



# Cabinet Government Administration and Expenditure Review Committee

## Minute of Decision

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### Reducing State Services Agencies Reliance on Purchasing External Capability

**Portfolio**                      **State Services**

On 12 June 2018, the Cabinet Government Administration and Expenditure Review Committee:

- 1        **noted** that on 1 May 2018, the Cabinet Government Administration and Expenditure Review Committee:
  - 1.1      agreed to remove the cap on core government administration and stop annual reporting of staffing numbers, effective from June 2017;
  - 1.2      agreed that the State Services Commissioner conveys the Government's expectations that State services agencies invest more in building government core administrative capability in line with the Government's vision of a stronger public service, and reduce their reliance on purchasing external capability where this is appropriate to deliver value;
  - 1.3      noted that, given the long term nature of building capacity, there is likely to be a lag between increased internal capability and reduced expenditure on contractors and consultants;
  - 1.4      invited the Minister of State Services to report back to GOV by the end of July 2018 on existing and/or additional mechanisms for ensuring that State services agencies reduce their reliance on purchasing external capability over the next three years.

[GOV-18-MIN-0014]
- 2        **invited** Ministers to use existing financial management mechanisms to ensure that, in making investment decisions, agencies are considering the value of building their own capability rather than buying in external resources, when it makes sense to do so;
- 3        **noted** that the State Services Commissioner will convey government expectations that when making resourcing decisions, agencies will consider taking opportunities to develop the capability of their own staff and reduce reliance on contractors and consultants;

- 4 **noted** that State Services Commissioner will have ongoing discussions with chief executives about their response to Government expectations, and provide an annual report on progress.

Rachel Clarke  
Committee Secretary

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**Present:**

Rt Hon Winston Peters  
Hon Kelvin Davis  
Hon Grant Robertson (Chair)  
Hon Chris Hipkins  
Hon Dr David Clark  
Hon Stuart Nash  
Hon Clare Curran  
Hon Ron Mark  
Hon Tracey Martin  
Hon James Shaw

**Officials present from:**

Office of the Minister of Finance  
Officials Committee For GOV

**Hard-copy distribution:**

Minister of State Services

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