



IMPROVING PERFORMANCE AT THE NEXUS OF THE COMMERCIAL AND SOCIAL SECTORS

ABSTRACT

**NEW ZEALAND MODEL OF PUBLIC FINANCIAL MANAGEMENT (FEBRUARY 2018)**

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New Zealand is frequently mentioned as a country that has radically reformed its public sector based on the New Public Management (NPM) model in the mid-1980s and 1990s. The main features of the New Zealand Model (NZM) are adoption of accrual accounting; authority to buy and sell assets and use of a capital charge; output-based budgeting and management, and devolution of decision making and increased accountability. However, currently the focus has changed from the emphasis on management and the performance of individual agencies to looking at the operation of the sector as a whole to address the fragmentation which has occurred through the separation of policy ministries and operational departments and by departments operating independently. New Zealand's reforms offer several political and implementation lessons for governments in many developing and developed economies.

