



**Government Renewal:**  
*Our progress to date and our next steps together*

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March 23, 2012

*Check against delivery*

I'd like to start this morning with a sincere thank-you. Not simply for being here, but for all you've accomplished these past months.

Despite all of the pressure and stress associated with change, the New Brunswick public service has performed tremendously. As a group, you have been an example of grace under pressure. My elected colleagues and I truly appreciate it.

We know this has not been an easy year for many of you.

You have been bombarded with news stories, memos, e-mails, rumours and gossip about what's going to happen to your work, your departments, your salaries and pensions.

As leaders, you've been asked to help us find new and more efficient ways to provide the services your fellow New Brunswickers need and deserve.

You've had to do all this in the midst of sometimes significant restructuring and renewal to your workplaces.

It has been a challenging time. But you have performed with professionalism, dedication, and heart.

Allow me to cite just three examples of how your collective efforts have resulted in measureable progress.

Based on third quarter results, expenses this year are projected to be lower than they were the previous year. This would be the first time in a very long time that year-over-year expenses have gone down.

For the first time in many years, spending is within one percent of budget in ALL three of our biggest departments, Health, Social Development and Education, which account for two-thirds of our total provincial budget.

Over the last five years, health spending has grown by an average of seven percent per year. This year, health spending is projected to grow by just 2.5%.

These results are evidence of professional public sector leaders making a difference.

Before outlining more of our progress together, allow me to clarify the difference between government renewal and government restraint or reductions. This is important because they are two different things but many fail to make the distinction. New Brunswick is facing an unprecedented fiscal challenge. As leaders within the public service you live the reality. We can't continue on as we have before.

The debt and the deficits cannot be ignored, and so, cutting back is necessary. But government renewal is about more than saving money. It's about rebuilding the relationship between the people, their government and the public sector that serves them both.

Increasing efficiency and accountability, streamlining administration, adopting better business practices, and continuously improving, are the right things to do regardless of our current financial situation.

Let me repeat that because it's key.

Renewing the way our systems work to make them as transparent, effective and efficient as possible would be the right thing to do even if we were in a surplus situation.

The fiscal crisis we face makes renewal an urgent necessity, but as a government we would promote renewal whatever the circumstance.

We want to change the overall culture of government, allowing for significant, structural changes to take place. The vision for change includes:

- Refocusing government's efforts toward core services, the ones New Brunswickers rely on government to deliver;
- Increasing transparency and accountability, so New Brunswickers can help monitor government's progress in implementing better business practices and returning to balanced budgets; and
- Measuring and continually improving our performance.

Since launching the renewal process in March of last year, we have studied and considered more than 300 different proposals designed to streamline administration and deliver services in a more efficient way.

We focused on the full depth and breadth of government including looking at government horizontally to see what efficiencies we could find across all of government. And we found a lot.

Guess what? Many of the most ingenious and innovative ideas for change came from you and your colleagues. Some came through the normal hierarchy of public service, and some came individually by e-mail from public servants.

I have some examples here with me; including one e-mail that made suggestions about merging and centralizing services and purchasing sources. This individual also had advice about reviewing supplier contracts and about reducing the use of expensive consultants, among other things.

Another public servant suggested centralizing students in schools that are less than half-occupied and yet another had a suggestion relating to reducing the abuse of accumulated sick time.

These and other suggestions we received from inside government have confirmed for us what we already believed: Our employees chose public service because they want to

make a difference. And they know that unless we get our financial house in order, their ability to do that is at risk. That is why our employees have been among the most involved in identifying barriers to excellent service and in proposing solutions.

Together, we are slowly changing the culture of government; a cultural shift that marks the beginning of a new relationship between New Brunswickers and the public service.

Actually listening to our own people, as well as to people from across the province, is one of several new ideas we adopted to renew government.

We understand that nothing injects energy and enthusiasm into a system as quickly as smart new ideas. That's why we have moved quickly to introduce other new ways of working, including:

**Consultation & engagement.** We believe that New Brunswickers should have a say more often than once every four years. That's why we have embarked upon a wide-ranging series of consultations with key stakeholders and the public on vital issues.

**Efficient business practices.** As you know, Robert Youden, chair of the Canadian Chamber of Commerce and fellow New Brunswicker, is leading a panel on accountability and responsible government to help us implement better business practices, reduce costs and monitor improvements so that savings aren't just found, they're kept.

