3

Review and Analysis of Recent Changes in the Delivery of Government Services

Review and Analysis *of* Recent Changes IN THE Delivery *of* Government Services

TABLE OF CONTENTS

1 INTRODUCTION

This paper provides a general overview and analysis of recent federal government initiatives introduced to enhance the cost-effectiveness of the services it provides. These initiatives are intended to:

- improve service levels (including aspects such as relevance, responsiveness to local needs, accessibility, response speed, etc.); and/or

- reduce costs (through efficiency gains, reductions in overhead, reductions in input costs, etc.) while maintaining service levels.

The paper focusses on initiatives that have either been undertaken over the last five years or so, or that are currently in the planning stage. It considers both government-wide and individual departmental initiatives and includes a brief analysis of related developments in the provinces and in other countries. These combined experiences have brought to the fore a number of issues that will have to be addressed if the government is to achieve a smooth transformation in the way it delivers services. This paper identifies and briefly discusses some of these issues.

1.1 PURPOSE

This paper is intended to provide supporting information and analysis for the Deputy Minister Task Force on Service Delivery Models. This is one of six interdependent Deputy Minister Task Forces established by the Privy Council Office to address a range of issues facing the public service. The mandate of the Deputy Minister Task Force on Service Delivery Models is to investigate models for the future delivery of service to the public. This paper contributes to that investigation by looking back at the experience of the past five years in order to discern key trends in the area of service delivery and identify important issues that will have to be addressed if we are to move ahead.

1.2 SCOPE

Clearly it is not possible to encompass every significant factor that impacts on service delivery within a paper of this length. The paper does, however, set government service delivery within a general context of policy, control and accountability. It takes a fairly comprehensive view of key government-wide initiatives over the last few years, which, in turn, provide a framework for departmental initiatives. The analysis of departmental initiatives focusses more on "harder" systemic measures, such as changes in program design, organizational structure, method of delivery and conditions of delivery. While acknowledging their undoubted overall importance to the change process, the paper pays rather less attention to "softer" measures, such as training, teambuilding and cultural change that are designed to alter behaviour and attitudes at the individual or group level.

1.3 APPROACH

We first developed a general framework for service delivery within the federal government in order to provide a context within which to ascertain, classify and analyse the many initiatives that we identified. We then obtained details of government-wide initiatives and of initiatives in other countries by reviewing a range of pertinent literature and documentation (see Annex A). In response to letters written to Deputy Ministers across the government, we obtained brief descriptions of some 200 departmental initiatives (see Annex B for list of responding departments). We received general information on provincial initiatives in response to letters written to the heads of provincial public services across the country, as well as from a variety of other sources. Finally, we held a series of four focus group discussions (see Annex C for list of participants). A number of key issues emerged during these discussions and these, along with others identified in the literature, are discussed throughout the document.

This "broad brush" approach to the analysis of service delivery initiatives and experience has both advantages and disadvantages. On the positive side, it provides an idea of the context and overall scope of the changes that have taken place. It aims to delineate the big picture and indicate broad options for action and how they relate to one another. On the negative side, such an approach must inevitably gloss over some important details with respect to individual programs. It is often said that "the devil lies in the details". Certainly each government program has unique features so that prescriptions for change cannot safely be driven by abstract generalizations alone.

1.4 OUTLINE

Section 2 analyses the forces that are driving many of the changes that we discuss in this paper. In Section 3, a general model of the federal government service delivery system is presented and discussed. Using this model as a reference, this paper then outlines some key developments related to service delivery both internationally (Section 4) and in selected provinces (Section 5). In Section 6, we look at the major federal government-wide changes that have taken place over the last few years, or are currently planned, and their implications for service delivery as interpreted through the model. Section 7 summarizes numerous service changes that have recently taken place at the departmental level, as revealed by our request for information and other sources, again using the categories developed in the model and outlines a range of issues arising from these changes, many of which were identified during the focus group sessions. Finally, we draw some general conclusions in Section 8 and make recommendations for change in Section 9.

2 FORCES FOR CHANGE

It is *de rigeur* in works of this kind to start with an analysis of the forces that are creating pressure to change the way governments develop policy and deliver services. This section briefly recaps some of the most frequently cited of these forces.

2.1 GLOBALIZATION

There is a growing interdependence among nations which means that economic, environmental, labour and human rights issues have to be dealt with increasingly at an international level. This interdependence is often formalized through international agreements, such as the North American Free Trade Agreement (NAFTA), that bind national governments in various ways. Globalization has thereby reduced the ability of individual governments to act alone. National interests have to be advanced through negotiations with other states both bilaterally and through a complex network of international fora.

Globalization has made governance more complex and challenging. Governments have many more interests to consider and less ability to shape events unilaterally. They must constantly attempt to reconcile global imperatives with local needs. They must strive to preserve the integrity, requisite variety and uniqueness of national institutions in the face of the global forces of harmonization[1]. Since governments have limited resources and power they are forced to become increasingly selective in where they focus their efforts. They face the major challenge of identifying and focussing on those core issues that will make the greatest difference to national wellbeing, which points to the need for a strong capability in policy analysis.

2.2 INTERNATIONAL COMPETITION

Intensified international competition is a key economic consequence of increasing globalization. This competition is not confined to the private sector since governments are becoming directly involved to an increasing degree (of which the Team Canada initiative is a recent example). Thus, government policy and service delivery have to take account of possible impacts on Canada's international competitiveness to an ever-increasing degree. This can sometimes create tensions with environmental and social objectives, further adding to the complexities of governance and placing new demands on the policy co-ordination process.

2.3 NATIONAL DEBT

The national debt reduces the government's fiscal capacity to sustain existing programs and develop new ones. As a result, governments face difficult choices in allocating resources among different and often competing objectives. More than any other single factor, it is forcing governments to identify and focus on their core responsibilities and to find ways of delivering services that consume less public money.

---

[1] Ursula Franklin, *"Beyond the Hype: Thinking about the Information Highway"*, address to the Social Science Federation of Canada, Dec. 7, 1995.

2.4 PUBLIC PERCEPTIONS ON THE ROLE AND PERFORMANCE OF GOVERNMENT

While there is a broad spectrum of opinion on how extensive the role of the government ought to be, for the present there does appear to be widespread acceptance of the need to curtail public expenditures in order to address the problem of the national debt. Disagreement centres more on how this should be done and who should bear the cost.

At the same time, there is a general mistrust of politicians and bureaucrats (there does not appear to be a clear distinction between the two in the mind of the public). Consequently, the public are demanding more transparency, accountability and integrity from government and are demanding greater inclusion in political and bureaucratic decision making. However, there is some evidence that the public are more negative about "government" as a collectivity than they are about the quality of many individual government services.

As well, there is an increasing perception that government should be run like a business with a focus on efficiency. While this may indicate a lack of public appreciation of the role of government and the importance of relevance, effectiveness, fairness, consistency and adherence to democratic principles, it may also reflect a failure on the part of the government to demonstrate clearly how it adds social and economic value and what results it has achieved. This has left the the public service vulnerable to criticism in the press and elsewhere and has further added to its negative image.

Part of the difficulty is that public demands on government are inconsistent. Demands for cost reductions and increased efficiency cannot easily be reconciled with inclusiveness in decision-making and adherence to public values, such as fairness, consistency and the prudent use of public money. Furthermore, because of their increasing number and complexity, many of the issues faced by government cannot be addressed in the manner of a private sector business. In short, the public may have developed expectations that cannot be fully met.

2.5 INFORMATION TECHNOLOGY

Rapid developments in information technology are a key factor in the rise of globalization and international competitiveness. As with many technological advances, the rise of information technology has created both opportunities and problems. The opportunities relate to greatly improved communication and its resulting benefits. At the same time, information technology is changing the nature of work and, in the process, displacing many jobs and disrupting people's lives.

From a government perspective information technology (combined with higher levels of education) has helped create a better informed citizenry which is pressing for greater direct involvement in the affairs of the state. Such involvement is greatly facilitated by new means of electronic access to government information, such as the Internet.

At the same time, technology improves information flow both from within and outside the government. However, the sheer amount of information thus made available creates a challenge in terms of how it should be structured and integrated to support policy development and decision-making[2]. Technology also raises a range of new policy issues in its own right that include elements as diverse as the ethical issues associated with advances in biotechnology and threats to cultural sovereignty brought about by satellite-based broadcasting.

In addition to supporting policy development, information technology can enhance government efficiency and productivity and can support public values such as transparency, probity, accountability fairness and consistency. At the same time, governments face major challenges in dealing with the changes caused by

---

[2] Steven Rosell, *Governing In an Information Society*, IRPP, 1992.

the large-scale introduction of information technology into the workplace, as well as the financial risk associated with investment in new technology-based systems.

Finally, information technology is having a profound impact on the nature of work, both inside and outside the public service. It is simultaneously displacing large numbers of clerical jobs, while creating entirely new work opportunities in the areas of technology development and knowledge management.

2.6 CHANGES IN SOCIO-DEMOGRAPHIC PROFILE

There are a number of important socio-demographic trends within Canada that are having a profound impact on governments. Among these are an ageing population, higher levels of education, increased racial heterogeneity, increased participation of women in the labour market and continuing high rates of unemployment Each of these makes new demands on government in areas such as childcare, health services, pension protection, racial discrimination, job training and so on. Canadian society and its needs are generally becoming more diverse which not only adds to the complexity of governance but makes it increasingly difficult for the government to please everyone, thus risking further erosion of its standing in the public eye.

2.7 NATIONAL UNITY

This has been an underlying factor in a lot of federal decision-making in recent years. Its impact has been felt in both policy development and program delivery. It has given added impetus to the devolution of federal powers to the provinces and will consequently have a major long term impact on the role of the federal government. In addition, preoccupation with the national unity question tends to induce a short-term perspective and takes up government time. Both of these factors detract from the government's capacity to mount a sustained campaign of administrative reform.

3 GENERAL FRAMEWORK FOR SERVICE DELIVERY IN THE FEDERAL GOVERNMENT

Any changes in the way federal government services are delivered must be viewed from the perspective of a comprehensive framework. To provide a sound understanding, such a framework should ideally:

- recognize the importance of function and context so that prescriptions for programs and services are not based on abstract and generic principles (i.e. allow for diversity in approaches to program delivery);

- recognize that "service" in government can be viewed at different levels, including policy orientation, program design and program delivery; and

- recognize that program delivery decisions require a balance between expenditure restraint, responsive-ness to client needs, support for policy objectives and consistency with public values and democratic principles.

While the analysis in this paper is not sufficiently detailed to fully encompass all of these aspects, we present them as an ideal and have recognized them to the extent that the information at our disposal permitted. The sections that follow discuss each of these aspects in turn.

3.1 IMPORTANCE OF VIEWING SERVICE DELIVERY IN TERMS OF THE SPECIFIC ROLE AND FUNCTIONS OF THE FEDERAL GOVERNMENT

The development of a framework for service delivery should start with as clear an understanding as possi-ble of the role of the federal government and the kinds of activities it undertakes. This serves two purposes by helping to:

- ensure that any service delivery models that are developed are meaningful and workable; and

- guard against the importation of inappropriate "solutions" developed in other contexts, be they private sector, provincial or foreign.

The crucial differences between the government and the private sector include:

- the monopoly nature of many government services (so consumer sovereignty does not apply);

- the multiple and often conflicting objectives of government operations;

- the multiplicity of stakeholders in government services;

- a central concern on the part of government over the *means* of service delivery as well as its ends, as expressed in public values such as fairness, consistency, prudence, probity; and

- the requirement to maintain democratic accountability.

There are also important differences between the services provided by the federal government and those provided by provincial governments and (to a lesser degree) the national governments of unitary states. Compared to the others, the federal government is proportionately less involved in the provision of direct services to the public and proportionately more involved in areas such as policy development, regulation and scientific research.

Service delivery issues can be addressed at various levels of generality, from diverse principles that can be applied to any government program to issues that are unique to a particular program. An analysis of service delivery that is based on across-the-board generalizations may become too vague to be of practical value, while analyses based exclusively on the specifics of particular programs have little power to inform debate on other programs. However, we contend that it is possible to find some middle ground between these extremes by focussing on broad areas of government activity that have many issues in common.

3.2 ACTIVITY AREAS OF THE FEDERAL GOVERNMENT

Many typologies of government activities have been developed (see Annex D). This paper will use the following, which is based on the program activity structure used in the Estimates:

1.   Proprietary Government Business
   - confidential policy/program advice to government
   - intergovernmental activity
   - other negotiation and liaison
   - maintenance of basic democratic institutions
   - national security

2.   Information Services
   - scientific research
   - surveys, analysis and forecasting
   - public consultation
   - provision of information to the public
   - information services within government

3.   Transfers (including grants, contributions, subsidies, loans loan guarantees, etc)
   - to other levels of government
   - to international organizations
   - to NGOs
   - to individuals
   - to businesses

4.   Regulation, Inspection and Enforcement
- policing
- incarceration
- economic regulation
- technical regulation
- tax system implementation

5.   Adjudicative and Judicial Services
6.   Corporate Management, Administration and Support Services
7.   Other Direct Services to the Public

The great majority of federal public servants are involved in functional groups 1-4 and 6. Category 7 includes direct services that the government has a fiduciary obligation to deliver (e.g. services to First Nations), that incorporate a regulatory dimension (e.g. management of national parks) or which are in the national interest but would not be supplied to the desired degree on the open market (e.g. museums, search and rescue services, transportation infrastructure). Many of these services are already delivered by non-commercial Crown corporations and others (such as air navigation and airport services) are currently being moved out of the public service.

3.3 LEVELS OF SERVICE DELIVERY

Figure 1 is a simplified representation of the service delivery system of the federal government. It is intended to show the various levels at which services are delivered. Specifically it identifies three[3] levels of government service decisions and actions, namely:

Level A: overall role, policies, priorities and structure of government (including legislation) – focus is on overall responsiveness to public needs

Level B: design of programs to deliver the policies and the selection of the method of delivery – focus is on the effectiveness with which the needs are met

Level C: design and operation of the program delivery system – focus is on the economy and efficiency of delivery and the quality of service provided

Examples In Relation to Selected Activity Areas

Policy Advice

Level A: Provision of advice that influences the policies and priorities and legislation of the government.

Level B: Obtaining information to support policy development (policy research and analysis, consultation with the public and other stakeholders, intra- and interdepartmental discussions to co-ordinate policy)

Level C: Monitoring operational experience to obtain information that is relevant to policy development

---

[3] A finer gradation might be possible, but this would complicate the diagram unnecessarily

Figure 1
The Federal Government Service Delivery System

Parliament

Cabinet

Central Agencies

Departments

Organizations and Individuals External to Government

A
Determination of the Roles, Policies, Priorities and Structure of Government

B
Design of Programs and Selection of Delivery Mechanisms

C
Detailed Design and Operation of Delivery Systems

Output

KEY:

Entities

Decisions/Activities

Lines of Formal Authority and Accountability

Key Inputs

A,B,C .   Levels of decision-making

Research and Development

Level A: Establishment of the federal government's responsibility to conduct research and development in a particular area and development of the enabling policy and legislative framework

Level B: More detailed specification of the R&D to be carried out and the institutional mechanisms to be employed

Level C: Design and conduct of the R&D activity

Public Consultation

Level A: Consultation on constitutional matters and on general policy

Level B: Consultation on policy details, program design and methods of delivery

Level C: Consultation on operational (including service) requirements

Provision of Information to the Public

Level A: Establishment of the federal government's responsibility to provide the information and development of the enabling policy and legislative framework

Level B: Development of the information content and delivery strategy

Level C: Formatting and distribution of the information

Transfer Payments

Level A: Establishment of need for the federal government to make transfer payments and development of an enabling policy and legislative framework

Level B: Determination of the amount of the transfer payments, criteria for entitlement and method of delivery

Level C: Design and operation of the transfer payment delivery system

Regulation

Level A: Establishment of the federal government's responsibility to address a particular problem that could be dealt with through regulation and development of the enabling policy and legislative framework

Level B: Development of details of the regulatory instrument to be used (including development of specific regulations, if applicable) and of a general strategy to promote compliance

Level C: Detailed design and implementation of the compliance strategy

Taxation Implementation

Level A: Establishment of the need for the federal government to apply a particular tax and development of the enabling policy and legislative framework

Level B: Development of detailed rules and institutional arrangements for implementing the tax

Level C: Design and implementation of taxation operations

3.4 THE NEED FOR BALANCE

Figure 2 demonstrates that in designing and delivering government activities it is necessary to strike a balance among a number of potentially conflicting requirements, namely:

- limiting cost to the taxpayer;

- responding to the specific requirements of service recipients;

- supporting national policy objectives; and

- adhering to public values and democratic principles.

Some or all of these elements are present at each level of service activity. Thus, costs to the taxpayer are a function of policy priorities (level A), program design (level B) and program delivery (level C). Service attributes such as economy, efficiency and revenue generation reflect this element as well. Responsiveness, as defined here, is mainly of concern at level C and is reflected in attributes such as accessibility and other aspects of service quality. However, the term "responsiveness" is also used to indicate the extent to which policy priorities (level A) and program design (level B) respond to the expressed needs of specific individuals or groups. Support for national policy objectives depends both on the design of the program or programs intended to deliver the policy (level B), and also on actual delivery (level C). Finally, concerns over public values (such as fairness and probity) and democratic principles (such as transparency and accountability) pervade public service activities at each level.

It is interesting to note that, in its search for profits, the private sector is generally only concerned with the top two elements in Figure 2 (cost containment and responsiveness to client needs). The existence of the bottom two elements (which may, themselves contain conflicting sub-elements) illustrates the greater complexity of government management.

Traditionally, government was primarily concerned with supporting public values and democratic principles and paid somewhat less attention to the other elements. Cost control focussed mainly on inputs, with little overt attention paid to service responsiveness. Support for policy objectives was embedded in the operating procedures of the program which made it difficult to maintain effectiveness in the face of a changing policy environment. Furthermore, government programs were (and still are) expected to support a range of supplementary objectives, such as regional equalization and affirmative action as well as their primary objectives. The result was a common set of procedures and policies that failed to recognize the specific needs of each program. What we are now beginning to see is a greater focus on the remaining three elements. While this explains the attractiveness of private sector models with their emphasis on the upper two elements, it is important to recognize that all four elements should be kept in balance. However, the nature of this balance (i.e. the relative emphasis placed on each element) is increasingly being driven by the nature of the activity and the pressures upon it. The result is greater diversity of service delivery.

The attributes of service that contribute to judgements about service performance at each of the three levels will vary by:

- the nature of the activity in question; and

- who is making the judgement.

Annex E provides a number of illustrative examples of desirable attributes of government services based on the typology of activities described above.

Figure 2
Government Activities: A Question of Balance

**Minimization of Cost
to the Taxpayer**
*(economy, efficiency,
revenue generation)*

**Responsiveness
to the Service
Requirements of
Recipients**
*(accessibility,
service quality)*

Federal
Government
Activity

**Consistency with Public
Values and Democratic
Principles**
*(fairness, probity, transparency,
accountability, etc.)*

**Support for National
Policy Objectives**
(effectiveness)

3.5 MAIN FEATURES OF THE SERVICE DELIVERY SYSTEM

Figure 1 is a highly simplified representation of the federal government's service delivery system. It shows the relationships among the principal players and activities (including the main lines of authority and accountability between the entities involved and who controls or influences the activities). The overall level of service provided to the Canadian public by the federal government is a function of the the inherent capacity of the organizations involved, how they relate to one another, and the quality of the information they exchange.

Citizens provide the government with its authority by electing members to parliament. Authority then flows from Parliament to the Cabinet and its ministers (individually and collectively) and hence to central agencies, departments and other delivery units*.

Accountability moves in the opposite direction. Central Agencies, operating in accordance with general framework legislation (FAA, PSEA, etc.) and under the direction of Cabinet and its committees, support the co-ordinated development of policy on a government-wide basis and design, and operate government-wide management control, guidance and support systems. Departments operate under their own legislation, a Central Agency policy and control framework and the direction of their Ministers. Departments support the development and co-ordination of policy and design programs and mechanisms to deliver those policies. Currently delivery units, operating under a regime of departmental and central agency policies and controls, either by delivering programs themselves or managing the delivery of programs by external entities, or some combination of both.

The capacity of central agencies and departments (including delivery units) to provide services is influenced by the legislative, policy and control framework within which they operate and by a range of factors that are intrinsic to each organization. Among these intrinsic factors are:

- leadership
- authority (flexibility to act)
- available resources
- use of technology
- sense of purpose
- skills and abilities
- motivation (incentives)
- organizational culture
- structure and processes
- stability

The diagram identifies the three general levels of decisions and actions, A, B and C, discussed above. Decisions and actions at level A (determination of the overall role, policies, priorities and structure of government) depend on the policy direction of the government, policy support from central agencies and departments, direct input from the public and feedback from operational experience. Decisions and actions at level B (design of programs and selection of the method of delivery) are primarily the responsibility of departments working within an overall policy framework often with direct input from central agencies. Other sources of input at this level include the public and operational experiences at the client interface as well as direct input from ministers (not shown). Finally, decisions and actions at level C (design and operation of delivery systems) are the primary responsibility of departmental delivery units working within an overall central agency, departmental and policy delivery framework. Other sources of input at level C include the public, ministers and departmental corporate units.

---

* To keep the diagram simple, program delivery units have been treated as part of departments. There has, however, been an increased use of alternative delivery approaches (contracting, partnering, Special Operating Agencies, etc.) that may place these delivery units at more of an arms' length from departments.

The nature of the public consultation process varies by level. The mass media play a key intermediary role at level A. At election time, judgements tend to be made at this level. Formal level A consultations may take the form of special commissions, such as the Spicer Commission. A significant proportion of input at level B comes from policy and special interest groups. The mass media may play a significant role at this level, depending on the nature of the policy issue involved. Finally, level C inputs are sought mostly from the recipients of specific services and programs. The mass media are less often involved at this level.

3.6 METHODS OF INFLUENCING SERVICE DELIVERY

There are a number ways of influencing service delivery at each activity level. These can be broadly classified into enabling and directive approaches:

Enabling Approaches

- **Consultation:** improving consultation with citizens and public groups so that their views can better inform decisions and actions related to service performance.

- **Co-ordination:** improving mechanisms to co-ordinate policy development and program delivery both within and between departments.

- **Control:** making changes to the legislative, policy and control frameworks that will enhance the capacity of government organizations to deliver services.

- **Conversion:** trying to convert government organizations into doing things differently through persuasion, exhortation, information and guidance.

- **Capacity:** enhancing the inherent capacity of central agencies, departments and departmental delivery units to carry out the required activities through leadership, incentives, resource levels, technology, training, support, restructuring, redesign of processes, provision of stability, etc.

Directive Approaches

An alternative is simply to decree that certain changes will be made. Such decrees may be made unilaterally or based on prior consensus. The determination of who has the power to mandate change depends upon which decision and action level we are addressing. Cabinet can mandate change at any and all levels. Central agencies can mandate certain changes at levels B and C and departments can mandate certain changes at level C. Not all changes can be brought about by mandate alone. In some cases, it will be necessary to ensure that the resources, skills, etc. necessary to implement the required change are in place.

3.7 CONCLUSION

This section has attempted to address the issue of government service in a manner that recognizes its inherent complexity. This complexity makes it both difficult and dangerous to develop solutions to problems based on across-the-board generalizations. The government performs a wide variety of functions and serves the public at a number of different levels. Desirable attributes of service vary not only by function but also by who is making the judgement. Furthermore, there is always a need to strike a balance between the often conflicting requirements of expenditure restraint, responsiveness to client needs, support for policy objectives and consistency with public values and democratic principles. Finally, the interdependence of the many elements that influence government service points to the need to evaluate changes in service delivery in the context of the system as a whole.

4 INTERNATIONAL DEVELOPMENTS

The following section will examine some of the general changes in government service delivery that are taking place in developed countries. It will also look briefly at specific reforms initiatives in New Zealand and the United Kingdom. Where possible, it will place these changes in the context of the framework described in the previous section.

4.1 GENERAL TRENDS[1]

For some time, there has been a steady evolution in the way the public services of developed countries have been organized and managed. These changes, which have been spawned by forces outlined in Section 2, have recently evolved to the point where they are being characterized as a paradigm shift and are being labelled the New Public Management (NPM). In practice, NPM is more a collection of ideas aimed at improving the performance of public services than a coherent philosophy of public management. These ideas have evolved as a response to declining resources, an increasingly demanding and critical public and general uncertainty over the role of government.

Although individual countries have emphasized different aspects of NPM and adopted different approaches to implementation, certain general trends are apparent. Key among these are:

- focussing on the core responsibilities of central government, while devolving non-core activities to local governments and non-government organizations (including privatization);

- reducing costs to taxpayers by improving efficiency, reducing overhead and control costs, eliminating non-productive activities and exploiting opportunities to generate revenue;

- focussing management attention and accountability more on achieving results and less on compliance with detailed rules;

- decentralizing authority within government organizations, thus providing delivery units with greater flexibility to achieve results;

- paying increased attention to the service needs of program recipients, such as easier access, simplified procedures, published standards for service times and more courteous service;

- making greater use of market-type mechanisms, such as direct competition and competitive contracting, to provide incentives and allocate resources;

- working more with other levels of government or also private sector rather than 'going it alone'; and

- fostering the exchange of public management ideas and experiences within and between governments.

