

# *Vote Public Service*

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APPROPRIATION MINISTER(S): Minister for Social Development and Employment (M63), Minister for the Public Service (M66)

DEPARTMENT ADMINISTERING THE VOTE: Public Service Commission (A36)

RESPONSIBLE MINISTER FOR PUBLIC SERVICE COMMISSION: Minister for the Public Service

## *Overview of the Vote*

The Minister for the Public Service is responsible for appropriations in Vote Public Service for the 2022/23 financial year covering:

- a total of over \$41 million to support decision-making by Ministers on Government policy matters and leading the Public Management System to ensure that the Public Service is collectively responsible and works together
- a total of over \$18 million for the remuneration and related employment costs of chief executives employed by the Commission
- a total of \$200,000 for payments associated with New Zealand's membership of the Open Government Partnership, and
- a total of \$100,000 for departmental capital expenditure for minor furniture and IT replacements.

The Minister for Social Development and Employment is responsible for appropriations in Vote Public Service for the 2022/23 financial year covering a total of nearly \$7 million for the provision of strategic cross-system advice and support, creating insights, tools, and practices in order to implement the social wellbeing approach to support and further the long-term wellbeing of New Zealanders.

Details of these appropriations are set out in Parts 2-4.

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Departmental Output Expenses</b>			
<b>Leadership of the Public Management System (M66) (A36)</b> This appropriation is limited to ensuring the Public Management System has the design, capability and performance to deliver public services, and providing advice and services to support Ministers to discharge their portfolio responsibilities relating to the Public Management System.	48,162	47,562	<b>41,399</b>
<b>Supporting Implementation of a Social Wellbeing Approach (M63) (A36)</b> This appropriation is limited to providing strategic cross-social-system advice and supporting cross-system work, creating insights, tools, and practices to support sector-wide implementation of a social wellbeing approach.	7,384	7,384	<b>6,758</b>
<b>Total Departmental Output Expenses</b>	55,546	54,946	48,157
<b>Departmental Capital Expenditure</b>			
<b>Public Service Commission - Capital Expenditure PLA (M66) (A36)</b> This appropriation is limited to the purchase or development of assets by and for the use of the Public Service Commission, as authorised by section 24(1) of the Public Finance Act 1989.	808	808	100
<b>Total Departmental Capital Expenditure</b>	808	808	100
<b>Non-Departmental Other Expenses</b>			
<b>Open Government Partnership (M66) (A36)</b> This appropriation is limited to payments associated with New Zealand's membership of the Open Government Partnership.	200	200	<b>200</b>
<b>Remuneration and Related Employment Costs of Chief Executives (M66) (A36)</b> This appropriation is limited to the remuneration and costs relating to the employment of chief executives employed by the Public Service Commissioner.	19,363	19,363	<b>18,199</b>
<b>Total Non-Departmental Other Expenses</b>	19,563	19,563	18,399
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	75,917	75,317	66,656

## Capital Injection Authorisations

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Public Service Commission - Capital Injection (M66) (A36)	-	-	-

# Supporting Information

## Part 1 - Vote as a Whole

### 1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Delivering on the Public Service Commission's core functions, system leadership and Government expectations	<b>Leadership of the Public Management System</b> Departmental Output Expense	-	900	900	900	900
Establishing a Pay Equity Centre of Excellence	<b>Leadership of the Public Management System</b> Departmental Output Expense	3,000	3,000	3,000	-	-
<b>Total Initiatives</b>		3,000	3,900	3,900	900	900