**Focusing on core services.** The larger an organization gets, the easier it is to stray from its core services or role. That's why we've introduced a new performance excellence process in some parts of government this year - to help departments focus on core services and improve their quality and efficiency.

**Accountability.** It's taxpayers money; they should know how it's being spent. We have introduced new accountability measures such as making [quarterly departmental spending reports available online](#) – complete with a grading system to show whether each agency is heading toward a spending surplus or deficit, and have plans to introduce meaningful measures of the performance of public sector services, infrastructure and initiatives.

We believe these new ideas are making a difference.

Because you work inside government, you know about structural changes we have made to save money by streamlining processes and grouping similar functions together. These reforms will pave the way for future improvements.

1. The new Government Services department is an accumulation of many of these ideas. As you know, we've consolidated all transactional and back-office functions there, where economies of scale are expected to result in savings over the next three years of over \$100 million - \$50 to \$75 million through procurement alone.

From procurement to payroll, accounts payable to information technology infrastructure, the Department of Government Services will analyze everything government does with the sole purpose of providing value for money.

2. All budgeting, human resources, information management and accountability functions have been integrated as the new [Management Board](#) which is will lend greater efficiency to the way in which we manage our resources, whether that is money, people or information.
3. We've reduced the overall number of government departments.
4. The departments of Environment and Local Government have been amalgamated. This new department also includes Efficiency NB.
5. The departments of Wellness, Culture and Sport and Tourism and Parks have been merged to become the new Department of Culture, Tourism and Healthy Living.
6. The department of Economic Development now leads all economic development activity, work formerly done by Business New Brunswick. This includes the Regional Development Corporation and Invest NB.
7. Finally, the Executive Council Office has assumed responsibility for intergovernmental and aboriginal issues, and strategic government communications, all functions that were previously overseen by three separate departments.

A part of renewing government is looking under the hood and getting into the details of how the different parts work. To achieve that goal, last year five departments – Health, Social Development, Education and Early Childhood Development, Transportation, and the New Brunswick Internal Services Agency – participated in in-depth reviews that have resulted in reforms to the way in which core services are delivered.

So, I think you'd agree that we have made considerable progress together since we launched government renewal one year ago today!

More remains to be accomplished.

What about our next steps?

New Brunswickers have told us they want us to deliver services in a more efficient and effective way.

Our vision for change means focusing our efforts on core services, accountability and continuous performance improvement.

To this end, we have established a *Performance Excellence Process* that focuses on:

- 1) internal communication and execution of government strategy; and
- 2) the implementation of a formal system for process improvement.

We have articulated this strategy through the [2012 –13 GNB Strategy Map](#). The map highlights our vision for the future and concisely outlines improvement priorities. It will be a communication tool for our employees to help them understand what the focus is for each year.

The Strategy Map lays out how we want New Brunswick to be different in three years, under three specific themes. They are:

- A stronger economy;
- An enhanced quality of life;
- And living within our means.

As you can see, under each of these three themes, specific annual objectives are highlighted. These 15 objectives answer the following questions:

- What improvements are we committing to for our citizens?
- How are we going to financially sustain the services we offer?
- What internal processes do we need to improve in order to deliver efficient and affordable services?
- And how are we going ensure our employees, our information and our culture are all ready to deliver on the strategy?

It's important to read this map in the appropriate context. It is a strategic plan, and not an operating plan. That means the map is all about where to focus improvement efforts. It does not reflect all day-to-day operations of government, and we will update the map annually to outline new improvement priorities for the year ahead.

This tool will help ensure that departments and agencies have a clear vision of the government's direction, as well as its specific objectives and targets. Key performance indicators will be assigned to each objective, and then departmental initiatives will be devised to produce the results.

The implementation of formal process improvement methodologies will increase efficiencies, result in cost savings and increase the public's satisfaction with these services.

Some departments are already developing and using these methodologies in order to learn how to best apply these practices in a government setting. These practices will then be improved and standardized for broader government adoption. There will be more news on this in the coming months.

As these new practices are adopted across government, and as other renewal initiatives are developed and unfold, we will continue to rely upon you to work in partnership with us to provide, preserve and improve the services New Brunswickers rely upon.

These are challenging times, but they are also exciting.

As leaders within the public service, your contribution to shape public policy will help transform our province. Your work – and the way in which you do your work – has the potential to have a profound effect on our province's present and future prospects.

Government Renewal is your opportunity to contribute and put your ideas for improvement into action. It is your opportunity to shape your role for years to come.

Thank you, Merci.