---

[1] For further information, see *Governance in Transition: Public Management Reforms in OECD Countries*, OECD, 1995.

These changes affect each of the levels of service activity illustrated in Figure 1. Thus, at level A, governments are focussing more on core activities of policy development, regulation/inspection/enforcement, information services and transfer payments, rather than the provision of direct services. At level B, programs are being designed and their delivery planned more on a cost-shared and collaborative basis with greater use of contracted delivery and greater sensitivity to the compliance and administrative burden placed on citizens in general and business in particular.

At level C, as noted in the previous section, the balance among the four elements in Figure 2 has shifted towards cost reduction and responsiveness to clients and away from rules designed to enforce public values and traditional compliance-based accountability. A related development has been a loosening up of the human resources framework to make it easier to recruit, deploy, reward and release staff. Also, central agencies are relinquishing *ex-ante* controls in favour of issuing general policies and guidelines. Where *ex-ante* controls remain, they are often less detailed (e.g. aggregate budgeting).

In some jurisdictions, notably Australia, there has also been an increased emphasis on program evaluation, thus focussing more attention on effectiveness and thereby on the fourth element in Figure 1 (support for policy objectives). The move to results-based accountability, greater autonomy and contracted delivery may also have encouraged programs to focus more on core objectives and less on the pursuit of supplementary objectives, such as equalization.

These changes are indicative of the trends inherent in the NPM. Some have been implemented to varying degrees in different countries. However, in many cases, they remain more statements of intent than actual accomplishment. Furthermore, these changes are not without risk. Among the possible risks are:

* under-resourcing of some activities, leading to service deterioration;

* negative impact of staff reductions and changes in the human resources management regime on staff morale and motivation;

* loss of policy cohesion, operational co-ordination and responsiveness to the wishes of the government that may accompany increased autonomy for delivery units;

* undermining of public values, such as fairness, consistency, and probity;

* pursuit of performance targets and service standards that skew performance in ways that do not respond to the broader public interest;

* capture by clients, local/special interests or suppliers/subcontractors;

* weakening of the potential for policy formulation to benefit from insights gained through operational experience; and

* loss of control over program costs.

4.2 NEW ZEALAND

In the past, New Zealand had a tradition of heavy state involvement in the nation's economy and society. However, in the mid 1970s, it was confronted by a major economic crisis as a result of the oil shock and the loss of preferred status in the U.K. market for its agricultural exports when that country joined the European Economic Community. For ten years it tried to cushion the effects by borrowing money in order to shore up business and employment. By 1984, a burgeoning national debt made it clear that this course of action could

no longer be sustained. This set the stage for what is probably the most radical reform of the government sector that has ever taken place in any developed country in recent memory. The key features of the reform were to expose as many components of the state sector as possible to the action of market forces and to make state activities more open and comprehensible, in the belief that such transparency would clarify accountabilities and lead to the elimination of unnecessary functions and inefficient processes.

In New Zealand the reform process had four main streams:

Creation of State Owned Enterprises

Under the State Owned Enterprises Act (1986), former trading departments (Energy, Post Office, Works and Development, Forest Service, etc.) have been reconstituted as 'state-owned enterprises' operating commercially under boards of directors. Many have since been fully privatized.

Creation of Crown Entities

Restructuring of the remaining government departments began in 1985. The first step was to separate policy advisory from service delivery functions and to move many of the service delivery organizations into a new tier of non-departmental agencies, known as 'Crown entities'.

Education and Health Restructuring

In 1988 local education boards were abolished and their functions transferred to elected boards of trustees for each school. Some functions of the the Department of Education were transferred to Crown entities. In the health area, local authorities which both funded and provided health care, have been replaced by regional funding authorities and Crown enterprises that supply health services on a commercial basis.

Management Reforms in the Core Public Service

The State Sector Act (1988) ended centralized control of the public service. Chief Executives of departments were made individually accountable to their responsible ministers and were placed on formal performance-based limited term contracts which specify the outputs to be provided in terms of quantity, quality, timeliness and cost. These arrangements apply to both policy and delivery departments. Public servants are now employed by individual departments, while the chief executives are appointed by the State Services Commission.

These structural changes were accompanied by a series of management and accounting reforms under the Public Finance Act (1989). Central to these reforms was the introduction of accrual accounting and capital charging to support the costing of outputs.

Assessment

Although it is too early to pass a definitive judgement on the New Zealand reforms, a revealing interim assessment by Richard Norman, based on the experiences of senior public sector managers, appeared recently in the Journal of the New Zealand Institute of Public Administration[*]. The result was the following scorecard:

> **Financial management – use of accrual accounting (score A):** The undisputed success story, despite concerns over the costs involved.

> **Planning using outputs (score B+):** A significant advance, but with a number of operational problems to be sorted out.

---

[*] Richard Norman "New Zealand's Re-invented Government: Experiences of Public Sector Managers." reprinted in *Commonwealth Innovations*, Vol 2, No.1, Jan/Feb/Mar 1996.

New structures (score B): Greater clarity of roles and better service to ministers and clients, but more patch protection and poor communication and co-ordination between agencies.

Separation of policy and delivery agencies (score – unclear): A range of positives (e.g. clearer objectives) and negatives (e.g. diminished ability to provide objective policy advice[7]) with no clear view emerging.

Use of shorter term employment contracts (score C/B-): These contracts increase the emphasis on performance but may undermine loyalty and create a short-term focus.

Response of elected representatives (score C-): Significant mistrust has developed between politicians and managers, which is likely to affect the performance of government agencies[8].

Management of the change process (score D): Significant negatives are associated with this process arising from the underlying belief that it could be better managed.

Although the above assessment refers to the impact of the reforms on the operation of the public service, it is in some ways a microcosm of the impact on New Zealand society as a whole. Generally, the impact of the changes on the New Zealand economy has been very positive, but many individuals and groups have had to pay a heavy price, at least in the short term. It further illustrates the sacrifice of some aspects of fairness in the interest of promoting efficiency that characterizes many NPM reforms.

In terms of the list of methods of influencing service delivery outlined in the previous section, New Zealand has relied on a directive approach coupled with extensive decontrol and an increase in some aspects of the capacity of delivery units (notably focus, stability, incentives and authority). Up till now, less use has been made of the other enabling approaches (consultation, co-ordination or conversion) and this is reflected in the above assessment. Given the pace and scope of the New Zealand reforms, this is hardly surprising. In terms of service levels New Zealand has proceeded systematically from level A (role, policy priorities and overall structure of government) to level B (delivery mechanisms) to level C (design and operation of delivery systems). The assessment suggests that while the changes at levels A and B have worked quite well, much work remains to be done at level C, especially in the area of human resources.

Lessons Learned

However they feel about its objectives or consequences, few would deny that the New Zealand experience has been a groundbreaking exercise in rapid and comprehensive public sector reform. In a recent report the State Sector Commission identified seven key elements to a successful reform process. They are:

- unflinching political determination;

- very clear objectives, agreed to at the highest levels, and based on an intelligent appreciation of the community's tolerances;

- a set of comprehensive and well-integrated basic principles, agreed to at the highest levels;

- sound legal architecture that redefines the rules outright;

- a demanding but realistic timetable;

- a core of unified, highly motivated, experienced and imaginative senior public servants, provided with sufficient resources and discretion to manage implementation; and

- very effective information and public relations systems.

---

[7] This may partly be due to a loss of dynamic interaction between policy and operations

[8] Some of this may be due to confusion over roles which sometimes makes it difficult to maintain a "contractual" relationship.

The New Zealand government found that all the above are needed to ensure success. Specific initiatives in which one or more of these elements was missing proved much more difficult to manage, both politically and administratively, and were generally less successful in meeting their original objectives.

4.3 UNITED KINGDOM

Although in some ways less radical that the New Zealand reforms, recent developments in the United Kingdom have attracted a lot of attention internationally. The U.K. reforms can be traced to the election of the Conservative government in 1979, which was committed to reducing both public expenditure and the role of government. This government's strong private sector ideology led to the privatization of many public utilities and the introduction of private sector practices into those areas of government that were not amenable to privatization.

The Efficiency Unit

In 1979, Prime Minister's Efficiency Unit was created and was led by a prominent private sector executive. This unit introduced "Scrutiny Exercises" which typically lasted around 90 days and were aimed at reducing expenditures and increasing the efficiency of single activities or functions. These exercises were actually conducted by personnel from the departments concerned, with the Efficiency Unit* playing and enabling and oversight role. This aim of this approach is to encourage departmental commitment to the outcome of the Scrutiny. Departments are required to produce a report two years after the Scrutiny indicating what has been achieved.

The Financial Management Initiative

These Scrutiny Exercises soon revealed fundamental flaws in the civil service approach to management which led to the setting up of the Financial Management Initiative (FMI) in 1982. The FMI delegated substantial authority to managers for managing their own budgets against a predetermined set of objectives. It was accompanied by the development of information systems, output measures and performance indicators to support the assessment of cost-effectiveness.

Executive Agencies

While the FMI was generally considered successful in improving financial management and the quality of information reaching ministers and senior civil servants, it also raised fundamental questions about personnel management practices. Further improvements in cost-effectiveness were thought to require greater freedom on the part of managers to hire, fire, transfer, promote and motivate staff. The Ibbs Report (1988), while acknowledging that improvements had been made, emphasized the need for attitudinal and institutional change. It advocated the creation of "Executive Agencies" to carry out the operational tasks of the government. Each Agency would operate within a policy and resources framework (in the form of a framework document) approved by the minister. Thus, like the New Zealand reforms, there was a conscious attempt to separate policy and operations.

The Ibbs Report was accepted both because it had the visible support of the Prime Minister and because it had been based on very wide-ranging discussions. Implementation was rapid, so that almost three-quarters of U.K. Civil Service now works in Executive Agencies. A very senior civil servant, was appointed as manager to lead the implementation of the Next Steps" project, supported by a small team of civil servants. This team helped identify candidates for Agency status, supported the development of their framework documents and encouraged the necessary management training and development.

---

* The Efficiency Unit, whose work continues to this day, has typically consisted of only two senior civil servants, three people seconded from the private sector and a support staff of three.

** The term "Next Steps" comes from the title of the Ibbs Report, which was *Improving Management in Government: The Next Steps.*

Each Agency is under the direction of a Chief Executive who has significant delegated authority within the policy and resources framework. The majority (around two-thirds) of Chief Executives have been appointed through open competition and about half of these have been won by persons from outside the civil service. The Chief Executive is accountable directly to the Minister for the achievement of annual performance targets which are negotiated between the Chief Executive, the Minister and the Permanent Secretary of the Department and a significant portion of his or her pay is tied to the achievement of those objectives. Although Chief Executives are formally accountable to the Minister (thus preserving ministerial accountability) in practice they often answer directly to Parliament on purely operational matters.

Before being granted Agency status, prospective Agencies are first subjected to a "prior options" analysis which considers:

- whether the function needs to be carried out at all (if not it can be abolished);

- if the function does need to be carried out, whether it could be privatized or contracted out; and

- if it is to be a direct government function, whether it should be carried out by an Agency.

Agencies are encouraged to devise their own pay and classification systems and are expected to move their accounting practices to an accrual basis within two years. The most recent Next Steps Briefing Note indicates that as of February, 1996 about 67% of the Civil Service worked in Executive Agencies.

The Citizens' Charter

In July 1991, the Prime Minister launched the Citizens' Charter initiative, a ten-year program designed to raise standards of service across the public sector, including Executive Agencies. A Cabinet Minister was allocated responsibility for carrying it forward and a small unit was created within the public service to oversee implementation. The basic strategy of the initiative consists of four elements:

- quality improvement;

- choice of service provider (where possible);

- establishment of publicly displayed service standards and methods of recourse if the standards are not met; and

- ensuring value for money.

Executive Agencies that serve the public are expected to publish Charters or Charter Standards Statements that clearly describe the standards of service that individual customers can expect.

Market Testing

The 1991 Government White Paper "Competing for Quality" set out proposals for extending the use of competition in the provision of government services. All departments and agencies were given targets for work to be market tested (i.e. subjected to a make-or-buy analysis). The government has since backed away from this approach, in part because of the negative reaction of public servants who had been working to build a more client-oriented culture within Agencies and now felt that they had to compete for their own jobs. Departments and agencies now decide for themselves the extent to which market testing might help them to achieve their performance targets.

The 1994 White Paper[11]

This White Paper basically reinforced much of what had already occurred while emphasizing the need to strengthen some aspects, such as the process for negotiating targets. It also recognized that reducing staff numbers can be counterproductive in terms of cost reduction, especially if the consequence is to contract out work to former civil servants at consultancy rates. A potentially major innovation suggested in the White Paper is the creation of a Senior Civil Service, consisting of the 3,500 or so most senior civil servants and providing them with specific contracts for employment that would, among other things, stipulate the grounds upon which such employment could be terminated.

The Trosa Report

In 1993 Sylvie Trosa, a senior public servant from France, was asked to examine the progress to date of the Next Steps reforms and to make recommendations for improvement. Her report[12], which was published in 1994, was generally positive about what had been achieved. She observed that:

"These (achievements) include:

- freedom to find solutions to fit the needs of the business;

- a more customer orientated attitude;

- greater efficiency gains;

- some improvement in communications between the centres of Departments and Agencies; and

- improvements in performance.

Across the range of interviews conducted, the author found a widespread recognition of the benefits and achievements of Next Steps. No one argued for a step backwards.

Among her recommendations were enhanced use of Ministerial Advisory Boards in the target setting process and a stronger role for the Fraser Figure[13], possibly backed by a small team. She noted that a cultural gap had developed between departments and their agencies. Many agencies viewed their departments as bureaucratic obstacles and departments viewed agencies as "little fortresses following their own aims regardless". She found that agencies were buying fewer services from their departments and were focussing more on their clients. Departments, on the other hand, tended to push for consistency and were not always comfortable with managing diversity. In her view closing this culture gap requires a better understanding between people in departments and agencies which can be achieved through shared experiences, such as mobility, networking and training.

Trosa also pointed to the difficulty and time required to set targets properly to allow for conflicting objectives and client requirements. She felt that too much priority had been given to easy-to-measure financial targets and that level-of-service targets were often undervalued. As a result, certain activities that can't be readily measured are thereby excluded from the target-setting process.

---

[11] *The Civil Service: Continuity and Change* CMND 2627, HMSO 1994.

[12] Sylvie Trosa *Next Steps: Moving On*, February 1994.

[13] Fraser Figures are named for Sir Angus Fraser who was asked by the Prime Minister in 1990 to investigate the relationship between Departments and their Agencies. Among his recommendations was the appointment of an individual in each Department to provide "a focal point at the senior level in dealing with each Agency".

The Massey Report

A further review of certain aspects of the Next Steps initiative was carried out by Andrew Massey and published in 1995.[14] As the title of the report indicates Massey was primarily concerned with the impact of the reforms on policy making. His conclusion is that the agency system has not constructed a false distinction between policy and management, but rather gives policy makers a better appreciation of the importance of implementation in achieving their aims. The ready access which most Chief Executives have to Ministers and senior officials helps to bring this implementation perspective to bear on policy development.[15]

Massey also noted the positive impact that Next Steps has had on accountability. This is a consequence of a number of factors, including:

*   clarification of the roles and functions of officials and the organizations to which they belong;

*   the use of performance measures, contracts and Charters which have all provided a great deal of information which Ministers and Parliament may use to hold the Civil Service to account; and

*   budgetary systems that clarify the link between expenditure and action.

Thus, the initiative has given Parliament and Ministers more comprehensive knowledge of the way in which the operational components of government perform which enables them to exercise more effective control.

Lessons Learned

In a recent article, David Falcon[16] drew three major lessons from the U.K. reforms.

1.   It is important to consult and gather ideas from a wide range of civil servants if their commitment to implementation is to be achieved (as was done with the Ibbs report).

2.   External forces are needed to effect change and internal forces have to be generated and harnessed to ensure that the changes are sustained (the three key units, namely the Efficiency Unit, the Next Steps Team and the Charter Unit, each played an oversight and enabling role, leaving departments to do the actual work).

3.   It is not possible to develop organizations without developing the people who work in those organizations (i.e. training should be linked to the organizational change process).

Concluding Observations

In terms of the model presented in Section 3, the Next Steps reforms in the U.K. started at level A, with a radical alteration of reporting relationships across the government associated with the development of Executive Agencies. Prior options analysis involved both level A (abandonment, privatization) and level B (agency) decisions. The emphasis on performance targets and the requirement to the Citizens' Charter initiative were designed to encourage efficiency and the development of a client-oriented culture (level C). An interesting facet of the U.K. experience is the attempt to introduce a level B decision (market testing) after the initial sequence of decisions had been made. Market testing ran the risk of undermining the efforts to change agency culture that were already in place and its application was subsequently modified. This illustrates the advisability of proceeding logically from A to B to C and that there is a risk that subsequent higher level decisions can undermine previous lower level efforts unless they are mutually reinforcing.

---

[14] Andrew Massey *After Next Steps: An Examination of the Implications for Policy Making of the Developments in Executive Agencies,* OPSS, January, 1995.

[15] This policy role is formally enshrined in some Framework Documents.

[16] David Falcon Background Section in *Current Good Practices and New Developments in Public Service Management: A Profile of the Public Service of the United Kingdom,* The Public Service Country Profile Series: No.2, Commonwealth Secretariat, 1995.

5 SOME PROVINCIAL DEVELOPMENTS

Our survey of provincial developments was not intended to be comprehensive, but rather to provide a sampling of the recent changes. A list of recent provincial initiatives appears as Annex F. Provincial governments are faced with pressures similar to those faced by the federal government and many have been responding to them for some time. Their initiatives span all three levels of decision making.

5.1 CHANGES IN THE ROLE AND POLICIES AND STRUCTURES OF GOVERNMENT

Changes in the Role and Policies of Government

These level A changes include privatization of certain activities. Among the examples in our sample are the privatization of beef cattle and swine improvement programs in Ontario, the proposed privatization of nurseries and hatcheries in that province and the privatization of liquor retailing in Alberta. There has also been some devolution to municipalities (e.g. land use planning applications in Ontario), although given restricted powers of taxation at the local level the opportunities to do this are somewhat limited."

Changes in the Structure of Government

A number of initiatives have involved consolidation of administrative units. In Ontario, for example, three ministries were consolidated to form a new Ministry of Finance. In Alberta, the Department of Justice was createed by amalgamating the departments of the Solicitor General and the Attorney General. In Nova Scotia there has been extensive amalgamation of school boards and some amalgamation of municipalities. There has been extensive consolidation of regional health authorities in Prince Edward Island and Alberta.

5.2 CHANGES IN PROGRAM DESIGN AND METHOD OF DELIVERY

The majority of the provincial initiatives that were brought to our attention were at level B and involved changes in program design and method of delivery.

Program Design Changes

Regulatory Reform

A number of provinces are taking steps to reduce the burden of regulations and are involving regulatees more closely in the regulatory process. Thus, Ontario has made legislative changes to remove the requirement to obtain permits for certain activities that are deemed to be low risk. Ontario has also amended its Mining Act to enable mining companies to 'self-regulate' mining closures. Manitoba is taking steps to curb the proliferation of new regulations, to focus them more on outcomes and to vet them with clients earlier in the process.

" Funded devolution is treated as decentralization and is considered to belong to level B

Cost Recovery Measures

Many provinces have introduced or augmented user fees for a variety of services. A number of provincial organizations have moved to full cost recovery. Two Alberta examples are the Workers Compensation Board and the Securities Commission.

Program Consolidation

Another set of initiatives involve the consolidation of programs. For example, PEI's recently created health authorities integrate a range of social services, such as health, addiction treatment, income support, social services and corrections into a single system focussed on the individual, the family and the community. In Alberta, the Energy Resources and Conservation Board and the Public Utilities Board were merged to form the Alberta Energy and Utilities Board since many clients had to deal with both Boards on similar issues, thereby saving administrative costs and simplifying the process for clients.

Program Delivery Changes

Collaborative Delivery (Partnerships)"

Many examples of collaboration were provided. These included interdepartmental collaboration, inter-governmental collaboration and collaboration with organizations external to government.

Examples of interdepartmental collaboration include co-ordination between New Brunswick's Justice and Social Service Departments with respect to common clients; Saskatchewan's Action Plan for Children in which seven departments are working together to develop common approaches to children's issues; Ontario's Taxation Data Centre providing deposit, data capture and electronic data transfer services in partnership with a number of ministries; and initiatives in Alberta to enable a single inspector to make various inspections and issue permits related to a number of regulatory programs.

Examples of intergovernmental collaboration include the establishment of Federal-Provincial Regional Economic Development Boards in Newfoundland; plans to establish Atlantic Canada On-Line, a common information service for the four Atlantic Provinces; partnerships between PEI's Regional Health and Community Services and HRDC; and a joint project between the Ontario Ministry of Finance and Revenue Canada to combine annual filing for pension plans.

Examples of collaboration with external entities include the establishment of a public/private consortium in New Brunswick to design and deliver an Integrated Revenue Management System; collaboration with external entities in the development and delivery of environmental farm programs in Ontario; and Saskatchewan's Multi-Party Training Plan involving the province, the federal government, Aboriginal agencies and the northern mining industry.

New Mechanisms for Client Consultation on Program Design and Delivery

In order to become more responsive to client needs, a number of provinces have established new mechanisms for consulting clients and stakeholders on certain aspects of program design and delivery. Examples include the Ontario's Fish and Wildlife Advisory Committee; the establishment of Stewardship Councils in the same province to bring a variety of interests to bear on the issue of forestry stewardship on private land; and community involvement in the design of healthcare programs in Saskatchewan and child welfare programs in Alberta.

" Throughout this document the use of the words "partnership/partnering/partner" is used to refer to public-private sector part-nering or collaborative arrangements. These terms should not be interpreted in the narrow legal sense of partnerships but rather encompasses any agreement whereby public and private sector expertise and resources are combined to meet a public sector need.

Devolution of Delivery

There are a number of examples in which program delivery has been devolved to local bodies. Examples include the Improved Community Alternatives program for non-dangerous offenders in New Brunswick and the establishment of community health boards, some with elected membership, in a number of provinces. In Ontario the forest industry will assume responsibility for planning, forestry operations, compliance with regulations and data collection, within a framework of government standards and policies.

Contracting

A number of provinces are exploring new types of contractual relationships with the private sector. Some are more inclusive, such as Nova Scotia's contracts for building and maintaining schools. Others involve licensing arrangements, such as British Columbia's Purchasing Commission which has initiated special licencing arrangements with external entities for government-developed products.

More Autonomous Organizations

In Ontario a number of organizations have been formed to facilitate the financing of government projects. These include the Ontario Transportation Capital Corporation, the Ontario Financing Authority and Teranet Land Services Incorporated.

There is increasing interest in Special Operating Agencies (SOAs)[19]. Among the provinces, Manitoba leads the way with eight and plans to create seven more in the next fiscal year. Another 40 are under consideration. Manitoba is the only jurisdiction in Canada with specific legislation governing the establishment of SOAs. British Columbia currently has four SOAs with three more at the preliminary stage. Ontario is considering the creation of its first SOA, Parks Ontario.

5.3 CHANGES IN THE DESIGN AND OPERATION OF DELIVERY SYSTEMS

Changes in the Operational Capacity of Delivery Units

Re-engineering and Restructuring Initiatives

Many provinces have introduced initiatives of this type. For example, Manitoba hopes to save several million dollars in the operation of its internal administrative systems through the elimination of non value-added activities and the strategic use of technology. A similar initiative was launched in 1995 by the Government of Ontario, under its Restructuring Internal Administration Project. Some initiatives, such as that of the Ontario Ministry of Natural Resources, involve the establishment of cross-functional teams to deliver services.

Service Quality Initiatives

A number of provinces have established government-wide service quality initiatives. One of the earliest was Service Quality B.C. which drew on the concepts and tools of Total Quality Management. Newfoundland has established a permanent Service Quality Unit within its Public Service Commission.

Incentive Programs

Manitoba has introduced a Service First Fund under which departments that demonstrate service improvements or reduction in the regulatory burden while simultaneously cutting costs are allowed to retain a third of their savings (another third goes to the Fund to finance further innovation and the remaining third goes to help pay down the provincial debt).

---

[19] For an analysis of SOAs at the federal level, see Section 5.

Changes to Specific Aspects of Service

Single Window Access*

Given the range of service provided by provincial governments often to the same groups of clients, it is not surprising that single window access initiatives have received considerable attention. One of the best known examples is Service New Brunswick (SNB). At present there are are four SNB centres in different parts of the province, each of which provides a single point of service for over 60 programs from 16 government departments. Staff at the centres have been trained to deliver a range of services. SNB has established local advisory committees to provide informal evaluation of the centre's operation and to make recommendations on aspects of service, such as office hours. Access Nova Scotia provides Nova Scotians with one-stop access to information on all programs and services offered by the Nova Scotia government. The response to our survey also contained examples of single window access initiatives in Newfoundland, Manitoba, Saskatchewan, Alberta and British Columbia.

More Convenient Access

A number of initiatives involved access improvements such as extended hours and more convenient locations.

Process Simplification

In a number of cases processes have been simplified to speed up service. Examples include the Alternative Dispute Resolution process in New Brunswick which has significantly decreased the time required to resolve civil disputes; the introduction of a "small claims" day by the Ontario Office of Adjudication; and reductions in the number of process steps in the Civil Division of the Metro Toronto Courts Administration and in the Sheltered Aid for Elderly Residents program in British Columbia.