## 1.2 - Trends in the Vote

### Summary of Financial Activity

	2017/18	2018/19	2019/20	2020/21	2021/22		2022/23			2023/24	2024/25	2025/26
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Final Budgeted \$000	Estimated Actual \$000	Departmental Transactions Budget \$000	Non- Departmental Transactions Budget \$000	Total Budget \$000	Estimated \$000	Estimated \$000	Estimated \$000
<b>Appropriations</b>												
Output Expenses	45,167	43,543	44,673	45,969	55,546	54,946	48,157	-	48,157	46,155	43,128	43,128
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	14,940	15,167	15,538	15,450	19,563	19,563	-	18,399	18,399	18,395	18,415	18,423
Capital Expenditure	1,553	1,867	654	822	808	808	100	-	100	100	100	100
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	N/A	-	-	-	-
Multi-Category Expenses and Capital Expenditure (MCA)												
<i>Output Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-	-	-	-	-	-	-	-
<i>Capital Expenditure</i>	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Appropriations</b>	<b>61,660</b>	<b>60,577</b>	<b>60,865</b>	<b>62,241</b>	<b>75,917</b>	<b>75,317</b>	<b>48,257</b>	<b>18,399</b>	<b>66,656</b>	<b>64,650</b>	<b>61,643</b>	<b>61,651</b>
<b>Crown Revenue and Capital Receipts</b>												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	14,430	14,574	14,768	14,900	20,113	20,113	N/A	18,250	18,250	18,246	18,266	18,274
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>14,430</b>	<b>14,574</b>	<b>14,768</b>	<b>14,900</b>	<b>20,113</b>	<b>20,113</b>	<b>N/A</b>	<b>18,250</b>	<b>18,250</b>	<b>18,246</b>	<b>18,266</b>	<b>18,274</b>

Note - where restructuring of the vote has occurred then, to the extent practicable, prior years information has been restated as if the restructuring had occurred before the beginning of the period covered. In this instance Total Appropriations for the Budgeted and Estimated Actual year may not equal Total Annual Appropriations and Forecast Permanent Appropriations and Multi-Year Appropriations in the Details of Appropriations and Capital Injections.

## Adjustments to the Summary of Financial Activity Table Due to Vote Restructuring

There have been no restructuring adjustments to prior year information in the Summary of Financial Activity table.

### 1.3 - Analysis of Significant Trends

Details of significant movements within each appropriation type are detailed below:

#### Appropriations

##### *Output Expenses*

Output expenses from 2017/18 to 2020/21 were relatively constant.

The decrease in 2018/19 reflects the cessation of time-limited place-based initiatives, apart from the commencement of an evaluation.

The increase in 2021/22 reflects:

- an increase of \$5.536 million reflecting one-off revenue received from departments and other parties in 2021/22. The most significant components are the collective contributions from agencies for the set up of the Gardiner Centre for the child (excluding Oranga Tamariki), and external secondments
- an increase of \$3 million reflecting time-limited funding to establish a pay equity centre of excellence. This funding runs for three years, and
- an increase of \$2 million due to a fiscally neutral transfer from Vote Oranga Tamariki to Vote Public Service to provide initial investment support for the setup of the Gardiner Centre for the child.

The 2022/23 budget decreases due to an expense transfer from 2020/21 to 2021/22 in the Social Wellbeing Agency (SWA) for building capability around the new direction as set by the Government. This was delayed due to the diversion of attention and resources to support the Public Service's COVID-19 response.

The forecast is for the budget to drop further in 2022/23 and outyears due to the Clerical and Administration Pay Equity team forecasting to finish partway through 2022/23 and the Pay Equity Centre of Excellence funding being time-limited until 2023/24.

##### *Other Expenses*

The increases in actual spend from 2017/18 to 2020/21 reflect the increase in the number of chief executives as a result of the increasing number of agencies. The budget for 2021/22 is higher due to government decision around the establishment of two new agencies which has created a one-off cost in 2021/22.

The budget in 2022/23 and outyears decreases following the one-off costs in 2021/22. These numbers are higher than 2017/18 to 2020/21 due to:

- an adjustment to the appropriation to better align the appropriation with the current cost of chief executives
- a Government decision to establish new agencies which has increased the number of chief executives, and
- the inclusion of a contingency component to allow for unplanned expenditure relating to chief executives.

### *Capital Expenditure*

Capital expenditure was significantly higher in 2017/18 and 2018/19 because of the Commission leaving the Central Agencies Shared Services arrangement and purchasing its own IT hardware and infrastructure.

