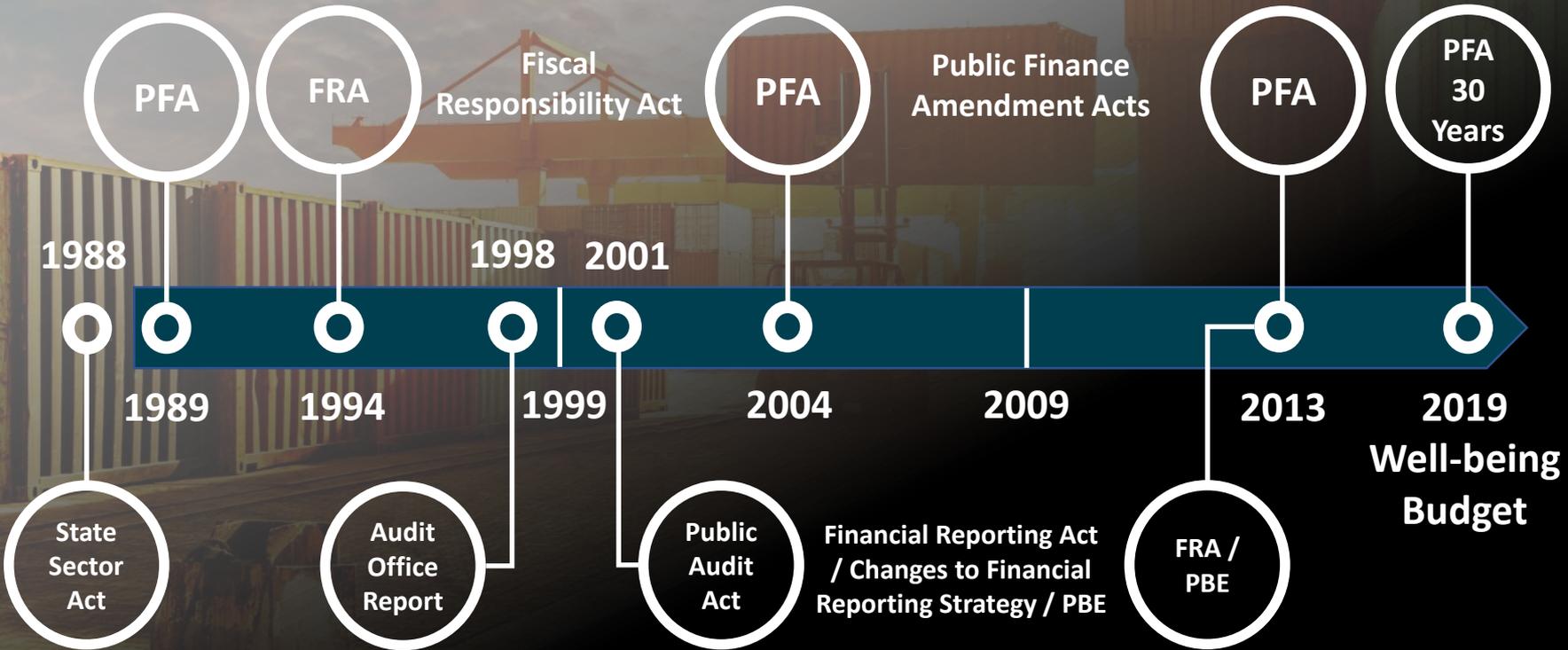
# 30 years ago ...



- Reform of the State Sector
- PFA aimed at improving public sector management system by promoting public sector performance
- Framework – financial management system of Government
- Removed central administrative controls and devolved financial accountability and management to Departments
- Managing for performance - outcomes, outputs, purchase and performance agreements
- New appropriation process - funds allocated based on outputs
- Budgeting and reporting in accordance with accrual accounting



# 30 years: Evolving Public Sector Financial Management



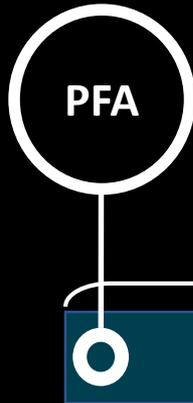
Top-line Shifts



# 30 years: Evolving Public Sector Financial Management

“Transition / embedding”

- Transition and set-up / High cost of compliance and oversight
- Accrual accounting systems, asset and liability recognition
- Outcome, output purchase agreements
- Service performance reporting on outputs
- Efficiency, cost reduction and waste minimisation
- Qualified audit reports