Use of Technology to Improve Access

Applications of information technology were among the most frequently cited service delivery initiatives. A number of provinces are using electronic commerce systems for payments. In Ontario certain documents can be obtained in minutes rather than days using on-line production. Other initiatives include the use of integrated voice response technology (Nova Scotia) and the use of self-service kiosks (Ontario[21] and Nova Scotia). Desktop computers are providing rapid access to needed information for caseworkers and other frontline staff, thus greatly improving their productivity and speeding up service. A number of other examples of improved information sharing through the use of technology were also provided. Further changes are on the way through the use of smart card technology.

---

[20] For a more detailed discussion of this topic, see Leslie Seidle *Rethinking the Delivery of Public Services to Citizens,* IRPP, 1995., Chapter 6.

[21] In September, 1993 Ontario established a pilot project consisting of eight self-service kiosks. As of March 31, 1996 another 60 have been added. For further details see Section 3.4 of Annex F.

6 FEDERAL GOVERNMENT-WIDE INITIATIVES

Three events dominated federal public service reform during the last six years: Public Service 2000, the Departmental Reorganization and Program Review.

6.1 PUBLIC SERVICE 2000 AND RELATED INITIATIVES

Public Service 2000 (PS 2000), which was announced in 1989, was primarily aimed at improving service to the public and at providing public servants with the support and authority they require to bring this about. In terms of the model developed in Section 3, PS 2000 embodied an enabling rather than a directive approach, with a particular emphasis on consultation, conversion and capacity building. Its major focus was on decisions and actions at level C. It provided general guidance to public service organizations, but left it largely up to them to decide how to respond. In the words of the manager of PS 2000, the aim was to "let a thousand flowers bloom". Although endorsed in a general way by the government of the day, PS 2000 was almost entirely developed and led from within the public service.

One of the major strengths of PS 2000 was its comprehensive view of the factors that go into building the capacity of government (or any other) organizations to deliver service. All the intrinsic capacity factors listed in Section 3 were addressed. Thus it stressed, among other things, the importance of service standards derived through client consultation, employee involvement in decision-making (which led to the establishment of Councils for Change), staff development through training and career planning, performance incentives, better use of information technology and the development of mission statements aimed at fostering a client-centred culture.

However, PS 2000 did not neglect the role that controls play in influencing the service delivery capacity of government organizations. Several measures were aimed at giving managers more authority and flexibility. Thus, single operating budgets were introduced in which the managers of government units were given a single budget to cover all operating costs, including the acquisition of small capital items. Managers were also given increased discretionary authority in purchasing and in the use of certain common services. In addition, the Public Service Reform Act, which was part of the PS 2000 initiative, was proclaimed in April 1993. The Act, which amended the government's management framework legislation, introduced a number of measures to simplify job classification, facilitate the deployment of personnel and change collective bargaining practices.

Although the overall emphasis of PS 2000 was enabling rather than directive, some directive measures were taken. These included a government-wide delayering initiative in 1991 which mandated that there were to be no more than 3 layers of executive management below the deputy.

The significance of PS 2000 is difficult to assess, especially because it did not set concrete objectives against which performance could be measured. Furthermore, even those organizations that did attempt to adopt the principles of PS 2000 paid little attention to tracking progress. Under PS 2000, the Clerk of the Privy Council was required to issue annual Reports on Progress. In the absence of systematic measures, these reports have had to rely mainly on description and anecdotal evidence.

A major problem faced by PS 2000 was the lack of sustained leadership at the political level. As noted, it was largely an internal initiative aimed at level C activities. Significantly, this is the level at which the public service has the greatest authority to act on its own without active government involvement. In particular, PS 2000 relied mainly on the use of enabling measures to affect cultural change. The experience suggests that this approach is unlikely to succeed unless the surrounding framework of structures and incentives is radically changed, which it was not.

With the benefit of hindsight, PS 2000 was also a victim of poor timing. Within little more than a year of its announcement, it was overtaken by events that included a string of cuts in operating budgets, the introduction of a hiring freeze and wage restraints and reductions in staff levels (including a 10% reduction in the EX category). The negative effect of these changes (especially the wage freeze) on public service morale was clearly demonstrated by the strong support that was given to the 1991 strike. Thus, resource cuts and low morale combined to undermine the gains in service delivery capacity that PS 2000 had sought to achieve.

Nevertheless, although the PS 2000 label has faded into memory (it no longer appears on the Clerk's annual reports) its spirit is not dead. Its precepts continue to influence the thinking of many managers around the government and its ideas continue to be promulgated in a number of Treasury Board initiatives. Notable among these are the Service Standards and Quality Service Initiatives.

Service Standards

In the February 1994 budget, the government committed itself to publishing service standards by 1995 and to issuing a declaration of quality service in the summer of that year. The Service Standards initiative was led by the Treasury Board Secretariat (TBS) and built upon a number of existing departmental developments. The initiative requires government departments and agencies to establish service standards based on consultation with clients and to make them available at points of service. Departments and agencies are also expected to measure and publish actual performance against these standards. The standards are to include five elements:

- service description;

- service quality pledges or principles;

- delivery targets;

- service delivery costs; and

- complaint and redress mechanisms.

The intent of the initiative is to enable taxpayers to assess whether they are getting value for money and to help public servants to identify areas in need of improvement. However, it has no legislative basis and it has not been given the same level of prominence at the political level as, for example, the Citizen's Charter in the U.K.[22] The role of TBS is to provide guidance and to monitor progress but the thoroughness with which the initiative is implemented depends on departmental priorities. Of late, these priorities have been

---

[22] In fairness, it should be pointed out that, overall, federal government activities may be less amenable to the establishment of service standards than those of either provincial or unitary national governments with their greater proportional emphasis on direct services.

focussed on adjusting to the consequences of departmental reorganization and program review. Furthermore, TBS has itself noted[23] that "greater tailoring of the accountability frameworks will be required to maintain the focus on results and to do so effectively".

Quality Service

The Declaration of Quality Service embodies a set of principles under which clients can expect to receive service that:

- is prompt, dependable and accurate;

- is courteous, and respects individual rights, dignity, privacy and safety;

- is good value for money, and is consolidated for improved access and client convenience;

- reflects a clear disclosure of applicable rules, decisions and regulations;

- respects the *Official Languages Act;*

- is regularly reviewed and measured against published service standards, and these reviews are communicated to clients; and

- is improved wherever possible, based on client suggestions, concerns and expectations.

To support the enactment of these principles, TBS, with the help of many people from various departments, has developed a series of guides each addressing a particular aspect of quality service. Thus far, these guides have been generic in nature, rather than being explicitly tailored to specific activity areas.

6.2 DEPARTMENTAL REORGANIZATION

On June 25, 1993 a major departmental reorganization was announced. Under this reorganization the number of departments was significantly reduced and they were reconfigured on the basis of functions, rather than clients. Specifically, the reorganization reduced the number of departments from 32 to 23. In the process, 8 departments were created or redesigned and 15 were either wound up or merged with other departments.

The aim of the reorganization was to promote policy co-ordination both by having a smaller Cabinet and by internalizing, within departments, policy implementation and program design decisions that had formerly required lengthy consultations between departments. The integration was also intended to give ministers clearer authority over their areas of responsibility.

There were also changes to central agencies. The Federal-Provincial Relations Office was reintegrated into the Privy Council Office (PCO), thereby consolidating support for the Prime Minister, and the Office of the Comptroller General was reintegrated into the TBS. The entire process was overseen by an Implementation Board under chairmanship of Clerk of the Privy Council, supported by a small PCO secretariat. Although the reorganization had been planned and implementation started under the previous Progressive Conservative administration, its basic features were only modified slightly by the new Liberal government that came to power on November 4, 1993. As a signal of on-going commitment to public service renewal, the new government designated a Minister with specific responsibilities in this area. The Advisory Committee on Government Restructuring, which had been created under the previous administration and which provided advice on cost reduction, increased effectiveness and enhanced service, was retained and reported to this Minister.

---

[23] Strengthening Government Review: Annual Report to Parliament by the President of the Treasury Board, 1995, p.2

As expected, the impact on the public service of a reorganization of this magnitude was considerable. It resulted in a 17% reduction in the number of Deputy Ministers and Assistant Deputy Ministers. Another 200 executive level positions were also affected, mostly as a result of combining departmental corporate groups. The changes were also disruptive for thousands of public servants who had to adjust to new organizational arrangements and corporate cultures. However, these short term costs were thought to be justified by the longer range benefits of a smaller Cabinet, greater policy coherence and enhancement of ministerial authority and control over government operations.

The reorganization had been conceptualized as the following three-stage process.

Phase I: Consolidation of administrative functions.

Phase II: Rationalization of operations.

Phase III: Fundamental re-examination of programs and services.

Only Phase I was completed as planned. Phases II and III were superceded by the Liberal Government's Program Review initiative (see below).

In terms of the service delivery model described in Section 3, the departmental reorganization clearly constitutes a level A activity. In order to expedite the process, it was also carried out in a highly directive manner. As a level A activity it had the capacity to undermine or disrupt initiatives at levels B and C, especially those that did not enjoy the stability afforded by separate legislation. "Softer" initiatives at level C (such as certain elements of PS 2000) are particularly vulnerable to such changes. At the same time, it was a logical starting point for Program Review, which carried through to levels B and C.

6.3 PROGRAM REVIEW

In the Budget of February, 1994, the government announced a comprehensive review of all federal government programs, which was intended to "ensure that the government's diminished resources are directed to the highest priority requirements and to those areas where the federal government is best placed to deliver services". 'Program Review' was designed to start the process of fundamentally rethinking the role of the federal government and how it should fulfil that role. It represented departure from past efforts at expenditure control by starting from fundamentals, rather than employing across-the-board cuts. Ministers and their departments carried out the review themselves, based on a series of six tests, as follows:

- **Public Interest Test** – Does the program area or activity continue to serve a public interest?

- **Role of Government Test** – Is there a legitimate and necessary role for government in this program area or activity?

- **Federalism Test** – Is the current role of the federal government appropriate, or is the program a candidate for realignment with the provinces?

- **Partnership Test** – What activities or programs should or could be transferred in whole or in part to the private/voluntary sector?

- **Efficiency Test** – If the program or activity continues, how could its efficiency be improved?

- **Affordability Test** – Is the resultant package of programs and activities affordable within the fiscal restraint? If not, what programs or activities would be abandoned?

In terms of the model presented in Section 3, the first three questions concern justification of the program in terms of federal policy (i.e. level A). Tests 4 and 5 (in part), address the choice of delivery mechanism (i.e. level B). Test 5 also addresses the design of the delivery system (i.e. level C). Test 6 is more explicitly driven by the need to cut costs and may precipitate a recycling through the other five tests. Although not explicitly included as a test, the need to reduce public expenditure while maintaining service levels also created pressure to look for opportunities to introduce or augment user fees[24] or share costs. The overall initiative is non-directive beyond the general framework of test questions and, more significantly, the clear requirement placed on each department to cut costs.

The budget of Feb 27, 1995 laid out the detailed departmental decisions resulting from Program Review. These are summarized in Annex F. Collectively, they are expected to produce annual savings of around $7.2 billion by 1997-98[25]. The budget of March 2, 1996 identified further Program Review savings of $368 million by 1997-98 and extended the review horizon by another year to yield a further $1.9 billion in savings in 1998-99. These expenditure cuts will be accompanied by a 16% reduction in the size of the federal public service (representing about 45,000 jobs). Some of these jobs will be transferred to the private or not-for-profit sector following decisions to privatize or devolve certain programs.

The Program Review process is supported by a number of key Treasury Board initiatives, namely:

*   development of a framework for alternative program delivery;

*   the introduction of a new Expenditure Management System; and

*   changes to the human resources management framework to facilitate employee takeovers and the transfer of employees to external organizations.

Framework for Alternative Program Delivery

The Framework for Alternative Program Delivery, which was issued in 1995, supports Program Review by providing a frame of reference to help departments and agencies select the most appropriate means of delivering programs and services. It defines strategies for changing the way programs and services are delivered, sets out principles and criteria (at a greater level of detail than the Program Review tests) for assessing whether delivery alternatives achieve government objectives and describes program delivery alternatives and their provisions for accountability, financing and human resources management. The alternatives considered include special operating agencies (see below), separate (statutory) agencies, departmental corporations, Crown corporations, public partnerships, devolution to another level of government, contracting out, government-owned, contractor-operated (GOCO) arrangements, contracting for services, mixed enterprises, licencing and franchising arrangements, public-private arrangements, devolution to not-for-profit or community enterprises and privatization.

These guidelines are intended to apply to the full spectrum of government operations, so that they are, of necessity, couched in very general terms. Consequently, although useful, they do require a lot of interpretive analysis before they can be applied in a particular functional context.

Expenditure Management System

In 1994-95, a new Expenditure Management System (EMS) was introduced to integrate the budget planning process with the Cabinet planning cycle. This enables new policy and program proposals to be considered in the context of the government's overall priorities and fiscal framework. New initiatives can be considered outside the budget and planning cycle, but they must be funded through reallocations within

---

[24] In cases where specific individuals or groups could be shown to benefit from the service.

[25] These savings include additional revenues from cost recovery that are included in non-tax revenues.

the existing budgetary framework. A key aim of the Expenditure Management System is to encourage a more strategic approach to portfolio spending on the part of departments, accompanied by greater freedom from central agency controls. Under the Expenditure Management System, departments are expected to prepare 'Departmental Business Plans and Outlooks on Program Priorities and Expenditures'. This provides a valuable opportunity to clarify the objectives of operational units and to establish targets or standards for performance, thereby focussing on improved management and improving accountability. However, as Peter Aucoin points out, unless ministers are willing to make these plans explicit and transparent and hold public servants to account on that basis, EMS is unlikely to have a significant impact on public management.[26]

Human Resources Management Framework

Recent changes in the Human Resources Management Framework are intended to facilitate the adoption of alternative delivery mechanisms. A key component of this new framework is the expansion of the definition of a Reasonable Job Offer under the Workforce Adjustment Directive to include offers of employment continuity when work is transferred to provincial governments or the private sector (subject to a number of conditions). Recent policy changes have also made it easier for public servants to engage in employee takeover initiatives.

6.4 OTHER SIGNIFICANT INITIATIVES

Special Operating Agencies (SOAs)

The SOA initiative was launched at the end of 1989 with the creation of the first five agencies. SOAs are discrete operational units within government departments that function under a regime of increased management flexibility and greater accountability for results. Although there are some similarities with the U.K. Executive Agency model, a major difference is that SOA heads report to public servants (deputy ministers or assistant deputy ministers) and not to ministers. Furthermore, (again in contrast to U.K. Executive Agencies) the SOA concept was never strongly supported at the political level, nor was it seen as a fundamental factor in reforming the public service. As a result SOAs currently account for only 3% of the public service and consist mostly of organizations that are strictly operational and are somewhat peripheral to the core mandates of their departments.

Experience with SOAs does suggest that, in the hands of an effective leader, the model can help to build a stronger organizational identity, an enhanced sense of purpose, a more strategic perspective on operations and a better focus on client needs and service quality (i.e. it can help build organizational capacity)[27]. However, the model (as currently implemented) is too weak to ensure that any gains will necessarily be maintained. A recent stocktaking of SOAs by the Auditor General of Canada[28] concluded as follows.

"...for certain government activities, SOAs should be able to provide better service at lower cost, and should therefore be continued if Treasury Board ministers, ministers and deputy ministers of departments in which SOAs are situated, and agency heads:

- provide clearer focus and direction for the SOA initiative as a whole;

- build greater acceptance and support for the SOA concept among stakeholders – public servants, unions, suppliers and competitors, the general public and parliamentarians;

[26] Peter Aucoin *The New Public Management: Canada in Comparative Perspective.* IRPP, 1995, p. 249

[27] For more detailed discussion of this, and other aspects of the SOA experience, see J. David Wright and Graeme Waymark *Special Operating Agencies: Overview of the Special Operating Agency Initiative,* CCMD and CAC, August, 1995. This is the first in a series of papers that address issues related to SOAs.

[28] *Special Operating Agencies: Taking Stock,* Office of the Auditor General of Canada, May 1994.

- improve the criteria for determining which government activities should be converted into SOAs, and which SOAs, if any, should be moved to an alternative structure;

- set clearer, more concrete performance goals and improvement priorities for SOAs and include them in agency charters with appropriate permanence, establish more clearly the respective responsibilities of SOA heads and deputy ministers under the umbrella of ministers and match these responsibilities with appropriate authority and discretion, and monitor agency performance with respect to the goals and priorities established;

- establish a framework for public reporting using existing departmental accountability reports with appropriate safeguards to deal with confidentiality;

- develop and adhere to clear guidelines for SOAs that compete to supply government departments and that compete for markets in the private sector; and,

- provide for subsequent stocktaking of the SOA initiative to assess progress and make appropriate adjustments that may be required."

In terms of the model in Section 3, SOAs are a level B initiative. They suffered from not being driven by a level A vision.

1992 Regulatory Policy

In 1992 Treasury Board announced a new regulatory policy. The policy was designed to address the problems of too many regulations that were making it difficult for Canada to compete in world markets and the costs of implementation given dwindling public resources. Thus, the aim of the policy was to ensure that regulation would be used only when absolutely necessary.

The policy requires departments to consider a wide range of alternatives to regulation (such as information campaigns, voluntary standards, suasion, courts, self-regulation, ISO standards for management, market-based incentives and direct government expenditure) before proceeding. They are also required to demonstrate that the benefits of any proposed regulation clearly outweigh the costs and that any regulatory activity impedes Canada's competitiveness as little as possible.

A broad consultation is assured under the *Citizen's Code of Regulatory Fairness*, both to ensure fairness and to identify unforeseen impacts. Furthermore, since problems may arise from the interplay of regulations promulgated in different policy areas for different reasons, the new policy stresses the need to consider the possibility of overlap and duplication with the regulations of other federal departments and those of provincial and foreign governments. Harmonization of various government regulations is strongly supported by this new regulatory policy.

Under the policy, systems should be in place to manage regulatory resources effectively and to ensure that:

- compliance and enforcement policies are clearly articulated; and,

- the available resources are adequate to discharge enforcement responsibilities and to ensure compliance when regulation binds the government.

Technology-Related Initiatives

Throughout the period of this analysis, there has been a growing awareness of the role of information technology (IT) and its potential to save money and improve service. For example, the February 1994 budget emphasized the importance of investments in IT and made a commitment to $2 billion in cost avoidance savings over five years through the application of IT and modernization of internal systems.

A Chief Informatics Officer was appointed in 1993 within TBS to provide leadership in information management and the application of IT across the government. In the following year, Treasury Board issued the Blueprint for Renewing Government Services Using Information Technology. The Blueprint envisioned "a government-wide electronic information infrastructure to simplify service delivery, reduce duplication and improve the level and speed of service to clients at a lower cost to taxpayers".[29]

Other government-wide initiatives include:

- PWGSC's electronic procurement and accounts settlement system.

- CCMD's Expo Innovation which provided a forum for departments to showcase innovative management practice, including applications of IT

- PWGSC established The Institute for Government Informatics Professionals with the aim of enhancing knowledge and skills.

Growing government experience in the use of information technology and increasing awareness of its long-term potential to reduce costs and improve service has prompted Treasury Board to consider issuing the following statement:

"Electronic processes will be the Government's preferred means of doing business internally, with other governments, private sector organizations and Canadians by 1998."

---

[29] *Blueprint for Renewing Government Services Using Information Technology (Discussion Draft)*, TBS. 1994.

7 RECENT DEPARTMENTAL INITIATIVES

Annex H contains an organized list and brief description of around 200 departmental initiatives which were reported in response to the survey carried out for this study. Although this list does not include every initiative of significance, it does provides a reasonably comprehensive view of what has been happening in the last two or three years and especially as a result of Program Review.

7.1 NATURE OF CHANGES

It is clear from the list in Annex H that there is a large amount of innovation taking place within departments as they attempt to adjust to smaller budgets and rising expectations. Innovation has taken place at all three levels.

Level A

The major initiatives at this level have involved significant policy changes as the government has eliminated a number of subsidies (notably in the areas of transport and business), has privatized some services and has transferred others (especially in the field of transportation) to other levels of government and to not-for-profit organizations. Some departments have begun to focus more on core federal government functions (policy development, regulation, R&D, international trade, etc.) and less on direct delivery of services. In some cases (most notably Nav Canada), entirely new delivery organizations have been set up outside government. In short, there has been a general decline in the use of direct delivery as a policy instrument.

Level B

Many of the changes reported to us were at level B. This is partly a consequence of the primary focus of our questionnaire, but also reflects the kinds of changes encouraged by Program Review. Level B initiatives fall into three main groups: cost recovery measures, redesign of programs and the introduction of alternative delivery arrangements (including partnering, devolution of delivery, contracting and the creation of more autonomous entities within government).

Cost Recovery

Ten of the reported initiatives fell into this category, nearly all of which involve the introduction of user fees. Most of these fees are levied to recover the costs of regulatory or processing activities in situations where those receiving the service can be shown to benefit directly.

Redesign of Programs

Seventeen of the reported initiatives fell into this category. A number of regulatory programs have been altered, in some cases to simplify and update regulations, in others to reduce the regulatory burden and in still others to involve regulatees more closely in the regulatory process. Furthermore, the regulatory aspect of some programs has assumed greater importance as the government moves out of direct delivery. A number of these changes can be traced to the regulatory reviews that followed the 1992 changes in regulatory policy.

Some programs have been amalgamated or integrated. In other cases, program provisions and implementation strategies have been adjusted in order to eliminate overlap, save money and align efforts. Examples of program harmonization can be found within departments, between departments, with the provinces and with foreign governments.

Partnering Arrangements

No fewer than 24 of the initiatives involved some form of collaboration in an attempt to achieve more with the limited resources available. These partnering arrangements have been made between departments (4), with other levels of government (5), with foreign governments (2), with the private sector (5) and with not-for-profit organizations (2). The remaining six involve a range of stakeholders. The precise forms of collaboration vary. They may, for example:

- work on complementary activities to achieve a common goal;

- have one organization do work on behalf of another;

- establish a separate jointly controlled organization;

- pool resources to undertake joint ventures;

- share knowledge and expertise;

- promote accessibility for citizens through a joint interface; and

- share costs, risks and benefits in various ways.

It is clear departments are increasingly having to forego the bureaucratic luxury of doing things on their own. Demands for responsive and integrated service within increasingly restricted budgets are compelling government organizations to look for leverage wherever they can. However, while arrangements such as these can help to reduce costs to the taxpayer and can increase the responsiveness of services to the specific needs of service recipients, it is less clear how well such arrangements function with respect to the remaining two elements in Figure 2, namely support for national policy objectives and adherence to public values and democratic principles. Furthermore, such arrangements face potential obstacles in the form of turf protection (interdepartmental), jurisdictional issues (intergovernmental), goal incongruence (private sector) and ideological differences (voluntary sector).

Devolution of Delivery

In all, 14 of the initiatives involve devolution of delivery (7 to other orders of government, 3 to not-for-profit organizations and 4 to the private sector). In these cases, unlike complete devolution, the federal government retains ultimate responsibility for the program in question. These arrangements confer a wider range of discretion on the devolvee than that found under normal contracts (next section). While such arrangements can reduce administrative costs for the federal taxpayer, their *raison d'être* has more to do with the

fact that devolvees have the specialized/localized knowledge that can help improve the cost-effectiveness of program delivery. Where the devolvees are themselves the clients of the program, there is an increased risk of client capture which must be monitored closely.

Contracting with the Private Sector

Twelve of the initiatives involve delivery contracts with the private sector. A number of these take advantage of an existing infrastructure outside government, thus saving the government the cost of developing one of its own. These contracts may or may not be competitive. In other cases government facilities are managed by the private sector under competitive contracts. These are referred to as government-owned contractor-operated (GOCO) arrangements and are applicable to situations in which the private sector would be deterred from competing by high front-end facility construction costs. One case involves an employee takeover (ETO) arrangement, which may become more prevalent in the future with the new ETO policy referred to in Section 6.

Arrangements Involving Greater Autonomy and Accountability

Initiatives of this type are designed to enhance the capacity of government organizations to deliver services by increasing management flexibility and providing a greater measure of stability in return for greater accountability for achieving specified results. Special Operating Agencies (see Section 6) remain the predominant example of this approach within Canadian federal government departments and six[30] of these were mentioned in response to our survey. However, SOAs are not the only arrangement of this kind and the survey turned up a number of examples of SOA-type arrangements that were developed without recourse to the model. The three new agencies announced in the 1996 Budget may well be the precursors of larger scale adoption of this approach within the federal government.

Although not covered by our survey, a range of institutional arrangements has already been developed to provide for increased autonomy for government activities. Beyond SOAs (and in increasing order of autonomy) these are separate (statutory) agencies, departmental corporations and Crown corporations.

Level C

The changes at level C that were reported to us fall into two general groups. First, there are those that are aimed at generally enhancing service delivery capacity. Second there are those that involve specific changes to particular aspects of the service and the way it is delivered.

General Enhancement of Capacity

In all, 56 of the initiatives fell into this category. The most prevalent were consolidation of regions, branches or activities (9), consolidation or sharing of support services and systems (9), decentralization (8), delayering (4), creation of project based teams (4) and automation of activities (4). The remaining 18 initiatives include additional flexibilities, improved management practices, internal rearrangement of functions, centralization and improvements to processes and consultation mechanisms. Most of these involve changes to structures and processes and may well have been supported by a range of "softer" human resources interventions (e.g. training, feedback, etc.) which were excluded from our survey.