Capital Expenditure from 2019/20 to 2021/22 reflects:

- growth in size over recent years (with a resultant need for more floor space and IT equipment), including the acquisition of the Leadership Development Centre, Public Service Fale, Clerical and Administration Pay Equity team, Employee Led Networks and the Social Wellbeing Agency and their respective capital costs, and
- undertaking a unified communications project to allow the Commission to be fully flexible in its approach to work.

The Capital expenditure in 2022/23 and outyears reflects the usual levels of forecast capital expenditure.

## **Crown Revenue and Capital Receipts**

### *Non-Tax Revenue*

The increase between 2017/18 and 2020/21 reflects the increasing costs of chief executives, as this revenue relates to the recovery of chief executive salaries.

The increase in 2021/22 relates to recovery of one-off cost budgeted around government's decision for establishment of new agencies and alignment to current chief executive remuneration.

The forecast in outyears is reflective of the contingency built into the baseline reflecting the possibility of unplanned expenditure relating to chief executives (mentioned above).

## Part 2 - Details of Departmental Appropriations

### 2.1 - Departmental Output Expenses

#### Leadership of the Public Management System (M66) (A36)

##### *Scope of Appropriation*

This appropriation is limited to ensuring the Public Management System has the design, capability and performance to deliver public services, and providing advice and services to support Ministers to discharge their portfolio responsibilities relating to the Public Management System.

##### *Expenses and Revenue*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	48,162	47,562	41,399
Revenue from the Crown	32,927	32,927	31,700
Revenue from Others	15,235	15,235	9,699

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve a higher performing public sector through delivery of policy advice and leadership of the public management system by ensuring that the Public Service is collectively responsible and works together, learning what works best and using it to improve performance for customers and having the people, institutions and approach to respond effectively to the needs of New Zealanders today and in the future.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Technical quality of policy advice papers assessed using the Policy Quality Framework	70%	70%	70%
Minister for the Public Service has satisfaction with policy advice	80%	80%	80%
The Commission works with Public Service chief executives to agree individual development plans	100% of CE's have an agreed development plan	100% of CE's have an agreed development plan	100% of CE's have an agreed development plan
A succession plan is developed for the chief executive position of Public Service agencies	100% of CE positions have a succession plan	100% of CE positions have a succession plan	100% of CE positions have a succession plan
The Kiwis Count trust and confidence survey is run by the Commission with reporting provided quarterly that identifies the public's perceptions and experiences of trust and confidence in public services	Published month following the survey collection	Achieved	Published month following the survey collection
Respondents in the Kiwis Count trust and confidence survey agree, or strongly agree that, based on their last service experience, they could trust public servants to do what is right	80%	82%	80%
The Commission strengthens Public Service leadership through all Public Service departments being members of the Leadership Development Centre (LDC)	100% membership	100% membership	100% membership



	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The Commission strengthens Public Service leadership through promoting attendance at the annual Public Service Leaders Summit	At least 500 invitees	Achieved	At least 500 invitees
The Commission strengthens Public Service leadership by supporting career boards	At least 90 active members	123 active members	At least 90 active members
The Commission collects and publishes Public Service workforce data annually	Published no later than 15 December	Achieved	Published no later than 15 December
The Commission reports the remuneration of all Public Service chief executives every financial year	100% of all CE remuneration published	100% of all CE remuneration published	100% of all CE remuneration published
The Commission meets its statutory requirements for appointment, reappointment and transfer of Public Service chief executives	100%	100%	100%
The Commission, in partnership with the Ministry for Women, supports all Public Service departments to publish their annual Pay Gap action plans before 31 December	100% of departments publish by 31 December	100% of departments publish by 31 December	100% of departments publish by 31 December
The Commission develops and oversees the implementation of the Open Government Partnership (OGP) National Action Plan. A National Action Plan and associated End-of-Term Self Assessment is published in accordance with OGP requirements	Achieved	Achieved	Achieved
The Commission publishes Official Information Act (OIA) request statistics for government agencies that are subject to the Act every six months within three months of the end of the reporting period or as otherwise agreed with the Office of the Ombudsman	Achieved	Achieved	Achieved
The Commission recognises the contribution of public servants through the coordination of annual awards and recognition events by recognising and publicising the recipients within one month of the medal's award	100% of recipients recognised within one month	100% of recipients recognised within one month	100% of recipients recognised within one month

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Public Service Commission in the 2022/23 Annual Report.