1989

1999

2009

2019



Bottom-line Shifts



# 30 years: Evolving Public Sector Financial Management



# 30 years: Evolving Public Sector Financial Management



# 30 years: Evolving Public Sector Financial Management

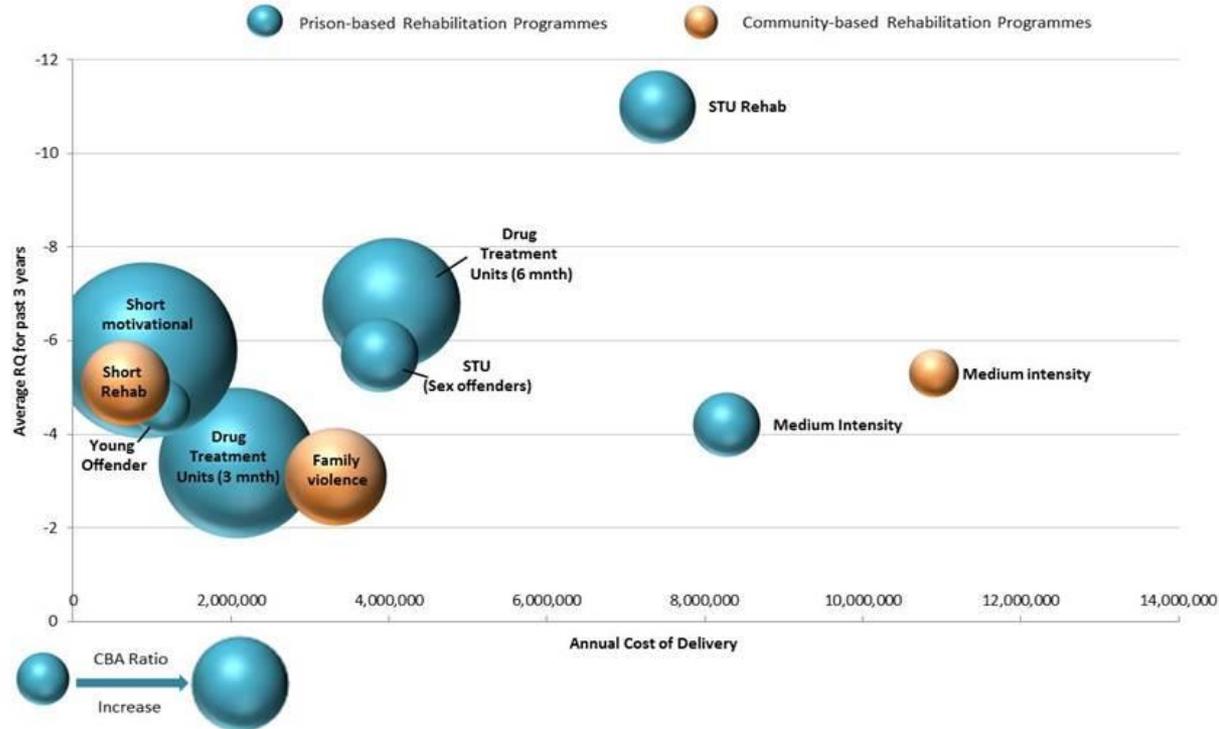


# How are Departments Positioned Today?

- Well embedded Financial Management practices and systems
- Effective oversight and assurance / accountability
- Finance Professionals driving long term strategy at the top table
- Information, insights and analytics mean that we have better assessment of performance than at anytime over the last 30 years
- A flexible framework and instruments that provide incentives for funding, budgeting and resource planning and delivery
- A strategic shift towards outcomes and well-being



# Can we better measure Investment Performance?





# More work to do? / A future agenda?

- Future changes proposed / signalled by Government
- Greater collaboration and focus on outcomes
- While improved flexibility, appropriation reporting driven by compliance / can be misaligned to business performance
- A ***financial management conundrum*** remains – Budgeting vs long-term financial strategy and planning

# 30 Years of Evolution / Change:

- The PFA may have “revolutionised” public sector management
- Over the last 30 years continuous evolution and maturity
- PFA has navigated changing / challenging times – *GFC, Disasters*
- Maintaining relevance – *core principles and objectives of the PFA*
- How public sector performance is managed has shifted – *PFA changes, greater autonomy, authority and performance oversight*
- Some things change but some things remain the same – *performance of public sector management system remains constant*