The picture that emerges is one of greater integration (of support services, organizational units, activities and work) accompanied by a measure of decentralization of decision-making. Both of these tendencies are moving government organizations further away from the traditional bureaucratic model of organization.

---

[30] There are currently around 16 SOAs in the federal public service.

Changes to Specific Aspects of Service Delivery

In all, 42 of the initiatives fell into this category. In 9 cases organizations simplified or streamlined the procedures that clients were required to follow, thereby reducing the time and cost requirements of dealing with the government and/or ensuring prompter service. Ten cases involved the introduction of single window initiatives for added client convenience. Other initiatives included co-location (3), public information programs (2), the introduction of service standards (1) and new measures to resolve complaints (1).

However, the largest group of initiatives (16) involved the introduction of technology-based access. These included the introduction of electronic commerce systems for filing information (6), making information accessible on the Internet (6), the establishment of toll-free 1-800 lines (4) and the development of databases available on CD-ROM (2). This represents but a small sample of the many initiatives taking place across government that employ information technology in the delivery of services. As noted in Section 6, this approach is supported by provisional Treasury Board policy.

As service delivery becomes increasingly technology-based, it will raise fundamental questions of equality of access (a key public value). In order to ensure that those who cannot access or use the technology (for whatever reason) continue to receive service, it will be necessary to provide alternative means (face-to-face, telephone, etc.) at least for a transitional period. At the same time, the government might wish to augment its existing programs to enhance the ability of Canadians to access and use the technology.

7.2 FACTORS INFLUENCING CHANGE

Participants in the four focus groups identified a number of factors that they felt were motivating changes of the type discussed above. They also discussed factors that either helped or impeded the changes.

Change Motivators

Pressure to cut costs and generate revenue following Program Review was by far the most frequently cited motivator for change. Variations on this central theme included pressure to achieve greater efficiency. A number of participants also mentioned the need to improve client service and reduce compliance costs imposed on clients. Other motivators identified were culture change, protection of assets, ministerial directives, achievement of synergy, the changing nature of the federation, the changing role of the federal government, the Auditor General's Report and the opportunities offered by information technology.

Factors that Helped Change

The factors that influenced change were mostly organizational specific rather than government-wide. A number mentioned the importance of support from the Minister or Deputy Minister. Support from employees and pent-up demand for change on the part of stakeholders were also mentioned. Some SOA representatives felt that SOA status had helped them to make changes. Other factors cited included the pressure to report publicly; legislative change; small scale; low profile; compatible culture; positive rhetoric; clear goals; strong leadership; ambiguity in the rules; ignorance of the rules; budgetary restrictions; technology and benchmarking.

Factors that Inhibited Change

Inhibitors of change cited included central agency[31] and departmental obstruction (or at least inertia); lack of a unifying vision (so that initiatives were undertaken without a clear rationale); an inappropriate culture (not entrepreneurial enough, clash between staff values and organizational goals, etc); practical challenges of bridging the gulf between potential partners; overly rigid rules; the current classification structure and lack of Ministerial support.

---

[31] Issues and problems related to central agencies are discussed later.

7.3 ISSUES ARISING

Participants identified and discussed a wide range of issues related to changes in the federal government's service delivery system. These included:

- Role of the Federal Government;
- Role of central agencies;
- Devolution and privatization and partnerships;
- User fees and cost recovery;
- Competition;
- Accountability;
- Performance Measurement;
- Motivation;
- Recruitment, deployment, promotion and training;
- Structure and process issues;
- Technology; and
- Leadership.

Role of the Federal Government

There was a feeling that this aspect of Program Review had not received as much attention as other aspects. In part, this might be attributed to the bottom-up manner in which the Review was conducted. Questions concerning the role of government are properly decided at the political rather than the program level. However, participants also pointed out that it is often difficult to pin down an appropriate role for the federal government in today's complex and rapidly changing environment. Some areas, such as real property and certain value added services which could be licenced to the private sector, were identified as possible areas in which the government did not need to be involved. On the other hand, the government might wish to retain a capacity in certain areas such as security and public policy. A further factor is the difficulty of establishing the value of certain organizations, such as CIDA. Maintaining relevance in the eyes of the public might require some organizations to transform their mission and culture to remain aligned with society's changing values and priorities.

Role of Central Agencies

Participants voiced a number of concerns about the role played by central agencies (Treasury Board in particular) in the change process. There was a general view that TB policies were lagging behind the events triggered by Program Review. Policies on human resources[22], and fee charging were particularly mentioned. The slow progress of classification reform is causing problems for some organizations by making it difficult for them to hire the people they need and by causing capable people to leave. TBS was perceived to be a drag on the implementation of Program Review initiatives in part because of excessive workloads but also because of structural and attitudinal problems and lack of a coherent vision or enabling framework.

In the opinion of many participants, TBS remains functionally stovepiped which makes it very difficult to get coherent action on issues, such as alternative service delivery, that require functionally integrated decisions. Furthermore, TBS is also perceived as failing to appreciate the practical difficulties of implementing policy or the necessity to take some risks in order to achieve results. It maintains an overly rigid approach which makes insufficient allowance for diversity. Finally, a number of participants pointed to examples of inconsistent decision-making or information which might be attributed to lack of a coherent vision.

---

[22] Since addressed to some degree under the new framework.

Some participants also felt that policy changes were being poorly communicated to more junior levels within TBS. As a result, the perception was that some individuals within the organization continued to operate in the 'old' policy framework and provided information and guidance which was inconsistent with information obtained elsewhere in TBS. A number also expressed concern over the amount of time they spent providing information ("feeding the gorilla") and the lack of feedback on draft submissions.

Many participants felt that the Treasury Board should provide a broad policy framework (including appropriate financial, administrative and classification systems) but should then trust each organization to work out the solution best suited to its individual circumstances and environment. However, some pointed out that it is not always safe to assume that departments know what to do. It might be necessary for TBS to be more prescriptive in some areas (such as governance and accountability frameworks) at least on an advisory basis.[33] There was general agreement on the need for better communication between departments and central agencies at all stages in the development of new initiatives. This would provide an opportunity for those involved to understand the unique perspectives of departments and central agencies.

Although frustration and indifference with central agencies was widely felt, some participants reported instances where TBS has been very helpful. Some also pointed out that TBS was much less intrusive than it used to be and more recently had an important role to play in ensuring consistency in operational policy. The central agency role in substantive policy co-ordination was also seen as important.

The role of the central agencies (and in particular that of the Treasury Board) is unclear and contradictory in that they are expected to lead, or at least actively support the change process, while maintaining their traditional "guardian/enforcer" role. These contradictions can only be resolved by the development of a coherent and government-led vision and enabling legislative framework. Such a framework would also help to ensure consistency and avoid the time-consuming process of treating each change initiative as unique.

Devolution, Privatization and Partnerships

While supporting the concept of devolution, a number of participants pointed out the importance of carrying it out at appropriate pace while ensuring that the devolvee had the capacity to take over (devolution to Aboriginals was cited as an example). However, this may not be easy to achieve since experience suggests that once the process of devolution is started it tends to acquire its own momentum as devolvees start to demand increasing control. There was a related concern regarding devolution to the provinces in that provincial cutbacks could lead to gaps rather than duplication in service. Finally, it was pointed out that, in the absence of effective competition, devolution to the private sector could end up increasing costs.

On the subject of privatization (including employee takeovers) some participants felt that regulations such as those governing conflict of interest presented significant impediments. Experience suggests that these impediments can be overcome if there is consistent support from both the political and administrative levels of government.

Many participants saw an increasing need for partnering arrangements if they were to successfully achieve their goals. Trust was identified as essential to success, especially in situations where the government acted as a catalyst by bringing various players together to provide better service.

User Fees and Cost Recovery

Several participants who had introduced user fees indicated that they now felt increased pressure from their clients to keep costs down and demonstrate results. In addition, clients needed assurance that they were paying only for the services they were receiving. Also, charging fees created an expectation on the part

---

[33] It is interesting to note that this issue also arose during implementation of the Next Steps initiative in the U.K. There the centre started from the premise that agencies and departments would be able to determine for themselves what was required in areas such as target setting and performance measurement. However, many requested much more detailed guidance which was eventually forthcoming.

of clients that the service would continue in spite of government reductions or that their fees would be reduced if there was a cutback in service. At least one participant reported a conscious effort to tailor services more directly to clients needs now that they charge for them and another emphasized that charging user fees makes it desirable for clients to have input into the decision-making process. Finally there was general agreement that good public relations and open communication were very important to the success of cost recovery initiatives.

Some participants expressed concern over certain risks associated with fee charging. These include:

* limiting access to services for which fees are charged, which may undermine the "public good" role of the service;

* encouraging government organizations to focus more on value added activities and pursuit of markets (e.g. international) that generate revenue rather than on their core responsibilities;

* the introduction of what amounts to an additional tax in cases where fees exceed the costs of providing the service; and

* protection of government monopolies from the need to improve efficiency[34].

Thus, in terms of Figure 2, fee charging appears to be creating pressure to minimize costs and increase responsiveness to client needs, but may also be putting at some risk the remaining two factors of policy support and maintenance of public values such as fairness and consistency.

Competition

A number of participants represented organizations that either competed for business themselves or saw competition as a way of obtaining better service from arms' length delivery agents. In some cases, such as optional common services, the nature of such competition is readily apparent. However, government services also face less obvious competition, such as competition for potentially productive immigrants and competition to provide information (e.g. weather services). Among the first focus group participants there was general agreement that more needed to be done to clarify the rules relating to competition. For example, they are being encouraged to form partnering/collaborative arrangements with private sector organizations against which they may also have to compete. Furthermore, there is considerable ambiguity over how agressively they can market their services. Finally, one organization was in the process of trying to privatize an optional competitive service without any clear policy as to how to proceed. There was a need to establish a defensible policy position – a long-term game plan – for competition with respect to the public good and it was thought likely that this would have to be decided at Cabinet level.

While the use of competition among private sector delivery agents is generally accepted as positive, the position with NGOs is less clear. Exposing the NGO community to competition could act as a spur to efficiency but could also deflect NGO resources from their core task and make them less effective, which could also result in pressure being put on politicians.

Accountability

The topic of accountability came up from time to time during the discussions. Participants acknowledged that government is accountable to the public in a way that the private sector is not (see Figure 2). The presence of senior functional officers within departments and use of horizontal checks and balances were seen to serve the accountability of the deputy minister and ultimately the minister. However, it was noted that these arrangements weakened internal accountability. Under the status quo it was not clear why the SOA model would necessarily be an attractive option for a Deputy Minister.

---

[34] While this is certainly a potential risk, the experience of a number of participants (as noted earlier) suggests that it may be more than offset by countervailing pressure from fee paying clients to keep costs down.

Some participants felt that cost recovery initiatives created a direct accountability arrangement with those who pay. Finally, accountability was seen as a key unresolved issue in partnering arrangements.

Performance Measurement

Participants recognized the desirability of establishing service standards and measuring aspects of performance, such as client satisfaction. Without proper measurements taxpayers cannot be sure they are getting value for money. Furthermore, performance measurements were seen as vital to accountability and even as a means of helping ensure survival. Some participants claimed to have made considerable progress, while others admitted they still had a long way to go. However, participants also identified a number of difficulties, including:

- the problem of determining what to measure;[35]

- the fact that the results of some important activities cannot readily be measured;[36]

- lack of resources;

- lack of stability at a time of rapid change; and

- lack of time (survival mode);

Participants observed that it was hard to get people to focus on perfomance measurement. It has to be signalled as serious and it has to be done by the line managers themselves and not by planning staff. It was also pointed out that measurements should be kept as simple as possible and should not be used for comparing different parts of an organization. Finally, one participant suggested that it might be useful to measure the combined contribution of a number of programs on a common outcome, such as public safety. This might help to rationalize the allocation of resources among those programs.

Motivation

Participants identified a number of factors in the current situation that they felt demotivated employees. Among these were:

- insufficient ability to reward people (including the limitations imposed by the current system of tying promotions to management responsibilities);

- the current emphasis on cost-cutting and staff reductions which tends to breed cynicism and undermine loyalty just when it is most needed to carry the government through the current transition and also creates a climate of survival that discourages innovation;

- too much empty rhetoric concerning empowerment, for example, and "saying one thing and doing another";

- insufficient rewards and recognition for good management of human resources;

- the current emphasis on teams which some employees see as a threat to their security;

- new priorities that clash with the ideology and values of employees;

- being "locked into a hierarchical, patronizing and old-fashioned system";

- insufficient recognition of culturally distinct units and difficulty in balancing their interests with those of the department;

---

[35] For example, the question was raised as to whether it make sense to measure CIDA's performance in terms of its impact on conditions in recipient countries, when CIDA's contribution may represent 2% of the total. In such cases, it might be more reasonable to measure outputs, such as the number of immunizations.

[36] For example, how do you measure the quality of CRTC decisions?

- loss of key people to the private sector; and

- making unrealistic demands on employees.

Recruitment, deployment, promotion and training

A number of participants pointed to their lack of freedom to recruit people with the necessary qualifications. It was not always possible to find suitably qualified internal applicants. The classification system made it difficult to offer competitive salaries in some cases. Participants also identified a number of areas in which training is required, including quality management (ISO), marketing, informatics, teamwork, multi-discipline problem solving and leadership. There was some scepticism concerning new style management techniques. Vision, commitment and positive attitudes were seen as important.

Structure and process issues

Some participants were opposed to the idea of "one size fits all" structures and stressed the importance of tailoring the structure to the situation. It was also observed that while functional stovepipes can impede service, the classification system impedes the formation of cross-functional teams. Some support was voiced for the idea of separating service from policy where it made sense.

Technology

There was extensive discussion of technological issues during the focus group sessions. Many participants noted the widespread move to electronic delivery and the increasing use of the Internet. While there was broad agreement on the potential of the Internet, the need to retain the option of human contact was also noted.

The role of the government as both holder and transmitter of information was examined. Participants agreed that information technology could help the government to play this role more effectively. The government should also help the public to become technologically literate and should encourage good technology practices. One participant felt that Canada should focus on specific areas of technology in order to be able to compete internationally.

A number of issues concerning the use of technology for delivering services were identified, including:

- how much to charge;

- potential limitation of access;

- public comfort level (especially where confidential information is concerned);

- the question of who owns personal information and who has access to it; and

- implications for the publishing industry with increasing use of the Internet.

There was also some discussion about the use of information technology for internal administrative systems. Some participants felt that cost pressures would induce a search for common solutions. There were too many "Cadillac" custom-made packages when something off-the-shelf would do almost as well and cost far less. There was scepticism about centrally developed solutions. Some thought that the Blueprint (see Section 6) was too general. However, it was also recognized that systems development is too fragmented, that there is unnecessary duplication of effort and insufficient sharing of experience. Consequently, there was support for the idea that departments should share information and developmental risks. Finally, one participant observed that the future lies in networking components so that

people can build their own solutions, while another stressed the importance of giving employees some freedom to find the best way of using technology.

Leadership

The need for government-wide leadership came up a number of times during the discussions. There was a need for someone to point out inconsistencies in current policies and to ensure that a holistic and coherent interdepartmental perspective is brought to bear on major issues. The lack of a clear, long-term game plan was seen to waste resources and create uncertainty. One participant observed that we seem to have backed into a differentiated (alternative service delivery) model and that, although new models had been developed, there was a lack of commitment to effective implementation of existing models.

8 CONCLUSIONS

In this paper, we have taken a comprehensive view of government service delivery: one that includes the development of policies that respond to the individual and collective needs of Canadians; the design of programs to meet those needs; the establishment of mechanisms to deliver the programs; and, the design and operation of delivery systems. Although we believe that government can learn from the best private sector practices in the area of service quality, we also contend that there are fundamental differences between public and private services which we should not lose sight of. Specifically, and unlike the private sector, government services must support specific public policy objectives and must be delivered in a manner that is consistent with public values and democratic principles.

It is not enough simply to respond (however well) to the needs of specific groups of citizens. Ineffective or poorly designed programs, even if delivered to the highest standards of service quality, do not constitute good government service. We believe that models for the delivery of government services should be constructed to provide balanced service based on a full range of desirable attributes, including economy, efficiency, accessibility, service quality, effectiveness, fairness, accountability, etc.

8.1 SUMMARY OF DEVELOPMENTS

It was clear from our information and other sources that there has been an enormous amount of creative thinking and innovation throughout the federal public service over the last few years. This does great credit to the professionalism and dedication of federal public servants. The following paragraphs summarize some of the key developments at each level of decision-making, vis-à-vis (i) policy development, (ii) design of programs and delivery mechanisms, and (iii) design and operation of delivery systems.

At the policy level there have been major reviews of key policy areas, a move away from the use of subsidies as a lever of government policy, and an increased focus on core government responsibilities. This has led to the abandonment of some federal programs and the devolution and privatization of others.

Changes at the program design level reflect a growing concern both with the overall cost of government operations as well as with the specific burden (regulation, complex reporting requirements. etc.) that individual government activities impose upon Canadians. Initiatives aimed at reducing the overall cost to taxpayers have included the introduction or augmentation of user fees and cost-sharing arrangements, the consolidation of activities, collaboration with the provinces and other external entities to make better use of available resources and the devolution of operational responsibilities to others within a federal policy framework. Although new delivery units have been formed to respond to emerging policy issues, under the new Expenditure Management System their costs have to be met by reallocating resources within the

existing budgetary envelope. Initiatives aimed at reducing the burden on Canadians have included redesigning programs to make them more user-friendly, reducing regulatory compliance costs and harmonizing programs with those of other jurisdictions.

Another trend has been to facilitate the development of alternative organizational arrangements for delivering services. The centre has given departments greater freedom to devise delivery approaches tailored to their particular responsibilities. There has also been some encouragement for the creation of somewhat more autonomous entities, such as Special Operating Agencies and the three new agencies announced in the March 1996 Budget. Policies have been changed to facilitate employee takeovers and the transfer of staff to external entities and new arrangements for contracting with the private sector have been developed.

At the level of service delivery the dominant trend has been the increased use of information technology for both the automation of internal processes and as a means for providing information on and access to government services. There have also been efforts to be more user-responsive by simplifying procedures, documentation and language at the client interface. Structural changes have included consolidation of regions and branches, sharing of support services and systems, delayering, the introduction of project-based teams and decentralization of decision-making. Some attention has been given to service quality initiatives (including ISO certification) and the introduction of service standards.

The dominant force behind these changes has been the pressure to reduce expenditures, especially under Program Review. However, in many cases improved service to clients was also a significant objective, especially if it could be coupled with reduced costs associated with measures such as procedural simplification and the use of technology.

8.2 ISSUES ARISING AND LESSONS LEARNED

These new developments and changes have brought to the fore a number of issues. Central agency policies and framework legislation have proven to be significant impediments to change. Current policies are not designed to support a diversity of delivery arrangements, so that change initiatives have had to be addressed on an inefficient and ad hoc case-by-case basis. From the perspective of many line managers who are under pressure to make operational changes, the central agencies often appear inflexible, functionally fragmented, slow and unresponsive. However, the role of the central agencies (and in particular that of the Treasury Board) is unclear and contradictory in that they are being expected to lead, or at least actively support the change process, while maintaining their traditional "guardian" role.

Specific problems have included entrenched attitudes and cultures, traditional systems of departmental governance that cannot cope with diversified delivery, an overly restrictive job classification system, disconnections between expected roles and available authorities, ambiguities over accountability (especially in the area of partnering), insufficient sharing of information on initiatives across the federal government (leading to inconsistencies and duplication of effort), restrictions on recruitment to acquire needed skills, lack of clear and consistently supported guidelines on user fees and competition and inadequate nurturing of leadership. The situation has not been made any easier by the fact that these changes have taken place in an environment of downsizing and job insecurity. Furthermore, rapid change is not conducive to the introduction of measures such as results-based performance assessment which require a more stable environment.

These problems are symptomatic of a deeper problem, namely the lack of a coherent and consistent vision and a set of guiding principles for change visibly led at the political level. While "Getting Government Right" provides a useful starting point, there is a need to advance by changing the legislative and policy

framework in order to resolve some of the above problems and to ensure the effective alignment of incentives and goals. Finally, these framework changes will need to be supported by a well-led and well-structured infrastructure for implementation.

We also looked at service delivery initiatives in provincial jurisdictions and in other national governments. Generally speaking, the provinces have pursued courses of action that are quite similar to those of the federal government. There are some differences in emphasis which are likely attributable to the differences in the mix of services offered by provincial and federal governments. In particular, direct services to the public, such as health and education, constitute a larger proportion of provincial than federal government activity.

As far as other national governments are concerned, the changes that have taken place in New Zealand and the United Kingdom are the most radical and appear to have produced some tangible service delivery gains. Both hinge upon the separation of policy and operations in order to provide a sharper accountability for maintaining service standards and achieving specified targets for operational performance. Significantly, both are also unitary governments offering a full range of government services. While the Canadian federal government could emulate this approach in areas of exclusively federal jurisdiction, it might find it more difficult in areas of mixed federal and provincial responsibility. Furthermore, the delivery of direct services to the public, which is particularly amenable to this kind of treatment, is an area in which the federal government is proportionately less involved than the governments of unitary states.

A key lesson we have drawn from the experiences of provinces, other national governments and past federal initiatives is that solutions developed in one context are not directly transportable to another context. While we can certainly use the experiences of other jurisdictions as a source of ideas and inspiration, solutions must ultimately be driven by the specifics of each situation. Even within the federal government, the great variety of roles, responsibilities and influences precludes the adoption of generic solutions, beyond statements of overall objectives and principles. It is important to be able to look beyond partial solutions and organizational fads and to think in terms of the whole system and the underlying objectives and principles of reform. Specific service delivery initiatives should be designed to provide balanced support for the four broad requirements of cost containment, responsiveness to user needs, support for national policy objectives and consistency with public values and democratic accountability.

9 RECOMMENDATIONS

These recommendations are based on an analysis of the strengths and weaknesses of recent reform initiatives both within the Canadian federal public service and in other jurisdictions, on ideas culled from the literature and on an assessment of what might be required to resolve some of the key issues raised by the focus groups. The recommendations are based on certain assumptions concerning the forces that will continue to shape the evolution of the federal government. After first listing these assumptions, we then present two sets of recommendations. The first set addresses the structures and processes needed to design and implement a coherent and focussed program of public service reform. The second set of recommendations addresses a range of specific issues that are germane to the reform agenda.

9.1 ASSUMPTIONS

1. Globalization, international competition and changing perceptions of the role of government will give rise to an increasingly complex and rapidly evolving policy environment. Traditional mechanisms for formulating and implementing policy will no longer prove adequate to the task. New processes will be required to enable government to continually monitor and analyse emerging issues, evaluate alternative policy responses and put in place flexible and adaptable mechanisms for delivering those policies.

2. Fiscal restraint will continue for the foreseeable future, forcing the federal government to innovate, recover costs where possible, set tough priorities and work increasingly with and through others in a spirit of compromise (i.e. the Program Review questions will continue to be asked).

3. The public will continue to demand an increased role in government decision-making in areas such as policy development, program design, selection of delivery mechanisms and establishment of service priorities. The public will have little patience with federal/provincial jurisdictional disputes and will expect both orders of government to work together under federal leadership to deliver services as cost-effectively as possible.

4. There will be pressure for enhanced transparency and accountability which will give rise to new accountability arrangements that focus more on value for taxpayers' money and encourage the development of control systems that focus more on the achievement of results and less on conformance with rules/ procedures.

5. The role of the federal government will gradually evolve over the next few years. As a consequence, the services of the federal government may become increasingly focussed on a number of key areas, possibly including:

- development and co-ordination of national economic and social policy;
- facilitation (promoting consensus on national goals);
- acting as catalyst (bringing people together and energizing them to achieve the goals);
- information brokering (collecting, analysing, developing and distributing information);
- protection of public health and safety;
- promotion of national values and national cohesion;
- redistribution of wealth in accordance with national values;
- facilitation of national economic growth; and
- international representation and negotiation.

6. Direct services that contribute to federal government objectives and lie within its mandate will be increasingly delivered by or through arm's length organizations. The role of government will be to "steer" or strategically manage such services, rather than to get involved in detailed operations. Other services will be privatized or devolved.

7. The combination of working with and through others, new accountability arrangements and strategic management of direct services will give rise to an increasingly diverse range of program delivery mechanisms, such as the three new agencies announced in the recent budget. This increased complexity will create additional challenges of oversight and co-ordination at the ministerial level.

8. Information technology will play an increasingly important role in both service delivery (electronic access and processing, electronic commerce, etc.) and internal operations (automation, communications, administrative and operational systems). Over time, this will exert a profound influence on the public service and the nature of its work. Many routine tasks will be automated. There will be increased use of expert systems to interpret rules, which will provide a controlled framework for empowering front-line staff and ensuring program-wide consistency. Implementation of this regime will require new skills and new people and will be a source of continued change and uncertainty in the workplace.

9. There will be greater demand for expertise in certain areas, including policy analysis, technology, the development and management of knowledge, consultation and facilitation skills, etc. This will create pressure to develop a new human resources management framework in which performance incentives are realigned to the government's objectives.