### *Current and Past Policy Initiatives*

Policy Initiative	Year of First Impact	2021/22 Final Budgeted \$000	2022/23 Budget \$000	2023/24 Estimated \$000	2024/25 Estimated \$000	2025/26 Estimated \$000
Delivering on the Public Service Commission's core functions, system leadership and Government expectations	2022/23	-	900	900	900	900
Establishing a Pay Equity Centre of Excellence	2021/22	3,000	3,000	3,000	-	-
Delivering on the Public Service Commission's core functions, system leadership and Government expectations	2021/22	1,622	1,622	1,622	1,622	1,622
Continuing to deliver on the Commission's core functions, system leadership and Government expectations	2022/23	-	2,000	2,000	2,000	2,000
Delivering on the Commission's core functions, system leadership and Government expectations	2019/20	2,000	-	-	-	-

### *Reasons for Change in Appropriation*

The decrease in this appropriation for 2022/23 is due to:

- a decrease of \$5.536 million reflecting one-off revenue received from departments and other parties in 2021/22, the largest contributor being collective contribution to the Gardiner Centre for the Child that will be made by the Commission on behalf of the Public Service
- a decrease of \$2 million reflecting a one-off fiscally neutral transfer in 2021/22 from Vote Oranga Tamariki to Vote Public Services to provide initial investment support for the setup of Gardiner Centre for the child
- a decrease of \$699,000 reflecting a time-limited fiscally neutral transfer in 2021/22 from the Remuneration and Related Employment Costs of Chief Executives appropriation to set up the Pay Equity System Lead function and continue the succession planning for chief executives project
- a decrease of \$300,000 reflecting a time-limited expense transfer from 2020/21 to 2021/22 to fund chief executive recruitment which had been delayed
- a decrease of \$215,000 reflecting a one-off capital to operating transfer in 2021/22 to allow the Employee Led Networks to spend their surplus, and
- a decrease of \$143,000 reflecting a one-off capital to operating transfer in 2021/22 for the content writers for the Public Service Commission website upgrade project.

These decreases are offset by:

- an increase of \$1.230 million reflecting an expense transfer from 2021/22 to 2022/23 due to a delay in resourcing of the Pay Equity Centre of Excellence. This expense transfer reduced the 2021/22 budget by \$615,000 and increased the 2022/23 budget by \$615,000 for a net movement of \$1.230 million, and
- an increase of \$900,000 to enable the Commission to deliver on its core functions, system leadership and Government expectations.

### *Memorandum Account*

	2021/22		2022/23
	Budgeted \$000	Estimated Actual \$000	Budget \$000
<b>Leadership Development Centre</b>			
Opening Balance at 1 July	604	604	638
Revenue	3,706	3,446	3,500
Expenses	(3,706)	(3,412)	(3,500)
Transfers and Adjustments	-	-	-
<b>Closing Balance at 30 June</b>	<b>604</b>	<b>638</b>	<b>638</b>

## Supporting Implementation of a Social Wellbeing Approach (M63) (A36)

### *Scope of Appropriation*

This appropriation is limited to providing strategic cross-social-system advice and supporting cross-system work, creating insights, tools, and practices to support sector-wide implementation of a social wellbeing approach.

### *Expenses and Revenue*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	7,384	7,384	6,758
Revenue from the Crown	7,258	7,258	6,758
Revenue from Others	126	126	-

### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the provision of strategic cross-system advice and support, and insights, tools, and practices in order to implement the social wellbeing approach to support and further the long-term wellbeing of New Zealanders.