9.2 PROCESS RECOMMENDATIONS

Strategic Leadership

The lessons of recent history in countries such as the United Kingdom and New Zealand are clear. A comprehensive and vigorous public management reform program will not succeed unless there is a critical mass of support at the political level. "Getting Government Right" offers a useful starting point on which to build. It sets the stage for a more diverse, results-oriented and cost-effective public service. For these reforms to take hold, they will have to be visibly led by the government, whose members will need to reiterate the reform message at frequent intervals. Although a consistent message with respect to the goals of reform is needed, the government should not be dogmatic concerning the means employed. Rather, it

should support a process of evolutionary learning that includes all those with an interest in the outcome of the reform program and that builds on what has already been achieved. In moving reform ahead the government will have to balance the need to maintain momentum against the ability of all those affected (including the public service itself) to absorb change. However, the government will have to be prepared to take some risks and to defend the reforms against the inevitable attacks from sceptics and from those with a vested interest in the status quo.

Implementation Leadership

Government leadership is a necessary, but not sufficient, condition for the reforms to take hold. Ministers do not have the time (or, necessarily the skills) to manage the reform program on a day-to-day basis. There is a need to establish a small, dedicated **central implementation team** within the public service, along the lines of the Next Steps team in the U.K. This team should be led by a senior and widely-respected public servant or by a private sector executive with sound experience of government. It should be responsible for developing an overall implementation plan for the reform, co-ordinating the implementation process and monitoring and evaluating progress. There might be merit in establishing this team outside the existing institutional structures of the public service in order to provide assurance of objectivity and freedom from vested interests.

Members of the team should be motivated, respected and imaginative people who are dedicated to the reform process. They should collectively possess the range of skills, knowledge and experience needed to address all significant aspects of reform. This will likely require central agency, departmental and union representation. The views of key external constituencies would have to be integrated into the reform process, either through representation on the team or through the establishment of effective consultation mechanisms. External sources, such as academia, "think tanks" and other external groups with an interest in the way government operates should also be encouraged to present ideas on how best to implement the reform program.

This central implementation team should be closely linked to a network of high level departmental and central agency reform co-ordinators with sufficient authority to ensure that the reforms are implemented. These co-ordinators, each of which might be supported by a small team, would oversee implementation within their own organizations and would liaise regularly with the central implementation team. The aim would be to help ensure consistent implementation across the government and to maintain the pace of reform in each department.

The central implementation team will need to have a tight accountability relationship with government in order to ensure that it maintains overall direction of the initiative and that Ministers are well-briefed on specific developments and emerging issues. One possibility would be to have it report to an ad-hoc committee of Cabinet (the model used for the Program Review). The team will need to be supported by a dedicated group of policy advisors, selected strictly on the basis of their skills, knowledge and expertise.

Vision and Values

The reform process should start with a coherent, consistent and widely-supported **vision** of the future, made concrete through a set of strategic objectives that are:

•   linked explicitly to the **emerging roles of the federal government** (see above for an initial list which would have to be refined);

- **specific enough** that individual government organizations can understand the relevance of the vision to their particular case; and,

- expressed in terms that recognize the **diversity** of the public service with respect to core tasks, critical results and methods of delivery.

The reform process should rest on an agreed-upon foundation of **common values and basic principles** (such as: effectiveness, value for money, responsive and efficient service within a clear framework of entitlement, fair and equitable treatment of individuals and groups, a strong ethical foundation, respect for the merit principle and adherence to democratic principles and accountability).[37]

Strategic Framework

The next step would be to develop a strategic framework to realize the vision and achieve the objectives. The key elements of the framework are listed below.

1. **Identification of activities** that are critical to the ability of the government to play its emerging roles, as specified in the vision. For the purpose of developing a general strategy, it would be useful to group similar activities (regulatory compliance, international trade, support for small business, scientific R&D, etc.) into a typology. In accordance with Program Review, non-critical activities would be considered for abandonment, privatization or devolution.

2. **Determination of desirable service attributes and critical objectives** *specific to each type of government activity.* This would be based on desirable service characteristics (including accessibility requirements) ascertained in consultation with key stakeholders in each case and on the established set of common values and basic principles. Inevitably, there will be some conflict among the desirable attributes of each type of activity and a set of guidelines (specific to each type of activity) will be required to establish a clear basis for making tradeoffs among them.

3. Identification of a clear set of **conditions under which specific types of activities should be carried out jointly** with other federal government organizations, other governments and/or non-government entities. This will also require the development of model governance and accountability frameworks to encompass the range of possible partnering arrangements. These conditions should be explicitly driven by the desirable service attributes and the achievement critical objectives (Element 2).

4. Development of a clear set of **criteria for selecting among alternative organizational forms**[38] *specific to each type of activity.* This will also require the development of model accountability and governance frameworks. As in Element 3, these criteria should be explicitly linked to the achievement of desirable service attributes and critical objectives.

5. Development of a clear set of **criteria for "make or buy" decisions** that are *specifically tailored to each type of activity.* In contrast to external partnering arrangements, buy options are under the exclusive control of the federal government. There are a number of alternative "buy" options, including straight contracting, GOCOs, ETO's, franchising and licensing. Activity-specific guidelines for developing and managing contracts will also be required.

6. Identify promising strategies, *tailored to each type of activity,* for enhancing the **internal capacity** of government units to deliver programs and services with desirable attributes that achieve their critical objectives. Elements to consider include:

- leadership;

[37] This issue is being addressed by the Deputy Minister Task Force on Values and Ethics.

[38] TBS has already developed guidelines in a number of areas, including alternative delivery and "make or buy". While these guidelines are a useful foundation on which to build, they need to be tailored to specific types of government activity and linked explicitly to the common values, basic principles, desirable service attributes and critical objectives identified.

- authorities (note: will have been addressed in general terms in the selection of organizational form) – include the ability to generate revenues and recover costs;
- ability to articulate objectives (thereby clarifying the organization's role and enhancing its sense of purpose);
- performance targets and service standards (depends on the extent to which desirable attributes and critical objectives can be quantified);
- resource levels;
- technology;
- skills, abilities and knowledge;
- motivation and incentives (performance pay, criteria for promotion, competition, etc.);
- structure (including appropriate distribution of authority within the organization and methods for co-ordinating work);
- processes (including mechanisms for on-going client, stakeholder and staff consultation);
- organizational culture ("the way things are done"); and
- stability.

7. Establishment of an **enabling framework** to help government organizations deliver programs and services with desirable attributes which achieve their critical objectives. Elements to consider include:

- establishing a holistic perspective so that administrative policy and operational decisions are made on the basis of their system-wide impacts;
- reductions in support costs (shared services and systems, outsourcing, competition between alternative providers, etc.);
- reductions in reporting requirements (streamlined accountability and control arrangements);
- mechanisms for horizontal collaboration within and between departments (especially in the policy area);
- corporate support for "single window" access (e.g. Canada Business Service Centers, initiatives to enhance client capacity for electronic access, training of knowledgeable client interface personnel, etc.);
- alignment of central agency roles and policies to support identification and adoption of the best options (with respect to partnering, alternative organizational forms, contracting, policy development and the management of human resources, finances, technology and assets);
- changes in the legislative framework, if necessary;
- collective bargaining agreements and relations with the unions; and
- clear guidelines (rooted in common values and principles and defensible from a public interest perspective) to address potentially contentious situations, such as competition with the private sector and the introduction of user fees.

Changes to the enabling framework and other significant strategic decisions will have to be taken at the political level upon recommendation by the reform implementation team.

8. The current situation is too complex and is evolving too rapidly to allow for the development of a stable strategy or set of solutions. Therefore, a key part of the strategy will be to build a **capacity to learn and adapt**. This will require the establishment of mechanisms to extract **lessons learned** *specific to each type of activity and method of delivery* to guide evolution of the system as a whole. Possible mechanisms include "best practices" networks and electronic access to regularly updated

guidelines and experiential information that has been structured for relevance to particular contexts. The learning process will be enhanced to the extent that organizations can monitor progress against clear and measurable objectives.

A further possibility would be to establish a number of pilot projects that (i) encompass a range of activities and organizational situations to be undertaken and (ii) have a clear and comprehensive set of performance criteria against which progress can be monitored from the start. Finally, a systematic effort should be made to extract lessons from innovative delivery initiatives already in existence, even if they were not initially set up as pilot projects.

9.3 SUBSTANTIVE RECOMMENDATIONS

These recommendations cover the following ten areas:

- role of central agencies;
- structure;
- development and use of information technology;
- alternative delivery mechanisms;
- governance, accountability, business planning and performance measurements;
- policy development and evaluation;
- leadership, management and human resources;
- rewards and incentives;
- learning capacity; and
- cost recovery and competition;

Role of Central Agencies

1. The ability of TBS to support and facilitate the reform process should be enhanced by the adoption of a much more integrated structure focussed on key reform goals. In addition, its legislative mandate should be altered as necessary (but recognizing the inherent difficulty in reconciling this new role with the continued need for TBS to act as a controller in certain areas).

2. PSC should consider: (i) realigning the application of the merit principle with the objectives of reform; (ii) becoming more proactive in reinforcing the merit principle (given the risks of bureaucratic patronage associated with a more decentralized operating environment) and (iii) developing a service-wide code of ethics that reflect the common values and guiding principles of the reform program.

3. PCO should play a strong leadership role in policy co-ordination, given the interrelatedness and dynamism of the current policy world, and ensure that any necessary adjustments to the machinery of government occur in a timely and well-managed fashion.

4. The OAG should be encouraged to emphasize and encourage positive accomplishments of the public service to a greater degree, instead of focussing largely on the negative.

Structure

5. As a general rule, the macro-organization of government should be such as to give it the best chance of achieving its critical objectives as defined in the reform vision.

6. What seems to be needed is a structure that facilitates policy co-ordination, while decentralizing operations as much as possible, at the same time shifting the basis of operational control from compliance with functional rules to achievement of results.

7. Operational co-ordination between programs should be achieved by (i) merging the programs or placing them under a single organizational umbrella or (ii) mutual participation in each other's business planning processes.

8. Departments should make decisions to centralize or decentralize regional operations on the basis of the desirable attributes and critical objectives of each activity (e.g. programs for which consistent national standards are important – such as many regulatory programs – might best be centralized, whereas programs that need to be co-ordinated at the local level either with one another or with outside organizations might best be decentralized).

9. Similarly, the internal structures of individual service delivery units should be such as to support the performance of their critical tasks, while allowing technology-based "virtual structures" to handle other tasks.*

Development and Use of Information Technology

(These recommendations acknowledge the crucial role that information technology will play in the evolution of the public service, both in its internal operations and in its linkages with clients and other stakeholders.)

10. Recognition should be given to the fact that specific client groups requiring "single window" access to a range of programs can increasingly be accommodated by electronic means.

11. The government should take steps to help increase the capacity of client groups to access its services electronically.

12. Transition arrangements should be put in place, including specially trained interface personnel with the knowledge to provide information on a range of programs and to direct more detailed enquiries to the right place.

13. The government should play an active role in preparing users for electronic delivery of government services.

14. The use of technology within organizations should not be overprescribed, given that employees can often find the best ways to use it.

15. Centres of expertise be created within the government for the development of common technologies.*

16. The centre should play an enabling, rather than a directive role, in the development and application of new technologies by ensuring (i) that technological developments and best practices of common interest to a number of government organizations are monitored; (ii) that information on these developments and best practices is distributed; (iii) that common standards are developed; and, (iv) that the wheel is not reinvented unnecessarily.

---

* If the virtual structure begins to dominate the formal structure, this could be taken as a signpost for the need for alterations in the formal structure. The suggestion is somewhat analogous to the practice of those landscape architects who let users determine the best locations for pathways by first allowing patterns of wear to develop in the grass.

---

* The lead role played by the Passport Office in the development of optical scanning technology is a current example.

Alternative Delivery Mechanisms

17. It should be recognized that the need to co-ordinate federal and provincial operations, may make it harder to establish units that can be held primarily accountable for operational results (a model which appears to be working quite well in the U.K. and New Zealand). This approach should first be applied to areas of exclusively federal jurisdiction, while pilot projects should be established to test possibility of applying it in a range of collaborative situations.

18. If the SOA model continues to be applied, steps must be taken to strengthen it along the lines suggested by the OAG.

19. Ministers should recognize and respect the increased accountability of the heads of alternative delivery units and concentrate on exercising strategic control through target setting, while refraining as much as possible from detailed intervention in operations.

20. Additional authorities granted to the heads of alternative delivery units should be determined by an assessment of the risks, potential benefits and needs for co-ordination inherent in each situation, rather than being awarded on the basis of a generic model and that accountability agreements be tailored accordingly.

21. It should be made clear that management discretion does not extend to matters of policy, but is limited to factors that influence the capacity of government organizations to achieve agreed-upon objectives (while noting that it is not always possible to make a clear-cut separation between policy and operations and that appropriate and activity-specific distinctions may have to worked out over time).

22.. Devolution of operational decisions to local decision-making bodies should be contingent upon their knowledge and skills, their representativeness of the client community and their freedom from vested interest in particular decision outcomes.

23. Asymmetrical delivery should be driven only by genuine differences in client needs, and not simply by differences in local power configurations, in addition to taking place within a framework of common values and standards.

Governance, Accountability Business Planning and Performance Measurement

24. All government organizations should articulate their objectives and critical tasks as clearly as possible and incorporate these in their business plans, expressing objectives in measurable terms wherever it is reasonable to do so.[41]

25. Government organizations should track and report their performance against these objectives both to improve their performance and to demonstrate success in a tangible form as a counterweight to potential criticism from the opposition, media and others.

26. The business planning process should allow for input from all key stakeholders and be developed by those who will have to live by it.

27. The locus of control of government organizations should be shifted as much as possible from compliance with functional procedures to achievement of results and control of resources should be reallocated accordingly.

---

[41] Although quantification of objectives is not always desirable or possible, articulation of performance objectives is still important. As Kettl puts it "performance management is fundamentally about communication – not measurement" and it aims "to shape and improve incentives".

28. Accountability agreements should clearly define both authorities and limits of action specific to each case; available resources; key environmental assumptions and reporting requirements (including inputs to the policy development and program evaluation processes).

29. Targets and other performance indicators should be negotiated as freely as possible and should be subjected to renegotiation if there is any material change in authorities, resource levels or environmental assumptions.

30. Those who direct and oversee government organizations should: (i) recognize the potential importance of business plans to effective governance; (ii) understand the strategy of the organization; (ii) ensure that the strategy and plans are consistent with the common values and critical objectives of the government and are as explicit and transparent as possible; (iv) be able (when applicable) to negotiate challenging, but realistic performance targets; and (v) ensure that the necessary systems are in place to track progress and manage risk.

31. Consideration should be given to the use of boards with broad stakeholder representation to advise governing bodies and operational units (but noting a single board cannot readily serve both functions).

Policy Development and Evaluation

32. Policy groups should be strengthened so as to maintain the government's capacity to balance competing policy interests in an increasingly demanding environment. This will require strengthening the links between internal and external policy groups.

33. Program evaluations should be focussed more strongly on outcomes.

34. More emphasis should be placed on evaluating the extent to which combinations of programs contribute to common outcomes.

Leadership, Management and Human Resources

35. Leadership should be recognized for the key contribution it makes to organizational performance and leaders should be selected as much as possible on the basis of open competition (including possibly competition from outside the public service in certain limited cases).

36. Leaders should be given sufficient tenure and incentives to perform well and be held to account for results.

37. Due recognition should be given to the fact that it is not possible to change an organization's culture without first realigning its structure, incentives and leadership.

38. In light of the above, managers should be cautious in their espousal of management techniques imported from other contexts (and especially from outside government).

39. Due recognition should be given to the value of action learning and "best practices" exchanges in developing managers, recognizing that management is a situational discipline and that management development takes place best within the context of the job.

40. Increased attention should be paid to the selection of managers in recognition of the fact that an important part of management ability is due to personality and innate characteristics, so that not everyone can be taught to become an effective manager.

41. The "Hay" system should be abolished and promotional opportunities should no longer be linked so closely to management responsibilities, thus enabling qualified staff to continue to do what they do best, as specialized experts and knowledge managers (it should be noted that such a change would increase the capacity of organizations to function more effectively in the emerging world).

42. Increased attention should be given to the need to recruit new blood into the public service (especially in areas that require technological expertise) or, where possible, to train public servants who have been displaced from other positions.

43. Every effort should be made to change the relationship between government and unions from adversarial to collaborative.

44. Good management should be built into accountability frameworks and duly rewarded.

45. Employees and clients should be surveyed on a regular basis.

46. Training should be linked explicitly to the skills needed to support the vision, critical objectives and strategy of the government, including skills in areas such as technology, marketing, facilitation, information management, policy analysis, evaluation, performance measurement and business planning.

47. Managers should recognize that employees can be an excellent source of innovative ideas, if the context is non-threatening and appropriate incentives are available.

Rewards and Incentives

48. A system of meaningful incentives (rewards, performance pay, promotions) should be introduced to encourage performance that supports adherence to common values and the achievement of critical objectives.

Learning Capacity

49. Government organizations should be required to develop an accessible corporate memory and a capacity to extract lessons from their experiences that could be of value to similar organizations elsewhere in government. This requirement should be auditable and built into their accountability agreements.

50. A central mechanism should be established to ensure that other organizations have access to this information.

51. Cross-departmental links should be established between similar types of activities in different departments to maximize activity-specific learning.

Cost Recovery and Competition

52. Revenues from fee charging should not exceed the costs of providing the service.

53. It should be recognized that charging fees creates a direct accountability relationship with clients.

54. Departmental spending should be driven by the overall priorities of the government and not those of public servants.

55. Accountability arrangements ensure that revenue-generating organizations continue to focus on their critical tasks and do not give undue attention to revenue-generating activities.

56. The ground rules for competition with the private sector should be spelled out as clearly as possible and should be unambiguously supported by the government and defensible with respect to the public interest.

ANNEX A

SELECTED REFERENCES

ADMINISTRATIVE REFORM

Aucoin, Peter. "Administrative Reform in Public Management," *Governance*,
Vol. 3, no. 2 (April 1990), pp. 115-37.

Lindquist, Evert A. "Recent Administrative Reform in Canada As Decentralization: Who is spreading what
around to whom and why?", *Canadian Public Administration*, Vol. 37, no. 3 (Fall 1994), pp. 416-430.

Lindquist, Evert A. and Karen B. Murray. "A Reconnaissance of Canadian Administrative Reform During
the Early 1990s", *Canadian Public Administration*, Vol. 37, no. 3 (Fall 1994), pp. 468-489.

BUREAUCRACY

Albrow, Martin. *Bureaucracy* (London, Pallmall, 1970).

Beetham, David. *Bureaucracy* (Milton Keynes: Open University Press, 1987).

Etzioni-Halevy, Eva. *Bureaucracy and Democracy* (London: Routledge and Kegan Paul, 1985).

Goodsell, Charles T. *The Case for Bureaucracy* (Chatam, NJ: Chatam House, 1983).

Wilson, James Q. *Bureaucracy* (New York Basic Books, 1989).

CONTRACTING OUT

Boston, Jonathan. "Purchasing Policy Advice: The Limits to Contracting Out", *Governance*,
Vol. 7, No. 1, January 1994, pp. 1-30.

Milward, H. Brinton. "Implications of Contracting Out: New Roles for the Hollow State",
in Ingraham, Patricia and Barbara S. Romzek (eds) 1994 *New Paradigms for Government:
Issues for the Changing Public Service*, San Francisco: Jossey-Bass.

Miranda, Rowan. "Bureaucracy, Organizational Redundancy, and the Privatization of Public Services",
Public Administration, Vol. 55, no. 2 (March/April 1995), pp. 193-200.

Parker, David and Keith Hartley. "Competitive Tendering: Issues and Evidence",
Public Money and Management, Vol. 10, no. 3 (Autumn 1990).

Prager, Jonas, "Contracting Out Government Services: Lessons from the Private Sector",
Public Administration, March/April 1994, Vol. 54, No. 2, p. 176-183.

CUSTOMER SERVICE IN THE PUBLIC SECTOR

Barzelay, Michael. *Breaking Through Bureaucracy: A New Vision for Managing in Government.*
(Berkeley: University of California, 1992). (Chapter 7: Managing Customer-Focused Staff Agencies).

Wagenheim, George D. and John H. Reurink. "Customer Service in Public Administration,"
Public Administration Review, Vol. 51, no. 3 (May-June 1991).

Marini, Frank. "'Can't Get No Satisfaction': Customers, Citizens, Service and Satisfaction,"
Public Administration Review, Vol. 53, no. 2 (March-April 1993).

Zussman, David. "Government Service To The Public: Public Perceptions," *Optimum*, Vol. 22-4 (1991-92).

DEFINITION / DIMENSIONS OF PUBLIC SERVICES

Aucoin, Peter. "Administrative Reform in Public Management: Paradigms, Principles, Paradoxes and
Pendulums," *Governance*, Vol. 3, no. 2 (April 1990), p. 128.

Banks, Terry. "Performance Measurement: The needs of managers and policy makers",
Public Money and Management, Summer 1990, pp. 47-49.

Bellone, Carl J. Bellone and George Frederick Goerl. "Reconciling Public Entrepreneurship and
Democracy", *Public Administration Review*, Vol. 52, no. 2 (March-April 1992) (The July/August 1993
issue of *Public Administration Review* also includes commentary with responses from the authors).

Canada. *Public Service 2000: The Renewal of the Public Service of Canada*.
(Ottawa: Minister of Supply and Services, 1990).

Das, Hari, Malika Das and Francis McKenzie, "Assessing The 'Will Of The People': An investigation into
town service delivery satisfaction," *Canadian Public Administration*, Vol. 38, no. 1 (Spring 1995),
(On the qualitative difference between services provided by the public and private sectors see p. 79).

Doern, G. Bruce, 1994 *The Road to Better Public Services: Progress & Constraints in Five Federal Agencies*,
Montreal: The Institute for Research on Public Policy (IRPP).

Ingstrup, Ole. "Total Quality in the Public Sector," Notes for an Address to the 1993 Excellence
Conference, Toronto, November 30, 1993 (On the qualitative difference between services provided
by the public and private sectors see p. 8-9).

Organization for Economic Co-operation and Development (OECD), Public Management Service.
"Performance Measurement and Target Setting," draft background paper, March 17, 1994.
(On citizens' rights and obligations in relation to public service delivery, see paras. 21, 33).

Pierre, Jon. "The Marketization of the State: Citizens, consumers and the Emergence of the Public
Market, " in B. Guy Peters and Donald J. Savoie (eds.), *Governance in a Changing Environment*
(Montreal and Kingston: McGill-Queen's University Press, 1995). (On citizens' rights and
obligations in relation to public service delivery, see pp. 61-64, 77).

OECD. *Administration As Service: The public as client* (Paris, 1987), p. 19.

Seidle, Leslie. *Rethinking the Delivery of Public Services to Citizens*, IRPP.

Service to the Public Task Force. *Report*, October 12 1990.

FEDERAL INITIATIVES

Annual Reports to the Prime Minister on the Public Service of Canada.

Auditor General's Reports (assessment of service delivery improvements).

Swimmer, Eugene, Michael Hicks and Terry Milne. "Public Service 2000: Dead or Alive?" in Susan D. Philips (ed.), *How Ottawa Spends 1994-95: Making Change* (Ottawa: Carleton University Press, 1994), pp. 165-204.

TBS. *Blueprint for Renewing Government Services Using Information Technology.*

TBS. *The Expenditure Management System of the Government of Canada.*

TBS. *Framework for Alternative Program Delivery.*

TBS. *Guides to Quality Services.*

TBS. "The Government of Canada Service Standards Initiative", 1994.

TBS. *The Manager's Deskbook* (an executive summary of key policies).

TBS. *An Overview of Quality and Affordable Services for Canadians.* Treasury Board.

INTERNATIONAL REFORMS

"Gurus in government," *The Economist,* May 20, 1995, p. 22.

Mascarenhas, R.C. "Building An Enterprise Culture In The Public Sector: Reform of the public sector in Australia, Britain and New Zealand", *Public Administration Review,* Vol. 53, no. 4 (July/August 1993).

OECD. *Public Management Developments: Survey (1994).* (Paris: OECD, 1994).

Seidle, F. Leslie "Improving Service to the Public: Lessons and lures," *Policy Options,*
.   Vol. 15, no. 3 (April 1994), pp. 7-12.

St-Martin, Denis and Michael Collins. "Institutional Analysis of Recent Machinery-of-Government Reforms in Australia, United Kingdom, France and New Zealand," Ottawa, Consulting and Audit Canada for Treasury Board Secretariat, March 1994.

United States General Accounting Office. *Managing for Results: Experiences Abroad Suggest Insights for Federal Management Reforms,* Washington, 1995.

Australia

Donald, Owen. "Quality Service Standards and Performance Information," *Canberra Bulletin of Public Administration,* no. 74 (November 1993), pp. 1-4.

Keating Michael and Malcolm Holmes. "Australia's Budgetary and Financial Management Reforms", *Governance,* Vol. 3, no. 2 (April 1990).

Yeatman, Anna. "The Reform of Public Management: An Overview", *Australian Journal of Public Administration,* Vol. 53, no. 3 (September 1994).

Sweden

Gustafsson, Lennart. "Renewal of the Public Sector in Sweden", *Public Administration,* Vol. 65, no. 2 (Summer 1987).

New Zealand

Appleby, Timothy. "The Land That Rolled The Dice", *The Globe and Mail*, September 16, 1995.

Boston, Jonathan, Patrick Walsh, June Pallot and John Martin (eds.). *Reshaping the State: New Zealand's Bureaucratic Revolution* (Auckland: Oxford University Press, 1991).

Lojkine, Susan M. "State Owned Enterprises – The New Zealand Experience", *Optimum*, Vol. 22, no. 1 1991/92.

Office of the Auditor General. "Preliminary Research on New Zealand Public Service Reform". (Ottawa: OAG, 1992).

Scott, Graham, Peter Bushnell and Nikitin Sallee. "Reform of the Core Public Sector: New Zealand Experience", *Governance*, Vol. 3, no. 2 (April 1990).

State Services Commission. "New Zealand Public Sector Reform 1993". (Wellington, NZ: SSC, 1993).

United Kingdom

"A Riot Over Prisons". *The Economist*, October 21, 1995. (Issue: how ministerial accountability can lead to political interference in the management of executive agencies).

Appleby, John. "The Use of Markets in the Health Service: The NHS Reforms and Managed Competition", *Public Money and Management*, Vol. 10, No. 4, (Winter 1990).

Butler, Robin "Reinventing British Government," *Public Administration*, Vol. 72, no. 2 (Summer 1994).

Doern, G. Bruce. "The U.K. Citizen's Charter: Origins and Implementation in Three Agencies," *Policy and Politics*, Vol. 21, no. 1 (January 1993), pp. 17-29.

Doern, G. Bruce. "Executive Agencies in the U.K. and Canada: Revisiting the policy-implementation nexus". Unpublished paper. Ottawa: August 1995.

Ferley, Ewan. "The Creation and Evolution of Quasi-Markets in the Public Sector: Early Evidence from the National Health Service", *Policy and Politics*, Vol. 22, no. 2 (April 1994), pp. 105-12.

Finer, Elliot. "The Next Steps Program: Executive Agencies in the United Kingdom," *Optimum*, Vol. 22, no. 1 1991/92.

Hogwood, Brian. "A Reform Beyond Compare: The Next Steps restructuring of the British Central Executive," *Journal of European Public Policy*, Vol. 1, no. 1 (1994), pp. 71-94.

Jenkins, Bill and Andrew Gray. "Reshaping The Management of Government: The Next Steps initiative in the United Kingdom," in F. Leslie Seidle (ed.) *Rethinking Government: Reform or Reinvention?* (Montreal: Institute for Research on Public Policy, 1993), pp. 73-103.

"Mandarins on Their Guard". *The Economist*, July 16, 1994.

Massey, Andrew. *After Next Steps*. London, UK: Office of Public Service and Science, 1995.

Trosa, Sylvie. *Next Steps: Moving On*. London, UK: Next Steps Team, Cabinet Office, 1994.

Wilson, Doreen and David Wright. "Next Steps: Inside perspectives on civil service reform in the United Kingdom," *Optimum*, Vol. 23, no. 4, Spring 1993.

United States

Carroll, James D. "The Rhetoric of Reform and Political Reality in the National Performance Review,"
   Public Administration Review, Vol. 55, no. 3 (May/June 1995).

Halligan, John, "The Art of Reinvention: The United States National Performance Review,"
   Australian Journal of Public Administration, Vol. 53, no. 2 (June 1994).

Kettl, Donald F. "Beyond the Rhetoric of Reinvention: Driving themes of the Clinton Administration's
   Management Reforms," *Governance*, Vol. 7, no. 3 (July 1994), pp. 307-14.

Kettl, Donald F. "Appraising the NPR: Executive Summary", *The Public Manager*, Vol. 23, no. 3
   (Fall 1994), pp. 3-10.

Seidman, Harold. "Government Corporations in the United States," *Optimum*, Vol. 22, no. 1 1991/92.

NEW PUBLIC MANAGEMENT / REINVENTING GOVERNMENT

Borins, Sandford. "The New Public Management Is Here To Stay," *Canadian Public Administration*,
   Vol. 38, no. 1 (Spring 1995).

Dilulio, John Jr., Gerald Garvey and Donald F. Kettl. *Improving Government Performance:
   An Owner's Manual*, (Washington, DC: The Brookings Institution, 1993).

Gray, Andrew and Bill Jenkins. "From Public Administration to Public Management: Reassessing a
   revolution," *Public Administration*, Vol. 69, no. 1 (Spring 1991).

Hood, Christopher. "Public Administration and Public Policy: Intellectual challenges for the 1990s,"
   Australian Journal of Public Administration, Vol. 48, no. 4 (December 1989)

Kernaghan, Kenneth. "Reshaping Government: The post-bureaucratic paradigm," *Canadian Public
   Administration*, Vol. 36, no. 1 (Spring 1993), pp. 57-76.

Nathan, Richard P. "Reinventing Government: What does it mean?", *Public Administration*,
   Vol. 55, no. 2 (March/April 1995), p. 213 -215.

Peters, B. Guy. "New Visions of Government and the Public Service" in Ingraham, Patricia and Barbara S.
   Romzek (eds) 1994 *New Paradigms for Government: Issues for the Changing Public Service*, San
   Francisco: Jossey-Bass, p. 295-321.

Peters, B. Guy and Donald J. Savoie. "Reinventing Osborne and Gaebler: Lessons from the Gore
   Commission", *Canadian Public Administration*, Vol. 37, no. 2, p. 302-322.

Peters, B. Guy and Donald J. Savoie (eds.), *Governance in a Changing Environment* (Montreal and
   Kingston: McGill-Queen's University Press, 1995).

Savoie, Donald J. "Reforming Civil Service Reforms", *Policy Options*, (April 1994), pp. 3-7.
   "What Is Wrong With The New Public Management?", *Canadian Public Administration*, Vol. 38, no.1
   (Spring 1995).

Seidle, Leslie (ed). *Rethinking Government: Reform or Reinvention?* (Montreal: Institute for Research on
   Public Policy, 1993).

Trebilcock, Michael J. *The Prospects for Reinventing Government* (Toronto: C.D. Howe Institute, 1994).

PARTNERSHIPS

Kernaghan, Kenneth. "Partnership and Public Administration: Conceptual and practical considerations," *Canadian Public Administration*, Vol. 36, no. 1 (Spring 1993), pp. 57-76.

IPAC. Descriptions of nominees from 1995 partnerships competition.

Optimum special issue, dossier on partnerships.

RESULTS-ORIENTED MEASURES

Organization for Economic Co-operation and Development. *Towards a Results-Oriented Culture.* (Paris: OECD, 1993).

Organization for Economic Co-operation and Development. *Performance Measurement in Government: Performance measurement and results-oriented management* (Paris: OECD, 1994).

Shick, Allen, "Budgeting for Results: Recent developments in five industrialized countries," *Public Administration Review*, Vol. 50, no. 1 (January-February 1990).

Wholey, Joseph S. and Harry P. Hatry, "The Case for Performance Monitoring," *Public Administration Review*, Vol. 52, no. 6 (November-December 1992).

SERVICE QUALITY

Common, Richard, N. Flynn and E. Mellon. *Managing Public Services* (Oxford: Butterworth-Heinemann, 1993).

McCandless, Henry. "Improving Government's Service to the Public," OAG discussion paper, September 1995.

Plumptre, Tim and Donald Hall. "From Policy to Performance: Implementing service quality improvements in public sector organizations" (Ottawa: Canadian Centre for Management Development, 1993).

Seidle, F. Leslie. "Improving Public Services to Canadians: Roads not yet travelled," paper presented to the Conference on Unsustainable Government, Victoria, British Columbia, March 24, 1994.

SPECIAL OPERATING AGENCIES

Optimum, Vol 22-2 1991/92, A Theme Issue on Special Operating Agencies.

CAC. SOA Issue papers.

Wright, David and Graeme Waymark. *Special Operating Agencies: Overview of the Special Operating Agency Initiative.* Ottawa, ON: Consulting and Audit Canada, 1995.

STRUCTURAL REFORM

Desvaux, James A. "Anticipating Uncertainty: The strategy-structure problem in public bureaucracy," *Governance*, Vol. 7, no. 1 (January 1994), pp. 31-58.

Doern, Bruce. "Efficiency-Democracy Bargains in the Reinvention of Federal Government Organization," in Susan D. Phillips (ed.), *How Ottawa Spends 1993-94: A More Democratic Canada...?* (Ottawa: Carleton University Press, 1993), pp. 203-30.

Hoggett, Paul. "Administrative Reform of Central Government: Choosing structural options", working paper prepared for the Commonwealth Secretariat, November 1992 (On rationale and potential weaknesses of corporatization see p 10, 12).

ANNEX B

PARTICIPATING DEPARTMENTS

Agriculture and Agri-Food Canada (AAFC)

Atlantic Canada Opportunities Agency (ACOA)

Atomic Energy Control Board (AECB)

Canadian Human Rights Commission (CHRC)

Canadian International Development Agency (CIDA)

Canadian Radio-Television and Telecommunications Commission (CRTC)

Canadian Space Agency (CSA)

Citizenship and Immigration Canada (CIC)

Correctional Service Canada (CSC)

Department of Canadian Heritage (CH)

Department of Fisheries and Oceans (DFO)

Department of Foreign Affairs and International Trade (DFAIT)

Department of Indian and Northern Affairs (DIAND)

Department of National Defence (DND)

Environment Canada (EC)

Health Canada (HC)

Human Resources Development Canada (HRDC)

Industry Canada (IC)

Justice Canada (JC)

National Energy Board (NEB)

National Archives of Canada (NAC)

National Parole Board (NPB)

Natural Resources Canada (NRCan)

Public Works and Government Services Canada (PWGSC)

Privacy Commissioner of Canada (PCC)

Revenue Canada (RC)

Statistics Canada (STATSCAN)

Transport Canada (TC)

Veterans Affairs Canada (VAC)

ANNEX C

FOCUS GROUP PARTICIPANTS

Bill Baker, RC

Jack Chambers, CSA

Jacques Clavelle, DFO

Myra Corey, HC

Nancy Cutler, EC

Denis Desjardins, STATSCAN

Peter Estey, ACOA

Ross Ferguson, CIDA

Peter Fisher, NRCan

Peter Fleming , CRTC

Raphael Girard, CIC

David Grimes, EC

Yvon Goulet, STATSCAN

René Guindon, PWGSC

Dick Hodgson, DFO

Bob Joubert, HRDC

Bill McCullogh, TC

Nicole Mendenhall, RC

Jean Murray, DFO

Mike Nelson, DND

Weldon Newton, HC

Mary O'Rourke, Task Force

Michel Paré, CHRC

Lynne Pearson, PWGSC

Paul Reddy, HRDC

Claudia Roberts, CIDA

Tom Ryan, CIC

Roy Sage, NRCan

Anne Scotton, CH

Neil Tiessen, DFO

Thomas Townsend, CSC

Don Tulley, NPB

Dennis Wallace, AAFC

Sam Wex, EC

François Yassa, AAFC

ANNEX D

SOME TYPOLOGIES OF GOVERNMENT ACTIVITIES

Many typologies of government activities have been developed. In addition to the typology outlined in section 3.2, what follows are alternative typologies designed according to the activity structure.

Function-Based

PS2000 Task Force on Service to the Public

- Policy and legislation and associated services to Ministers (Qs and As, speeches, replies to correspondence, etc.)

- Regulation and enforcement (development of regulations, implementation structures, administration and enforcement)

- Direct services (provision of benefits usually through transfer of resources and information or operation of facilities)

- Indirect support services to government (common and corporate services)

- Indirect services to the public via intermediaries (e.g. media, provincial and municipal agencies) – weather forecasting, services in health, education and social services

- Other services (e.g. scientific research)

Transaction-Based

Treasury Board Secretariat (for Government of Canada Service Standards Initiative)

- Conventional services
  - information and advice
  - application processing
  - hands-on services

- Regulatory services
  - inspection
  - licensing
  - enforcement

- Purchasing services

- Internal services

Organization-Based

Henry Mintzberg

- Development Agencies
  - for research (e.g., laboratory)
  - for policy (e.g., finance)
  - for special projects (culture, sports, industry, etc.)

- Delivery Agencies
  - clerical agencies – to public (e.g., post office)
  - clerical agencies – to government (e.g., tax collection)
  - professional agencies – to public (e.g., health)
  - professional agencies – to government (e.g., internal consulting)

- Control Agencies
  - regulatory agencies – of public (e.g., transport)
  - administrative agencies – of government (e.g., central agencies)
  - protective agencies – of the state (e.g., police, military)

- Overlay
  - divisionalized form (conglomeration)
  - entrepreneurial form (founding, turnaround)

Role-Based

Bruce Doern

Public servant as:

- an accountable and supervised instrument of democratically elected governments operating within a system of hierarchies;

- a quasi-political agent possessed of discretionary power to deliver services using a particular mix of policy instruments;

- a resource optimizer, chooser of make or buy options, expectations manager and overall vehicle of administrative efficiency and optimal resource allocation; and

- an entrepreneurial and relatively independent initiative-taker, oriented towards customers and what they want, need and deserve both substantively and procedurally.

ANNEX E

ILLUSTRATIVE EXAMPLES OF DESIRABLE ATTRIBUTES OF GOVERNMENT SERVICES

Policy Advice

Level A: At this level, the general public are centrally concerned with the *consequences* of the policy advice, especially the perceived importance (relevance) and fairness of the resultant policies. They may also be concerned with the transparency with which the rationale and intended consequences of the policy are presented and with the accuracy, and comprehensiveness" of the information on which the policy recommendations are based and the objectivity and analytical rigour of the judgements based on that information. As the immediate recipients of policy advice, Ministers will also be be concerned with factors such as timeliness, clarity, consistency with the direction of government and political sensitivity.

Level B: At this level, individual and groups in the general public will be concerned with the *process* of information gathering and analysis to develop policy recommendations. Factors of importance are likely to include, the ease with which they can make their views known and their perceptions of the objectivity, fairness and rigour of the process. Other government departments will be concerned that the process leading to the generation of policy advice allows for effective co-ordination with their own policies and takes due account of the interests of their specific clientele.

Level C: At this level, the public may be concerned with government's responsiveness to difficulties they may be experiencing with the way policies are being implemented. As the immediate clients for this information, policy advisory groups will benefit from systematic, accurate and timely monitoring and reporting of information from the public interface of information that is relevant to policy development.

Transfer Payments (entitlements, subsidies, etc,)

Level A: At this level the public will be concerned with factors such as the *responsiveness* of the transfer policy to public needs, its perceived fairness and the transparency with which its rationale and intended consequences are presented. In many cases, there may be substantial variation in how different public groups view the policy, depending on their political beliefs, values and priorities.

Level B: At this level, factors of concern to the public may include the reasonableness of the criteria for eligibility and the amount of the transfers. The public may also require evidence of the *effectiveness* of the transfer program in achieving the stated policy objectives as a justification for the expenditure of public funds.

Level C: At this level, public attention will focus on fair and consistent application of the rules for entitlement (including efforts made to avoid fraud and misrepresentation) and with the *efficiency and economy* of the delivery process. Recipients of transfer services will be concerned with attributes of *service quality,* such as accessibility, convenience, courtesy, timeliness and accuracy.

" taking account of the perceptions of all groups likely to be materially affected

Regulation

Level A: At this level, the public concerns will focus on the appropriateness of the regulatory policy as a response to a perceived problem or threat.

Level B: At this level, the public will be primarily concerned with the effectiveness of the regulations in dealing with the problem or threat. Regulatees will be concerned with the the overall fairness of the regulations and the extent to which the regulatory approach adopted is likely to interfere or impose costs on their operations.

Level C: At this level, the public may be concerned about the overall cost of the regulatory program, the extent to which compliance is obtained and the side-effects (such as additional costs or inconvenience) to which they may be subjected. Regulatees will be concerned with the fairness, impartiality and consistency with which the compliance strategy is implemented and with factors such as sensitivity to their legitimate concerns, courteous treatment and clear directives.

ANNEX F

PROVINCIAL INITIATIVES

All levels of Canadian government are rethinking the way they do business. There are enormous pressures to transform the public service in order to develop viable solutions to reduced federal transfers; ever increasing public debt; and, an increasingly vocal public demanding public goods and services which are affordable, accessible, and an efficient and effective use of taxpayers dollars.

Today, governments are restructuring and grappling with the challenges of finding alternative ways of financing and delivering public programs and services. Provinces are evaluating what they do and how they do it, and in the process they are looking for new and innovative ways to collaborate with the communities to deliver programs and services. As a result, a great deal of experimentation with alternative delivery models is under way at the provincial level.

What follows is a compilation of information received from nine of the ten provinces in response to a December 1995 request. It represents a Òsnap shotÓ of some of the more unique and innovate alternatives being used to deliver services to the Canadian public. Additional information on specific programs can be obtained directly by contacting the applicable provincial government.

It should be noted that the British Columbian government underwent many of their downsizing initiatives in the late 1980s, including workforce reduction and privatization. These changes reflected a movement towards an entrepreneurial/market organizational structure and a changing corporate culture. As a result, many of their present initiatives reflect the need to work with the current public servants to redesign service delivery. In fact, the B.C. government now emphasizes a movement towards increased collaboration with unions and staff in order examine ways of improving the quality of services delivered in their province.

1.   CHANGES IN PROGRAM DESIGN

1.1   Regulatory Reform

- *Nfld.:* A review of all regulations has been undertaken. To date, the review has determined that 48 Acts and 1088 regulations will not be re-enacted, 123 Acts will be re-enacted with major amendments and 1147 regulation will be re-enacted with little or no change. The process is scheduled to be completed by June 30, 1996.

- *Ont.:* Amendments to the Mining Act will require that mining companies 'self-regulate' mine closures. This amendment will clarify mine site rehabilitation regulatory processes and reduce government administration costs.

- *Ont.:* Reduction in the number of regulatory permits required. Legislation has been changed to remove the requirement to issue permits for specific activities, for example permits will no longer be issued where there is a low risk of damage or degradation to the natural resources.

- *Man.:* In the process of implementing recommendations from a joint public/private committee whereby the proliferation of new regulations will be reduced by 50%; all new regulations will be vetted with clients in the earlier stages and in the later stages a caucus committee will establish sunset clauses. All new regulations will be outcome-based rather than process based.

1.2 Consolidation and Service Integration

- *N.S.:* Amalgamation of school boards from 22 to 6, plus province-wide Francophone board.

- *N.S.:* Municipalities restructured, amalgamated to create regional efficiencies.

- *P.E.I.:* Following the 1992 Task Force on Health, the government reduced the number of administrative structures in the health system from 23 to 8, including 5 regional authorities.

- *Ont.:* Three ministries were consolidated into the Ministry of Finance, reducing overlap in areas of taxation policy and design and administration of tax statutes. This integration has resulted in a leaner, more efficient and responsive organization.

- *Man.:* Better Methods is a recent initiative encompassing most of the government's internal administrative systems. Phase I is expected to identify several million dollars worth of re-engineering opportunities resulting from the elimination of non-valued activity and strategic use of technology.

- *Alta.:* The Agriculture Financial Services Corporation was formed from the Hail and Crop Insurance Commission and the Agriculture Development Corporation. This service integration reduced administrative duplication and also provided a one window approach to clients financial and insurance needs.

- *Alta.:* The Alberta Energy and Utilities Board was formed from the merger of the Energy Resources and Conservation Board and the Public Utilities Board because the majority of clients had dealings with both Boards, often on the same issues. The amalgamation with reduce administrative costs and the number of time clients must make representations to regulatory boards.

- *Alta.:* The Department of Justice was created by amalgamating the departments of the Solicitor General and the Attorney General. The responsibility for the Civil and Criminal Justice were put under the same roof as the responsibility for policing and incarceration system.

- *Alta.:* The responsibility for the delivery of Health Services was consolidated into 17 Regional Health Authorities. This has facilitated the coordination of the Health delivery system and will lead to more efficient, affordable and accountable system. These changes in the health care system are designed to improve the health of citizens, reduce the emphasis on hospital care and increase the focus on wellness and prevention.

- *Alta.:* All grants to municipalities were consolidated through one department, Municipal Affairs, and the conditional requirements for these grants were, in most cases, removed.

1.3 Amendments to Funding Regulations

- *Man.:* The Service First Fund was established whereby departments who demonstrate an improvement in service while cutting costs or who reduce the regulatory burden while cutting costs are allowed to retain 1/3 of their savings (1/3 will go into the Fund, 1/3 will be applied to debt reduction). In addition, Departments are allowed to retain 1/3 of any non-traditional revenue. The long term goal of this idea is to "fund innovation through proceeds of innovation".

2. NEW DELIVERY MECHANISMS

2.1 Decentralized Decision-Making

- *N.B.:* Staff at the Service New Brunswick (SNB) centres developed a set of values and operating principles to guide them in their day-to-day work. In addition, a set of service standards has been developed for the delivery of service in the SNB sites.

- *Ont.:* A Change Council was established at the Ministry of the Solicitor General and Correctional Services to provide an innovative approach to participatory management. Members from all divisional staff levels, branches and locations participate.

- *B.C.:* Government employees under the Employee Suggestion Program provided ideas and solutions which produced savings of over $5.27 million in 1995.

2.2 Community-Based Decision-Making

- *N.B.:* The Service New Brunswick initiative has established local advisory committees which, on an informal basis, provide guidance on office hours, local demand for services and general views on the centre's operation.

- *N.S.:* Establishment of Community Health Boards to support local decisions and to advise regional authorities.

- *P.E.I.:* Government restructuring has pushed decision-making down to the local level and community volunteer boards have taken on the responsibility for the local authorities. The government appointed the initial members to the boards, but beginning in 1997, the communities will elect their members. These boards decide the priorities for meeting health needs and the resources available to satisfy local needs. This facilitated the development of partnerships between the formal system and the informal community networks of resources and expertise.

- *Ont.:* The government established the Fish and Wildlife Advisory Committee and Trust to collaborate with the clients regarding the design and delivery of programs and services. In addition, the Ministry of Natural Resources has developed more collaborative relations with its clients and in the future the delivery of forest management will result in increased involvement and responsibility of the private sector. The Forestry Industry will assume responsibility for planning, forestry operations, compliance and data collection inventory within government-set standards and policies.

- *Ont.:* Private Land Forestry Stewardship facilitates resource management on private lands and involves community players on a Stewardship Council to find a balance between landowners and other land interests. In addition, a Private Forest Sustainability Fund provides money to stimulate investment at the community level by resource agencies, foundations, industry, land-owners and other non-government funding of resource management.

- *Sask.:* The Saskatchewan Health Renewal allows for increased community involvement throughout the formation of 30 district health boards, which will consist primarily of members elected by local residents.

- *Alta.:* Child welfare programs will now emphasis the importance of involving communities in program development and delivery to achieve the goal of protecting children and keeping them safe.

2.3 Intergovernmental Collaboration

- *Nfld.:* A federal-provincial Task Force on Community Economic Development has been establish to make recommendations on the creation of economic zones. To date, 19 permanent Regional Economic Development Boards have been created.

- *N.S.:* Negotiations are under way to establish Atlantic Canada On-Line, an electronic, on-line, information service on behalf of the four Atlantic governments.

- *P.E.I.:* The Regional Health and Community Services has developed many partnerships with Human Resources Development Canada, as a result of sharing the same client base. For example, East Prince Health has a project officer working with 'People Investments' within HRDC offices in Summerside to deal with local unemployment. In Queen's region, regional social services officers are co-located with HRDC in a shopping mall with future plans to integrate their operations and systems with HRDC's systems. In Souris, HRDC and provincial regional officials share facilities and common databases.

- *Ont.:* A joint project between the Ministry of Finance and Revenue Canada is under way to combine annual filing for pension plans.

2.4 Interdepartmental Collaboration

- *N.B.:* Increased inter-departmental communications between the Justice Administration and Social departments to ensure that there is continuity and coordination in delivering services to common clients who enter/exit the traditional justice system.

- *N.B.:* Presently, there are four Service New Brunswick (SNB) centres located throughout the province. These centres provide more than 60 services, representing 16 government departments, under one roof, behind one counter. Services range from driver's license and birth certificates to information on student loans and hunting licenses. SNB demonstrates how one-stop shopping for government programs and services can significantly resolve access issues and customer satisfaction. In addition, it demonstrates ways of reducing cost and duplication through shared service delivery and the use of advanced information technology.

- *N.S.:* Access Nova Scotia is a partnership with all government departments (led by the Economic Renewal Agency) which provides Nova Scotians with information and advice respecting current services and programs offered by all levels of government.

- *N.S.:* Negotiations are under way with a supplier to develop and implement a single government number for those conducting non-personal business. They are also examining the introduction of a single physical permit to be issued on behalf of multiple departments.

- *Ont.:* Clearing the Path is an interministerial initiative designed to reduce the red tape burden for business by streamlining registration and reporting process. This initiative provides one-stop registration of business names; sales tax; employer health tax; and workers' compensation and enables businesses to receive consolidated monthly account statements and remit taxes in a single payment. This program is supported through the establishment of 50 single window, self-service workstations. The use of technology has allowed for improved service for example, by reducing business name search from 4 weeks to 5 minutes and instantaneous name registration versus a 6 to 8 week waiting period.

- *Ont.:* The Taxation Data Centre provides deposit, data capture and electronic data transfer services in partnership with four ministries and the Pension Commission of Ontario and Revenue Canada.