### *How Performance will be Assessed and End of Year Reporting Requirements*

	2021/22		2022/23
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
The satisfaction rating given by the Minister for the quality and timeliness of advice	At least 70%	70%	At least 70%
The percentage of key deliverables agreed with the Minister completed in accordance with organisational priorities and agreed standards will be no less than 85%	85% or higher	85%	85% or higher

### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Public Service Commission in the 2022/23 Annual Report.

### *Reasons for Change in Appropriation*

The decrease in this appropriation for 2022/23 is due to:

- a decrease of \$500,000 reflecting a time-limited expense transfer from 2020/21 to 2021/22 for building new capability around the new direction for the Social Wellbeing Agency as set by the Government, and
- a decrease of \$126,000 reflecting a one-off increase in 2021/22 received from the Department of Internal Affairs' Innovation Fund.

## 2.3 - Departmental Capital Expenditure and Capital Injections

### Public Service Commission - Capital Expenditure PLA (M66) (A36)

#### *Scope of Appropriation*

This appropriation is limited to the purchase or development of assets by and for the use of the Public Service Commission, as authorised by section 24(1) of the Public Finance Act 1989.

#### *Capital Expenditure*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	308	308	100
Intangibles	500	500	-
Other	-	-	-
<b>Total Appropriation</b>	<b>808</b>	<b>808</b>	<b>100</b>

#### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve the renewal and replacement of life-expired assets in support of the delivery of the Public Service Commission's services.

#### *How Performance will be Assessed and End of Year Reporting Requirements*

Expenditure will be in accordance with the Public Service Commission's capital asset management policy.

#### *End of Year Performance Reporting*

Performance information for this appropriation will be reported by the Public Service Commission in the 2022/23 Annual Report.

#### *Reasons for Change in Appropriation*

The decrease in this appropriation for 2022/23 is due to the cessation of the increase in capital expenditure for the Public Service Commission website upgrade project and the replacement of computer equipment that occurred in 2021/22.

*Capital Injections and Movements in Departmental Net Assets***Public Service Commission**

Details of Net Asset Schedule	2021/22 Estimated Actual \$000	2022/23 Projected \$000	Explanation of Projected Movements in 2022/23
Opening Balance	6,711	6,356	
Capital Injections	-	-	
Capital Withdrawals	(355)	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
<b>Closing Balance</b>	<b>6,356</b>	<b>6,356</b>	

## Part 3 - Details of Non-Departmental Appropriations

### 3.4 - Non-Departmental Other Expenses

#### Open Government Partnership (M66) (A36)

##### *Scope of Appropriation*

This appropriation is limited to payments associated with New Zealand's membership of the Open Government Partnership.

##### *Expenses*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	200	200	200

##### *What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve supporting the delivery of New Zealand's Open Government Partnership commitments.

##### *How Performance will be Assessed and End of Year Reporting Requirements*

An exemption has been granted under s.15D(2)(b)(ii) of the Public Finance Act, as additional performance reporting is unlikely to be informative. This appropriation is limited to payments associated with New Zealand's membership to the Open Government Partnership.

#### Remuneration and Related Employment Costs of Chief Executives (M66) (A36)

##### *Scope of Appropriation*

This appropriation is limited to the remuneration and costs relating to the employment of chief executives employed by the Public Service Commissioner.

##### *Expenses*

	2021/22		2022/23
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	19,363	19,363	18,199

*What is Intended to be Achieved with this Appropriation*

This appropriation is intended to achieve meeting remuneration and other employment costs for chief executives employed by the Public Service Commissioner, who leads the Public Service.

*How Performance will be Assessed and End of Year Reporting Requirements*

An exemption has been granted under s.15D(2)(b)(ii) of the Public Finance Act, as additional performance information is unlikely to be informative because this appropriation is solely for the remuneration and costs relating to the employment of chief executives employed by the Public Service Commissioner.