- *Ont.:* The Ministry of the Solicitor General and Correctional Services is working closely with the Ministry of the Attorney General to rationalize information technology, finance, and HR services between the two ministries.

- *Ont.:* The Procurement Card Initiative is being led by the Ministry of Finance with government wide-application by April 1996. The procurement card will be implemented in partnership with private sector financial institutions.

- *Ont.:* The Family Support Plan has established working partnerships with other ministries, government agencies and the private sector to increase support payments.

- *Sask.:* The Action Plan for Children represents a co-operative effort of seven government departments and is designed to enhance the well-being of children, youth and families. It provides a process for working together in partnerships to develop common approaches to children's issues. This preventative program should save the government by reducing the future demand for social assistance, remedial education and losses due to crime. This Plan supports the service needs of their client by ensuring the services are available in the community.

- *Alta.:* Initiatives are under way to combine various inspection and permit responsibilities so a single inspector can sign off on a host of regulatory responsibilities.

2.5 External Partnerships

- *N.B.:* The Early Detection Program of the Integrated Justice Initiative is designed to work with local communities and other social agencies to give police officers a better understanding of community issues in order to help families who are at risk of entering the justice system.

- *N.B.:* Team IBM is the consortium which has been contracted to design and deliver an Integrated Revenue Management System. The members to the consortium include the following; IBM Canada Ltd., La Federation des Caisses Populaires Acadiennes Limitee, DMR Group Inc., KPMG Management Consulting, Datacor/ISM Information Systems Management Atlantic Corp., Job Oriented Training Inc. and Hawk Communications. Payment for services will flow from business case benefits, i.e., revenue increases and/or cost reductions.

- *N.S.:* In conjunction with a private sector company, changes are under way in the Registry of Joint Stocks and companies branch to decentralize the functions related corporate registration.

- *P.E.I.:* The East Prince Youth Development Centre is an inter-agency and community initiative concerned with needs and issues faced by youth and young adults in the Summerside area. Partners in the initiative include: Summerside HRDC, RCMP, East Prince Health, the Western School Board, three senior high schools, the City of Summerside, Summerside Police, the John Howard Society, the Greater Summerside Chamber of Commerce, the Summerside Christian Council and the Youth Employment Services Program. Previous to this initiative these organizations dealt with youth issues and needs separately.

- *Ont.:* GEO Enterprises Ontario (GEO) is a more business-like approach to operating government, a better utilization of resources and builds viable partnerships with private sector. GEO co-ordinates and markets products and services, such as consulting, data, publication and laboratories.

- *Ont.:* Collaboration with external entities in the delivery and development of environmental farm programs. At present a private, non-profit organization is responsible for the program design and administration, the federal government provides the funding and the provincial government provides the technical expertise and advice.

- *Ont.:* A proposal has been approved for the Ontario Ranger Program to explore partnerships.

- *Sask.:* The Multi-Party Training Plan is a cooperative, training-to-employment initiative among the province, the federal government, Aboriginal agencies and the northern mining industry. The parties agreed to share the $10.5 million cost of the training stage of the plan which prepare northern people for new mine jobs up to 1999. The implementation of the Plan is being coordinated by the Mineral Sector Steering Committee, an industry-chaired group of stakeholders concerned with northern development, other participants include regional colleges, provincial education and economic development and Indian and Metis authorities. This Plan is being studied by the provinces forestry industry as a model for academic and skills upgrading, training and employment of northerners.

- *B.C.:* Purchasing Commission has initiated special licensing agreements with external entities. For example, the government developed a training program to deal with increasing awareness of harassment. This product is now used by private sector training vendors under a licensing agreement.

2.6 Devolution

- *N.B.:* Improved Community Alternatives is an initiative designed to devolve resources from existing institutions to an expanded community-based enforcement infrastructure which is recognized as a credible alternative solution for non-dangerous offenders.

- *N.S.:* The Economic Renewal Agency was restructured to deliver services on a regional basis with accountability and responsibility for service delivery being placed at the regional level.

- *Ont.:* The province has devolved all responsibility for commenting on or approving land use planning applications to the municipalities, although the province will retain a policy, review and appeal role. In addition, the Ministry of Municipal Affairs and Housing will coordinate a system of one-window plan with input from 7 other review ministries.

- *Sask.:* The Health Renewal process has led to the transfer of departmental responsibility for community-based health services to district boards, resulting in the district board being responsible for the delivery of a continuum of health services. Currently the province is developing and piloting various community health centre models.

- *Alta.:* Initiatives are under way to coordinate the delivery of social services and interdepartmental services to children through community based regional delivery models.

2.7 New Organizational Forms

- *N.S.:* The newly established Crown corporation, the Nova Scotia Innovation Corporation, will take the leadership in the development of technology-rich industrial sectors, formerly the mandate of various departmental divisions.

- *P.E.I.:* The government has created a Health and Community Services Agency which functions under the direction of a Provincial Board. The Agency handles development of the provincial plan (including core services) to be delivery regionally/provincially, program design, planning co-ordination, personnel issues and resource allocation of health services and reports to the Minister through the Board's Chairperson.

- *Ont:* The province recently created of the Ontario Transportation Capital Corporation (OTCC) to develop innovative project financing for mega construction/ transportation projects. OTCC will generate new revenue streams by charging tolls to pay for construction, associated financing costs and maintenance, in order to achieve self-sufficiency. OTCC has also invited the private sector to participate in partnerships to accelerate construction.

- *Ont.:* The Ministry of Consumer and Commercial Relations (MCCR) invited the private sector to enter into a joint venture to provide the ministry with 50% of the funding to automate the province's land registration information system. A private sector corporation, Teranet Land Services Incorporated, was created. The development of a business partnership model has allowed MCCR's client to do their own searches and document registration beyond regular business hours.

- *Ont.:* The creation of the Ontario Financing Authority (OFA) which co-ordinates the borrowing and investing activities (acts as the financial intermediary) on behalf of the Province, its Crown corporations and other public bodies.

- *Ont:* The Ministry of Natural Resources (MNR) is currently proposing the creation of a special operating agency, Parks Ontario. This agency will provide more cost-effective services to clients while maintaining the link to MNR.

- *Ont.:* Non-profit corporation established to administer and distribute Ontario's allocation of the federal Adaptation and Rural Development Fund.

- *Man.:* The establishment of 8 Special Operating Agencies (SOA), with expectations for 7 more to be created in the next fiscal year and another 40 are being analyzed for feasibility. Manitoba is currently the only jurisdiction in Canada with specific legislation governing the establishment of SOAs.

- *B.C.:* At present, four organizational units have become SOAs and approximately three are in the preliminary status of becoming a SOA. While BC's SOAs do not have embodying legislation, their performance objective is to reduce public expenses.

2.8 Privatization

- *N.S.:* The Department of Natural Resources has signed an agreement with a community to take-over and operate an animal park. Currently assessing the viability of privatizing other operation and ownership of corrections facilities.

- *Ont.:* The PPSR Branch of the Ministry of Consumer and Commercial Relations in partnership with the Ministry of Transportation and the Ministry of Finance have developed a one-stop initiative, the Used Vehicle Information Package, to deliver vehicle information and to determine whether any liens are registered. Previously, this information was obtained from two different ministries. This initiative also offers service delivery options, ranging from 24 hour a day telephone service, and credit card payment.

- *N.B.:* The new Revenue Management System will manage the collection of revenues from fees and licenses as well as property taxes and consumption taxes. This new system will make it easier for businesses and taxpayers to report information to government and make their payment electronically, by phone or computer.

- *N.S.:* Extended the hours of operation for the Registry of Motor Vehicles.

- *Ont.:* Now provides direct on-line production of certificates in several remote locations. With the introduction of information technology certificates can be obtained in minutes rather than days.

- *Ont.:* Recently introduced the Ontario Depression Hotline, whereby clients can call for information regarding depression, symptoms, available services and treatments and doctors can obtain information on new techniques, treatments and medication for individuals suffering from depression. This new initiative was developed in partnership with the Ontario Medical Association and the pharmaceutical industry.

- *Alta.:* Liquor stores are open at more convenient hours, in many more locations. In addition, the decor is more friendly and inviting, with better overall service and selection.

- *Alta.:* Citizens now get a wider range of services through the Registry Offices which are open extended hours in more convenient locations. For example, clients can now renew their driver's license while doing their shopping at the local mall.

- *B.C.:* Recently moved the motor vehicle licensing offices into shopping malls and extended the hours of operation in the regular offices.

3.3 Process Simplification

- *N.B.:* Recently introduced an Alternative Dispute Resolution process for resolving civil matters. This alternative has proven more cost-effective and has significantly decreased the time required to resolve disputes.

- *Ont.:* The integration of databases for all tax statues has allowed for the delivery of one-stop shopping. These changes have led to standardized accounting practices and forms, and streamlining of the registration process.

- *Ont.:* The Office of Adjudication which deals with appeals under the Occupational Health and Safety Act, introduced a "small claims" day where by all disputes of $3,000 or less are handled in succession rather than scheduling each hearing individually.

- *Ont.:* Metro Toronto Courts Administration has introduced a Business Process Re-engineering initiative which has reduced approximately 55 processes to 15 steps in the Civil Division through a staff led team approach.

- *B.C.:* Staff and management of the Sheltered Aid For Elderly Residents were able to eliminate approximately 20% of their work steps which resulted in a three month waiting period being removed and improved staff satisfaction, along with service and efficiency improvements.

3.4 Use of Technology to Improve Access

- *N.B.:* The introduction of a host of toll-free telephone numbers to provide citizens with more convenient access to government information.

- *N.B.:* New Brunswick Works takes a Case Management-type approach which has led to the introduction of a new system of technology and new work processes and skills to support the system.

- *N.S.:* Integrated Voice Response technology is being used to provide various information, ranging from student loan applications, values of second hand cars, tax payable on private sale, renewal information for vehicles to collection of sales tax by businesses. In addition, fax back technology is being used to provide information to businesses about provincial sales tax. In addition, government information is made available on the Internet.

- *N.S.:* A pilot project is under way with the Registry of Motor Vehicles to use kiosk technology to provide better service to the public.

- *Ont.:* Eight self-service kiosks are currently being piloted to deliver routine government products and services with improved convenience. Since the inception of the pilot in September 1993, over 270,000 transactions have been completed, with 50% of those transactions taking place outside of business hours. As of March 31, 1996, 60 additional kiosk units were rolled out across Ontario. This project is delivered almost entirely by the private sector in a cost-effective, fashion, including hardware, software, monitoring, maintenance and stocking.

- *Ont.:* The Liquor License Board of Ontario has automated all activities and streamlined processes to improve customer service and delivery. Permit application can now be turned around in 20 minutes rather than 7 days and sales licenses which once took 4 months can now be granted in half the time.

- *Ont.:* Innovative Sudbury managers of the Ministry of Labour's Employment Practices Branch has used the available services of a local community cable channel to air a series of call-in talk shows to communicate and discussion employment standards, occupational health and safety issues.

- *Ont.:* The Ontario Hospital Financial and Statistical System is a computerized, on-line system which provides the Ministry of Health, the Ontario Hospital Association, hospitals and the District Health Council with financial and statistical information on Ontario hospitals.

- *Ont.:* Caseworker technology has moved to electronic data capture from manual application forms and away from mainframe support to client service architecture and desk-top computers for all caseworkers.

- *Ont.:* Archives Ontario is re-engineering its information technology to promote self-service by clients, streamline services, and reduce administrative overhead.

- *Ont.:* The Outdoors Card provides a streamlined process, one-window approach for obtaining various hunting and fishing licenses. New voice technology has improved access for customers.

- *Sask.:* Continuing department initiatives to reduce barriers to health information through sharing and improvements in health industry technology. Activities include comprehensive integration of the Health Department's information systems and databases and development of on-line district information systems where information can be obtained from central databases and shared among health districts.

3.5   Service Quality Initiatives

- *Nfld.:* A permanent Service Quality Unit has been established at the Public Service Commission (PSC) and a Service Quality Council, comprised of government and non-government people, will provide advice and direction. The PSC will work with other government departments and the REDB to develop and design services which better service clients' needs.

- *N.B.:* To improve the quality of service delivery, staff at Service New Brunswick centres were cross-trained to delivery a host of services, ranging from fishing licenses to providing information regarding water sample tests. All staff participated in a six week, intensive classroom-based training program, supplemented by a field-based component. The training modules included customer service and team building as well as instructions on the procedures involved in the delivery of services.

- *N.S.:* The department of Municipal Affairs has been working with four metro municipal government to improve the quality and methods by which property assessment and other related information is exchanged and updated.

- *B.C.:* In the 1990s, the government introduced "Service Quality BC" which recognized that affordable, efficient, innovative and customer-focused public service could only be built by drawing on concept and tools from both the quality and the service movements.

- *B.C.:* In 1995, the province introduced initiatives to enhance accountability and performance management which have had a positive impact on quality and efficiency of service delivery.

4.   OTHER

4.1   Restructuring

- *P.E.I.:* Recently created regional authorities (five in total) will bring together a range of social services, such as health, addiction treatment, income support, social services and corrections into a single integrated system. The reform offers a new system of governance which is based on the individual, family and community participation and effectively separates policy, programming and delivery.

- *N.B.:* Human Resources Development led a large organizational transformation initiative which involved the employees in the review of their business.

- *Ont.:* The OPP conducted a business process re-engineering exercise to streamline, delayer, reduce costs, address constraints and to identify ways to manage high rates of retirement/attrition. The process involved the development of a comprehensive, organizational plan and macro-level implementation plans which consists of 3 parts: business process re-engineering, organizational designing and implementation planning.

- *Ont.:* The Ministry of Natural Resources was reorganized resulting in the implementation of a team approach to the delivery of services in the field. The delivery structure allows ministry staff to become more knowledgeable about natural resources and issues related to specific areas, allowing staff to be better equipped to meet clients needs.

- *Ont.:* In 1995, the government announced the Restructuring Internal Administration Project which is an initiative designed to reduce the internal administration expenditures by 33 per cent (or $300 million) over the next two years. It is anticipated that this initiative will reduce the process burden through streamlining policies, rules and reporting requirements, in addition to changing how administrative services are provided through standardization, re-engineering, consolidation and integration, alternative service delivery, etc. In addition, all non-core transactional services will be divested to service providers (i.e., outsourced to private sector or integrated with another Ministry).

- *Sask.:* Fundamental restructuring of the Health Department's organization to reflect and support a new framework of health service delivery in the province.

- *Alta.:* The Workers Compensation Board has been removed from the consolidated accounts of the Province and functions as an autonomous entity. It is accountable to the employers who pay the premiums and the workers who make claims. The Board is entirely funded by employers and will not operate with any deficits or debt, back stopped by the General Revenue Fund.

- *Alta.:* The Alberta Securities Commission is a stand alone entity totally funded by those that use it. The Commission has moved to a position of total cost recovery with no draws from the General Revenue Fund.

- *B.C.:* In response to the recent budget announcement regarding the reduction of 450 supervisory positions in the fiscal year 1995/96, the government introduced an Organizational Review Initiative. This review will provide opportunities to identify areas where positions can be eliminated and to introduce a pilot project for new ways of approaching the delivery of services in the regions.

4.2 Collaboration with Unions

- *Ont.:* The Public Service Appeal Board developed a Expedited Arbitration policy with MBS and OPSEU as an alternative for cases which are scheduled to last in excess of 5 days. Under this process, no evidence is presented and no witnesses are called, there are only arguments based on a brief, which reduces costs and decreases delays.

- *Sask.:* Continuing activity related to labour adjustment issues and implementation of labour adjustment strategies at the district level, in conjunction with the Saskatchewan Association of Health Organizations and labour unions.

- *B.C.:* In 1994, the government and its largest union, BC Government and Service Employees' Union, signed a memorandum of agreement outlining how they would work together to enhance the delivery of quality services to the people of the province. In the spirit of renewal and partnership, worksites across government have formed teams to review and improve their work processes.

ANNEX G

PROGRAM REVIEW INITIATIVES

(1995 Budget)

Commercialization/Privatization

* *TC:* Air Navigation System

* *PWGSC:* Canada Communication Group

Devolution

* *DFO:* Possible transfer of inland fisheries/waters management to provinces.

* *DFO:* Transfer of recreational harbours to municipalities/others.

* *TC:* Transfer of airports to local airport authorities.

* *DFAIT:* Transfer of Radio Canada International to the CBC.

Abandonment

* *PWGSC:* Termination of Stocked Item Supply and closure of stores and warehouses.

Reduction or Elimination of Subsidies

* *AAFC:* Elimination of grain subsidies under Western Grain Transportation Act.

* *AAFC:* 30% reduction in subsidies to industrial milk producers.

* *AAFC:* Termination of the Feed Freight Assistance Subsidy.

* *DFO:* Phase out of the Fishing Vessel Insurance Program.

* *DFO:* Wind up of the Fisheries Prices Support Board.

* *NRCan:* Discontinuance of Forest Resource Development Agreements and Mineral Development Agreements.

* *NRCan:* End of direct financial support for energy mega-projects (after Hibernia).

* *TC:* Ending of ARFAA and MFRA.

* *IC:* Reduction in business subsidies by 60%.

* *RDA:* Switch from grants to loans.

* *IC:* Switch from grants to loans.

* *SolGen:* Reduction in grants and contributions, termination of funds to university centres of criminology.

* *CH:* Budget reductions for CBC, Telefilm Canada and the NFB.

* *HC:* Reductions in operating budgets of national parks.

- *CIDA:* Reduction in contributions to international financial institutions.

- *CIDA:* Reductions in program spending.

- *HC:* Funding reductions for the Medical Research Council, Patented Medicine Prices Review Board and the Hazardous Materials Information Review Commission.

- *HC:* Cap on rate of growth of Indian Health Services Program (quid-pro-quo is more involvement of First Nations in management).

- *HRDC:* Freezing of transfers to provinces under the Vocational Rehabilitation for Disabled Persons program.

- *DIAND:* No basic change, but a cap on growth.

- *CMHC:* Reduced funding for new social housing initiatives and for housing research and administration.

- *VAC:* Discontinuance of certain benefits.

- *VAC:* Discontinuance of Pensioners' Training and Educational Assistance since they overlap with other sources of funding.

Consolidation and Reduction of Transfers

- *AAFC:* Move to "whole farm" (rather than commodity-based) approach for agriculture safety net (note: more flexibility, and requires 30% less money).

- · *HRDC:* More flexible use of UI funds to improve employment assistance.

- *HRDC:* Combined financing of programs into a Human Resources Investment Fund to help people find jobs, combat child poverty and help those in most need of assistance.

- Replacement of EPF and CAP with a new block grant (reduces and stabilizes federal funding, while giving the provinces more flexibility) – also reduces administration costs

Consolidation of Activities

- *EC:* Consolidate AES.

- *IC:* Reduce and refocus industry sector branches.

- *SolGen:* Plan to consolidate federal criminal law enforcement activities in RCMP.

- *RC:* Consolidate a number of activities.

Consolidation of Facilities

- *DFO:* Commercial fishing harbours.

- *NRCan:* Reduction in number of forestry centres/offices from 16 to 5 with national mandate.

- *HRDC:* Consolidation of some offices.

- *PWGSC:* Consolidation of cheque production and printing sites and data centres.

Program Integration

- *DFO:* CCG and DFO fleets.

- *JC:* Possible merger of Federal Court-Trial Division and the Tax Court.

- *HC:* Consolidation of HRDC's Women's Program with Status of Women Canada.

Single Window Approaches

- *AAFC:* Agri-Food Trade Service (integrates and co-ordinates new initiatives in support of trade and market development).

Reduction in Overlap and Duplication

- *AAFC:* Food inspection and regulatory activities.

- *IC:* Elimination of overlap with other federal agencies in regional industrial programs.

- *RDA:* Intention to work strategically with provinces to reduce overlap and duplication.

Common Systems

- *PWGSC:* Implementation of government-wide financial and compensation systems.

Increased Cost Recovery

- *AAFC:* From industry for inspection and regulation.

- *DFO:* Higher fees for use of fishing harbours.

- *DFO:* Higher fees for services and licences.

- *EC:* Possibility of recovering cost of environmental assessments.

- *TC:* Fees for en route air navigation services and other possible fee increases.

- *JC:* Cost-recovery pilot projects with government departments.

- *NCC-CH:* Operation on a more commercial basis.

- *CIC:* Introduction of immigration fee.

- *CIC:* Increased citizenship fee.

- *HC:* Implementation of additional cost-recovery measures.

- *DFAIT:* Cost-recovery for consular and trade development services.

- *EC:* Fees for customized weather forecasting services and products.

- *DIAND:* Increased cost recovery from northern resources managememt.

Partnering and Cost Sharing

- *AAFC:* Sharing inspection and regulation responsibilities with industry.

- *DFO:* Sharing responsibility with industry for fisheries management.

- *IC:* Delivery in partnership with private sector.

- *RDA:* Working closely with provinces.

- *AAFC:* Matching investment in R&D with industry.

- *NRCan:* Cost sharing of geological research with provinces and private sector.

- *CSA:* Joint ventures for earth observation, space science and technology with private sector.

- *JC:* Federal-provincial cost sharing under Criminal Legal Aid and Young Offender Program.

- *RCMP-SolGen:* Work with TC to increase the efficiency of airport security.

- *NCC-CH:* Strive for greater municipal participation in maintaining municipal-like assets.

- *DFAIT:* Increase proportion of consular and trade development functions to prime users.

- *CIC:* Partnership with local bodies in the management of settlement services.

- *HC:* HC, AAFC, DFO and IC, together with food industry and provinces, to co-operate to improve the effectiveness and cost-efficiency of the federal component of the Canadian food inspection system.

- *HRDC:* National workplace strategy involving collaboration with sector councils to facilitate adjustment to changing economic conditions and labour market needs.

Facility Closure and Asset Sell-Off

- *AAFC:* Closure of 7 research facilities – criteria: local impact, low value, technological alternatives.

- *EC:* Closure of 50+ weather services and labs.

- *SolGen:* 5 regional offices.

- *NCC-HC:* Divestiture of non-critical land holdings.

- *DFAIT:* Sale of property.

- *HRDC:* Closure of some offices.

SOAs

- *NRCan:* Geomatics Canada.

Process Redesign

- *EC:* possible changes to procedures and timelines for environmental assessment

- *JC:* Simplification of justice system, including reliance on mediation as an alternative to litigation, sentencing reform, development of government regulation and legislation (JC)

- *PWGSC:* Increased use of direct deposit.

- *CIC:* Changes to speed up the refugee determination system.

Reduced Levels of Service

- *DFO:* Coastguard fleet.

Switch to Indirect Support

- *RDA:* Brokering information services to SMEs.

- *HRDC:* More emphasis on employment development services such as initial needs assessment, counselling, literacy and basic skills training, workplace training and experience, child care support and earnings supplementation.

Reduce Demand for Services

- *JC:* Work with client departments to change policies and practices to reduce legal problems.

- *SolGen:* Work with JC and provinces to contain growth of inmate population.

- *NPB-SolGen:* Switch from annual to biennial review for conditional release.

Use of Technology

- *EC:* Delivery of weather and other services (EC)

- *EC:* Automation of AES.

- *HC:* Reexamination of mandates and strategies of CBC, Telefilm Canada and the NFB in light of technological evolution.

- *HRDC:* Use of new technology to improve national labour market information to match skills with available jobs.

- *HRDC:* Use of computerized matches to avoid UI overpayment.

Focus on Core Mandate

- *DFO:* Emphasis on scientific services.

- *AAFC:* R&D.

- *EC:* R&D – reduction of non-core.

- *TC:* Policy, legislation, safety and security standards – not operations.

- *NRC:* Reduction of low priority activities.

Policy Re-Orientation

- *TC:* Shift away from owning, operating and subsidizing large parts of the transportation system to focus on core policy and regulatory responsibilities to ensure the safety and security of the system.

- *NRCan:* Shift away from energy supply to efficiency, alternative sources, environment and sustainable development.

- *NRCan:* Concentrate mining and forestry policy on international issues and sustainable development.

- *EC:* More emphasis on science, international and national policy and nationally significant ecosystems and less on local issues and service delivery.

- *IC:* Shift in support to high growth sectors.

- *RDA:* Focus on SMEs.

- *HC:* Shift to address priorities such as enhancements to the public health intelligence network, breast cancer research, Prenatal Nutrition and Aboriginal Headstart.

- *RC:* Reallocate some savings to audit and other enforcement activities.

General

- Reduction of overhead and administrative costs.

- Reductions in operating budgets.

- Improved strategic focus through business planning.

- Service delivery innovations.

- Use of information technology.

- Sharing common services among departments.

Agency Review

- 73 agencies, boards and commissions to be wound up.

- Remaining 47 to be "restructured and streamlined".

ANNEX H

DEPARTMENTAL INITIATIVES RELATED TO SERVICE DELIVERY

LEVEL A

1. GENERAL ROLE AND POLICIES OF THE GOVERNMENT

1.1 Abandonment, Devolution and Privatization of Policies and Programs

* *AAFC and TC:* Elimination of WGTA grain subsidies.

* *DIAND:* Devolving complete control for almost all socio-economic activity to the First Nations.

* *DFO:* Privatization of public marine telephone services and certain pollution responses.

* *TC:* As announced in the 1995 budget, the federal government is proceeding with the privatization of Canadian National Railways.

* *TC:* Work continues on the transfer of ownership of regional/local airports to provincial/regional/local governments, not-for-profit organizations and possibly the private sector in this order of priority. Federal subsidies to regional/local airports are to be eliminated by April 1, 2000. Three regional/local airports have been transferred and Letters of Intent have been signed for over 30. In 1995-96, it is expected that 15 regional/local airports will be transferred.

1.2 Adoption of New Policies and Programs

* *EC:* "Greening Government", an interdepartmental initiative has been undertaken, with EC exercising horizontal leadership.

2. GENERAL STRUCTURE OF GOVERNMENT

2.1 Reconfiguration of Departments

* *VAC:* Currently conducting a study to investigate possible opportunities for amalgamation with other departments.

* *Canadian Coast Guard:* As part of the move to integrate all federal government marine programs (DFO/EC/TC), the Canadian Coast Guard has begun merging 90 percent of its functions with the Department of Fisheries and Oceans. Responsibility for most of ship safety and harbours and ports remain with TC. All elements of the merger will be completed by April 1, 1996.

2.2 Creation of New Entities

* Announcement of three new agencies, Single Food Inspection Agency, Canada Revenue Commission and Parks Canada Agency, in the 1996 Budget.

* *TC:* The department is in the process of commercializing its Air Navigation System (ANS). NAV CANADA was incorporated on May 26, 1995 to operate as a public utility, pricing services to recover all costs from users. There are no shareholders and any profits will be re-invested in the business or charges to users reduced. The Board of Directors, appointed by user groups, unions and Transport Canada, held its first meeting on August 4, 1995 and will appoint four independent Board members in the near future. The new organization should be in operation on April 1, 1996.

- *EC:* The department is conducting a study to examine 8 different commercialization models.

LEVEL B

3. CONSULTATION MECHANISMS FOR POLICY DEVELOPMENT AND PROGRAM DESIGN

- *CSA:* The Space Program Overview Committee has been created with sixty representatives from all stakeholders across Canada. The committee was established to provide advice on strategic matters related to the planning and implementation of the CSA.

- *TC:* In order to modernize the regulatory process in the area of aviation, the Canadian Aviation Regulation Advisory Council (CARAC) was established as a cooperative rulemaking body. CARAC is a joint undertaking of the government and the aviation community and is composed of representatives from air carriers, manufacturers, and professional associations. CARAC offers the aviation community the opportunity to be a partner in improving and maintaining this regulatory system.

4. PROGRAM FUNDING ARRANGEMENTS

4.1 Reductions in the level of transfer payments

- *AAFC:* Has reduced its subsidies to milk producers.

- *AAFC:* The department has moved to a "whole farm" approach to income stabilization, allowing for greater flexibility in the use of the funds, but a lower total amount.

- *IC:* The department has decreased its business subsidies.

4.2 Cost recovery measures

- *CH:* Parks Canada has developed a new policy based on introducing a recovery fee approach to personal services and a market-price approach for commercial services.

- *CRTC:* User fees have been established to cover the cost of regulating telecommunications carriers.

- *CIC:* Cost recovery for immigration and citizenship applications was introduced several years ago, in an attempt to offset the increasing cost of delivering the program. Over time, the fees have been extended to other immigration services, including visitor visa applications, and the amount of the fees have also been increased to better reflect actual processing costs. Following Program Review, CIC introduced a "Right of Landing Fee" and a "Right of Citizenship Fee" to transfer some of the costs from government to the direct beneficiaries of the programs.

- *DFO:* User fees have been introduced in a number of areas.

- *CORCAN:* The organization now sells products in both the public and private sectors. Correction and training fees have also been established.

- *HC:* Cost recovery has been implemented for several services, such as pharmaceutical products, medical devices, pesticides and other consumer products. HC is also considering implementing cost recovery in the area of food safety, which involves discussions with AAFC and DFO. The department plans to fund approximately a third of these health protection activities through cost recovery.

- *HRDC:* The department plans to introduce user fees for SIN Cards and U.I. Umpire Benefit decisions.

- *NEB:* Regulations have been approved that allow 85% cost recovery from oil, gas and electricity.

- *NPB:* User fees for pardons were introduced in April 1995.

- *STATSCAN:* The organization has introduced extensive cost-recovery.

5. PROGRAM DESIGN

5.1 Regulatory Strategy

- *CRTC:* The commission has instituted operational deregulation.

- *DFO:* The department has initiated an amendment to the Fisheries Act which reduces regulatory burden.

  NEB: Companies have been granted authority to complete routine capital projects, without applying to the board for approval, provided they do not have safety or environmental implications. There has also been devolution of toll and tariff regulations and a move towards incentive regulations.

- *TC:* As the department moves out of its operational role, it is assuming an increased regulatory role in safety related areas. For instance, the TC aircraft fire fighting policy was revised and promulgated on September 1, 1994. The first phase included the withdrawal of approximately 62 TC fire fighters and the transfer of vehicles to municipalities where TC was providing a category 4 level of service. This phase was implemented at the majority of those airports (16) in April 1995.

- *TC:* In order to streamline and modernize Canada's outdated air regulations, the Regulatory Renewal Project was created. Operational and legal specialists from Aviation Regulation, the Privy Council Office and the Justice Department have joined together to revise and update the existing legislation, producing a user-friendly, clear and logical set of regulations called the Canadian Aviation Regulations (CARs).

- *DFO:* In February 1992, the department launched a new program in cooperation with the fish processing industry. This initiative is the first to incorporate quality management practices into a mandatory regulatory framework for industry. Under the program, the role of industry in monitoring its own performance against Canadian Fish Inspection Regulations is increased. As a result, DFO can focus its resources on plants with lower compliance levels, and those areas that have a higher risk.

5.2 Harmonization and Amalgamation of Programs

Within Departments

- *AAFC:* Regional harmonization of client services in trade development. Also established Agri-Food Trade Service to integrate policies and programs in export development.

- *CSA:* Reorganization based on generic functions – organization-wide focus on projects.

- *HRDC:* Integration of employment and insurance activities to improve UI claims – counsellors can now approve UI claims for trainee clients.

Between Departments

- *DFO:* Integration of Coast Guard and DFO fleets.

- *CIC:* The overseas delivery of the immigration program has been transferred to CIC from External Affairs and medical assessment responsibilities formerly carried out by Health and Welfare have also been assumed by the department, in order to create direct accountability for all elements of the immigration program.

- *CIDA and DFAIT:* These departments are working together towards the development of country strategies that take into account and incorporate all relevant foreign policy instruments. This has led to greater co-operation between the two organizations to ensure coherent delivery of policies and programs.

With Other Orders of Government

- *TC:* The Transportation of Dangerous Goods (TDG) Act 1992, included a provision for entering into agreements with the provinces respecting the administration of the Act. This provision is currently being implemented with three provincial agreements now signed and functioning. The agreements harmonize and coordinate the operational activities to ensure fair and equitable service and eliminate any possibility of duplication or overlap within the national TDG program. Action is proceeding towards completion of the remaining agreements.

- *TC:* The department has also been working with provincial governments to harmonize and coordinate the railway safety rules and regulations, and to assist the provinces in their monitoring and enforcement of provincial railways. A further step will see interdelegation by agreement in which the federal government will assume responsibility for the regulation of provincial railways. This will significantly reduce the cost of regulations and provincial governments will not need to establish separate monitoring organizations.

With Foreign Governments

- *RC:* The Canada – U.S. Border Accord has harmonized travel processing systems, including streamlining border clearance for low risk travellers and reduction in paperburden and compliance costs.

- *TC:* Wherever practicable, Canadian Air Regulations (CAR) are being harmonized with those of the United States and Europe, in order to promote ongoing competitiveness of Canadian air carriers and manufacturers and remove unnecessary trade barriers.

6. DELIVERY MECHANISM

6.1 Collaborative Delivery (Partnerships)

Between Departments

- *CIC:* The department is currently working with the RCMP and local police forces in the delivery of the enforcement program.

- *HRDC:* Financial and Administrative Services branch sets off debts for U.I., Immigration Loans, Canada Student Loans with Revenue Canada.

- *IC:* Until recently, IC services to alert Canadian firms to possible international business opportunities were done largely in an adhoc manner. The International Business Opportunities Centre (IBOC) was established jointly by DFAIT and IC to match systematically business leads provided by trade commissioners abroad with business interests of capable Canadian firms, particularly small and medium-sized enterprises.

- *VAC:* The department participates in Health Care Coordination Initiative with seven other federal departments/agencies to try to reduce client costs by coordinating certain health care services.

With Other Orders of Government

- *ACOA:* Working with the investment team of NB's Economic Development and Tourism department to identify non-traditional forms of investment and also joint delivery of policies to financially assist tourist accommodations in the province.

- *CSA:* Works with provinces and private sector to bring about innovative financing to ensure commercial success.

- *PWGSC:* The department has signed an MOU with Quebec on sharing translation terminology research.

- *STATSCAN:* The agency works with provincial/territorial governments to develop statistics in their jurisdictions.

- *VAC:* The department has developed contracts with many of the provinces to identify health care needs of veterans and address priority access to long-term care.

With Foreign Governments

- *RC:* Participated in conjunction with Mexican/US customs in a series of trade seminars sponsored by business and industry associations. Shared border crossing services with the U.S.

- *STATSCAN:* Works with other governments to improve quality of information on Canadian exports and to reduce the paper burden on Canadian exporters.

With Private Sector

- *CSA:* Partnering with private sector to build and operate RADARSAT II and its successors – with the aim of developing an internationally competitive Canadian industry in the application of Earth observation satellite data.

- *CORCAN:* The agency has arrangements with a private company to employ offenders. It also partners with the private sector for design, testing and marketing of products, as well as determining the skills needed for employability.

- *NRCan:* The organization is engaged in cost-sharing with Canadian companies for specific geological research and surveys. Additionally, Geomatics Canada is pursuing distribution agreements with private sector for maps.

- *RC:* The department has a partnering arrangement with Transact Data Services Inc. and the Bank of Montreal involving the use of a point of sale device to remit GST payments and allow filing of GST returns.

- *STATSCAN:* The agency works with newsmedia for communications, drawing out important findings, placing them in context and demonstrating relevance. It is also working with the private sector to develop software/technologies, to distribute their products and, in some cases, to co-publish, print and disseminate electronic products.

With NFPOs

- *STATSCAN:* Partners with secondary schools in electronic dissemination, statistical retrieval and graphing tools geared towards students.

- *VAC:* The department collaborates with the Last Post Fund, a not-for-profit organization to fund veteran's funerals.

With a Range of Stakeholders

- *Canada Business Service Centers (CBSCs):* CBSCs were created to deliver information and services in a client-centered fashion, rather than on a department by department basis. It is a collaborative effort involving 21 federal departments, provincial/territorial governments and the private sector. The first CBSC pilots were launched in 1992/93 and Centres have now been established in each province. A National Secretariat has been established to support the partnership and to ensure that the CBSCs evolve as a network.

- *IC:* The department has worked with other departments, NGOs, and client groups in the development and delivery of the SchoolNet program.

- *EC:* Numerous partnerships involving provinces, NGOs, universities.

- *PWGSC:* Under the Federal Building Initiative, PWGSC shares costs/savings with provinces and private sector.

- *IC and DFAIT:* Starting in 1994, a "Team Canada" approach to the delivery of International Business Development services was adopted. The idea is to pool the expertise and resources of federal and provincial governments and some private sector organizations to be responsive to business needs. At the regional level, the International Trade Centres, a joint venture of Industry Canada and DFAIT, will be the federal government's lead to bring together other federal, provincial and private sector partners. Companies will be directed through a "seamless" and transparent regional delivery system to have quick access to the products and services of all partners. Through the development of joint service delivery strategies and Regional Trade Plans, all participating organizations will also ensure that they are using their resources in an effective and client-focused manner. Specific examples include: New Brunswick Integrated Trade Strategy and Plan developed by the province of New Brunswick, Industry Canada and ACOA; the 1994 Trade Agreement between the four Atlantic provinces, ACOA, Industry Canada and DFAIT, and Federal Office of Regional Development in Quebec (FORD-Q), IC and DFAIT Agreement to maximize delivery of international business development programs to small businesses in Quebec.

- *IC:* Established the Pre-Competitive Advanced Research Network (PRECARN) and the Canadian Network for the Advancement of Research, Industry and Education (CANARIE) – consortiums of various stakeholders brought together to manage and administer a series of projects and networks of research teams in the areas of advanced robotics and artificial intelligence and information technology.

6.3 Devolution of Delivery (federal government retains responsibility)

To Other Orders of Government

- *DIAND:* Local control over service delivery accompanied by the establishment of service standards and granting First Nations jurisdictional control over services.

- *DFO:* Transfer to provincial governments management and administrative responsibility e.g. small craft licensing.

- *HC:* The responsibility for delivery of First Nations and Inuit health services is being devolved to communities.

- *JC:* Devolving criminal prosecution work to the provinces.

- *NEB:* The board has a contract with the Yukon Territorial Government for the delivery of energy regulation in the territory.

- *PWGSC:* The department has agreements with Québec and Manitoba to provide telephone information and referral services on federal programs/services, previously provided by PWGSC.

- *VAC:* Construction and operation of long-term care and rehabilitation facilities for veterans have been devolved to the provinces.

To NFPOs

- *CH:* Seven of eight components comprising the Sound Recording Development program, which provides grants and contributions to the sound-recording industry in Canada, have been administered by non-profit organizations.

- *CIC:* The department has designated an ADM to oversee and nurture partnerships. This will be particularly important in the area of settlement. CIC is withdrawing from direct administration and delivery of settlement programs and services over the next two years. These will be transferred to "delivery partners".

- *IC:* Spectrum management is exploring options to delegate the authority from the Minister to representatives of amateur organizations to issue amateur radio licenses.

To Private Sector

- *IC:* Legal Metrology has implemented third-party accreditation (or the delegation of authority to provide certain legislated services) of manufacturers, utilities, dealers and third party organizations to inspect and certify natural gas and electricity metres under the authority of the Electricity and Gas Inspection Act and certain types of scales and petroleum meters under the authority of the Weight and Measures Act.

- *TC:* The department has moved to a point where railway companies have the power to write their own safety regulations. Under the new approach, TC has passed a significant amount of operational responsibility for safety management to the railway companies. Yet, at the same time, Transport Canada has retained the ability to ensure that safety standards and requirements are appropriate and monitor and enforce where necessary.

- *TC:* In the interests of public safety, it is necessary to ensure that pilots are competent. TC delegates much of this responsibility to pilots employed by commercial air carriers. These "in house" inspectors are known as Company Check Pilots. They carry out most of the assessments related to pilot proficiency, as well as renewals of instrument (i.e. non-visual) rating tests. TC delegates regulatory responsibility to external entities in other areas as well, such as flight tests for private and commercial licenses and design approval for aeronautical products.

- *CRTC:* Transfer responsibilities for clearance of alcoholic beverage advertisements to the Canadian Advertising Foundation.

6.4 Contracting with the Private Sector

- *CIC:* The department is shifting away from managing a system of "designated physicians" around the world, who were trained to do medical examinations for immigration. This activity will be contracted out to firms, such as insurers, who already do this, with more extensive networks of their own.

- *DND:* A "Government-Owned Contractor-Operated" (GOCO) contract was let for the Militia Training Support Centre (MTSC) Meaford with the aim of reducing required support resources for the site. Initial savings projections were for $7 million over five years. The department views the project has proven valuable as a pilot, providing lessons in project management, scope definition, costing and methodology.

- *DND:* Primary Flight Training (PFT) for the CF is now contracted with Canadair at the Canadian Aviation Training Centre (CATC). Although the yearly flying rate under Canadair is only 10-15 % less than pre-contract, the number of personnel to operate and support CATC has dropped from the 700 previously employed by CFB Portage la Prairie.

- *DND:* In the past the department has designed buildings, then tendered a detailed package for construction. With its "design-build" approach, DND requests proposals on a "performance specification" with functional requirements. The "best solution" of design and construction is then contracted with the same bidder. Unless there is a need to closely control the design or cash flow, the majority of DND's construction is now "design-build". This approach fits government regulations and is popular with the industry.

- *EC:* The Environmental Choice Program was subject to an employee takeover to form a new company. It remains a government program delivered under a contribution agreement.

- *EC:* The Burlington Wastewater Technology Centre has been a GOCO since 1991.

- *IC:* A pilot project is being carried out in the Pacific region (Victoria) to have third parties (equipment suppliers) collect applications and licence fees for marine radio licenses. They will be paid a commission for this service. Potential future agents, should this project prove to be successful, include power squadrons, marinas, yacht clubs and equipment dealers.

- *NAC:* Portions of the organization's reprographic services have been contracted out, and this issue is again being examined, with a view to possible greater contracting out of such services.

- *PWGSC:* The department is collaborating with the private sector in the Northumberland Strait Crossing project. The "fixed link" to Prince Edward Island will be private sector financed, built and operated, with ownership ultimately transferred to government.

- *TC:* Airports designated as part of the National Airports System will be transferred to Canadian Airport Authorities under long term leases. Airports not transferred within five years will continue to be federally operated with zero deficit. Six letters of Intent have been signed with the incipient Canadian Airport Authorities (Lester B. Pearson, Winnipeg, and Macdonald-Cartier International Airports as well as the Moncton, Saskatoon and Thunder Bay Airports).

- *TC:* Following the signing of the FTA, amendments were made to the Motor Safety Act that permit U.S.-specification vehicles to be imported into Canada provided they are modified to meet Canadian standards prior to being presented to a provincial registration office for licensing. To assure compliance with this requirement the Act stipulates that "...the vehicle will be certified...by such person may be designated by the regulations." A position, Registrar of Imported Vehicles, was established by regulation and a competition held within the private sector for a company to fulfill the role. The Registrar has to devise and administer an inspection and certification program and provide information services to the public. Fees for these services are collected from importers and a license fee paid to the department for the privilege of delivering this service. There is no additional cost to the taxpayer for the provision of this service.

- *VAC:* The department has arrangements with many private sector firms to develop and market Canada Remembers souvenirs and memorabilia.

7. SPECIAL ACCOUNTABILITY ARRANGEMENTS

7.1 Special Operating Agencies

- *AAFC:* Two SOAs (Canadian Pari-Mutual Agency and the Canadian Grain Commission).

- *. *CH:* Two SOAs have been created: the Canadian Heritage Information Network (CHIN) and the Canadian Conservation Institute (CCI).

- *DND:* The Canadian Forces Housing Agency (CFHA) was created as a Special Operating Agency to provide family accommodation to members of the Canadian Forces effective April 1, 1996. The Agency will manage a portfolio of approximately 22,000 housing units at Canadian Forces locations across the country.

- *IC:* The Canadian Intellectual Property Office (CIPO) became an SOA in 1994.

7.2 Other Arrangements

- *HC:* A number of new authorities have been negotiated with Treasury Board to allow Parks Canada to manage its resources and investments in a manner that simulates more commercial business practices. Authorities such as full revenue retention and easier transfer between votes, have allowed Parks Canada to plan and enter into new park and site agreements.

- *DND:* The Personnel Support Program (PSP) Defence Services Agency is under development to oversee the delivery of all PSP programs which include both public funded activities such as physical fitness training and sports, and non-public fund (NPF) activities such as CANEX (retail facilities), community recreation programs and the Service Income Security Insurance Plan (SISIP). This involves the civilianization of the majority of the 591 military positions employed in the management of PSP activities, creation of 472 publicly supported NPF positions, and establishment of an NPF Board of Directors. The transition to full Agency operations is planned over a three-year period,

1996-1999. At steady state, the net annual savings will be $7.5 million. The pay back of publicly funded transition costs will occur in the second year of stable operations.

- *IC:* The Communications Research Centre, a principal federal telecommunications research institution, became a de facto special operating agency in 1992. It continues to evolve in the direction of greater autonomy.

- *NRCan:* Canadian Centre for Mineral and Energy Technology (CANMET) became a Second Generation Technology Centre. As part of this change, client-led advisory boards were established. As well, there is increased cost recovery, increased accountability via performance indicators, more flexibility regarding revenue retention and a single operating budget along with a comprehensive business plan have been introduced.

LEVEL C

8. GENERAL CHANGES IN THE OPERATIONAL CAPACITY OF DELIVERY UNITS

8.1 Additional Flexibilities

Financial Management

- *CORCAN:* Operates on a revolving fund.

- *CRTC:* Seeking vote netting authority for part of broadcast licence fees attributable to regulation costs.

Human Resources Management

- *NEB:* Attained separate employer status in 1992.

8.2 Management Practices

General

- *CORCAN:* Certification under ISO 9000.

Human Resources

- *NPB:* Improved Board member appointment process, enhanced training for Board members and introduction of performance evaluation of Board members.

- *STATSCAN:* Front-line staff receive training in the skills needed to provide effective and professional service.

8.3 Consolidation of Regions/Branches

- *DFO:* The number of regions were reduced from 12 to 5.

- *PWGSC:* Integrated three branches previously responsible for real property services.

- *STATSCAN:* Reorganization of two central branches into one – with a marketing division and a dissemination division.

- *VAC:* Merger of CPC and VAB to form VRAB.

- *CIDA:* Reduction in the number of branches from 11 to 9.

8.4 Reconfiguration of Activities

Consolidation

- *EC:* Integration of regional activities with HQ responsibilities.

- *JC:* Creation of Legal Operations Centre to include all common law, legal advisory and litigation services. Also, grouped all policy related functions in one sector.

- *DFO:* Consolidation of laboratories.

- *TC:* Integrated Departmental Financial and Material Management System which improved aspects of public interaction with departmental activities.

Other

- *CORCAN:* Established 6 business groupings that reflect strategic focus.

- *NRCan:* Client Forest Service program restructured into 10 networks, each with a focus on a particular topic.

- *CORCAN:* Thirty operational units became autonomous cost/profit centres.

8.5 Delayering

- *JC:* Examining delayering and legal classification levels.

- *AAFC:* PFRA eliminated 2 levels of authority and increased accountability.

- *CORCAN:* Hierarchy reduction from 8 levels to 4.

- *NEB:* Reduced hierarchy to 3 levels of management.

8.6 Creation of Project-Based Teams

- *CRTC:* Development of matrix-based teams to provide required project skills.

- *NRCan:* Employee designed reorganization of Canadian Geoscience Information Centre, led by 3 core work teams, with the aim of providing better service both internally and to the public.

- *IC:* The Industry Sector of IC uses teams as the primary work locus. Most branches operate on a matrix basis, with regional, sectoral and functional experts working on project teams. To bring expertise closer to clients, sector branches have a strong presence in 5 regional offices where they provide sectoral expertise (e.g. automotive assembly in Ontario) and ensure client services are delivered where these industries are concentrated. As well, Industry Sector branches operate in a flatter organization with resources in a coordination and management services branch to discipline staff overheads.

- *VA:* Client Service Delivery Network will use multi-skilled, client-oriented teams as front line delivery providers for all portfolio programs.

8.7 Centralization/Decentralization

Centralization

• *CHRC:* Centralized a good part of the investigation process – reduced size of regional offices.

• *CIC:* The department has moved to a centralized mail-in operation, which has allowed the number of local offices to be reduced by half.

Decentralization

• *CH:* Parks Canada has decentralized its Real Property Management function, which entails the delegation of operational responsibilities to the regions for management of over 219,000 square kms of land throughout Canada.

• *NPB:* Significant decentralization – increased empowerment of all RC managers and increased delegation to regional management.

• *VA:* Veterans Independence Program (VIP) Improvements Project delegated increased authority to districts and regions.

• *AAFC:* Matching investment initiatives and PFRA project approval moved to community level.

• *DFO:* Increased resource management flexibility for RDG.

• *HRDC:* Empowerment of employees with expanded duties. Improved accountability process – more authority delegated to field managers.

• *TC:* Decentralization to regional offices. In 1991, Regional Directors General of Aviation were created at each of the six regional offices in order to establish a local focal point for industry on Aviation matters. Staffing authorities have been delegated to line managers across Transport Canada. In addition, increased delegation for casual employment was obtained from the Public Service Commission.

• *HRDC:* New service delivery network includes more local decision-making.

8.8 Consolidation/Sharing of Support Services and Systems

• *CIDA:* Examining potential for sharing common services with DFAIT.

• *HC:* Developing locally shared support services (LSSS) arrangements with other departments.

• *AAFC:* Worked with other departments to develop Travel Expert System.

• *HRDC:* Financial and Administrative Services branch provides common services for CIC (e.g. CIC uses HRDC's Financial Information System and HRDC collects immigration loans on behalf of CIC).

• *NAC:* Since 1994, the NAC has integrated its material management and financial services functions with those of the National Library. The NAC has recently explored options for common delivery of more support services with the National Library.

• *NPB:* Investigating sharing of services with Correctional Services.

• *PWGSC:* Involved in a number of locally shared support sercvices initiatives, usually through Regional Councils.

- *HRDC:* Labour Branch has co-located federal Labour inspectors with Ontario inspectors in Kingston and with Saskatchewan inspectors in Regina and Saskatoon.

9.5 Public Information Programs

- *RC:* Small business information seminars for those who have recently started or are planning new businesses.

- *STATSCAN:* Training programs for users of Census data and products. New online system to assist clients who had purchased their software and equipment.

9.6 Service Standards

- *VAC:* Client-based service standards.

9.7 Complaint Resolution Mechanisms

- *CRTC:* New complaint resolution components.