

Vote Public Service

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 2024/25 financial year covering:

- a total of nearly \$33 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 \$4 million to support the strengthening of the public sector in Pacific Island countries and territories through the establishment and delivery of Public Service Fale
- a total of just over \$20 million for the remuneration and related employment costs of chief executives employed by the Commission
- a total of \$423,000 for departmental capital expenditure for minor furniture and IT replacements.

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	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Departmental Output Expenses			
Leadership of the Public Management System (M66) (A36) 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.	41,743	39,674	32,722
Public Service Fale (M66) (A36) This appropriation is limited to supporting the strengthening of the public sector in Pacific Island countries and territories through the establishment and delivery of the Public Service Fale.	4,000	4,000	4,000
Supporting Implementation of a Social Wellbeing Approach (M63) (A36) 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.	7,682	7,682	-
Total Departmental Output Expenses	53,425	51,356	36,722
Departmental Capital Expenditure			
Public Service Commission - Capital Expenditure PLA (M66) (A36) 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.	540	540	423
Total Departmental Capital Expenditure	540	540	423
Non-Departmental Other Expenses			
Open Government Partnership (M66) (A36) This appropriation is limited to payments associated with New Zealand's membership of the Open Government Partnership.	200	200	200
Remuneration and Related Employment Costs of Chief Executives (M66) (A36) This appropriation is limited to the remuneration and costs relating to the employment of chief executives employed by the Public Service Commissioner.	20,183	20,183	20,049
Total Non-Departmental Other Expenses	20,383	20,383	20,249
Total Annual Appropriations and Forecast Permanent Appropriations	74,348	72,279	57,394

Capital Injection Authorisations

	2023/24		2024/25
	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	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Reduction in Back Office Functions - Public Service Commission	Leadership of the Public Management System	-	(2,100)	(1,800)	(1,800)	(1,800)
Reduction in Back Office Functions (Administration) - Social Wellbeing Agency	Supporting Implementation of a Social Wellbeing Approach	-	(506)	(506)	(506)	(506)
Reduction in contingency funding - Remuneration and related costs of chief executives	Remuneration and Related Employment Costs of Chief Executives	-	(400)	(400)	(400)	(400)
Total Initiatives		-	(3,006)	(2,706)	(2,706)	(2,706)

1.2 - Trends in the Vote

Summary of Financial Activity

	2019/20	2020/21	2021/22	2022/23	2023/24		2024/25			2025/26	2026/27	2027/28
	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
Appropriations												
Output Expenses	44,673	45,969	46,330	50,785	53,425	51,356	36,722	-	36,722	31,864	31,864	31,864
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	15,538	15,450	18,483	17,589	20,383	20,383	-	20,249	20,249	19,962	19,962	19,962
Capital Expenditure	654	822	584	999	540	540	423	-	423	367	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	-	-	-	-	-
Total Appropriations	60,865	62,241	65,397	69,373	74,348	72,279	37,145	20,249	57,394	52,193	51,926	51,926
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	14,768	14,900	17,712	16,886	18,638	18,638	N/A	18,804	18,804	18,517	18,517	18,517
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	14,768	14,900	17,712	16,886	18,638	18,638	N/A	18,804	18,804	18,517	18,517	18,517

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 have been trending upwards. This is due to:

- new investment in the Commission to ease ongoing cost pressures
- the introduction of new functions which recover their own costs (including the Leadership Development Centre, the Public Service Fale, the Clerical and Administration Pay Equity Claims team, and the Employee-led Networks team).

The forecast for next year and outyears is for a significant decrease in expenditure. This is due to:

- the transfer of the Implementation of a Social Wellbeing Approach Appropriation to the new Vote Social Investment
- a reduction in the Commission's funding, resulting from the end of the Pay Equity Centre of Excellence funding (which was time-limited until June 2024), and the Commission's contributions to the new Governments savings initiatives
- the end of the Clerical and Administration Pay Equity Claims team, which recovers its own funding
- the end of the Public Service Fale, as there has not yet been a decision on whether this will be extended.

Other Expenses

Other expenses have been steadily increasing over time. This is due to:

- the number of Public Service agencies increasing overtime, resulting in a subsequent increase in the number of chief executives
- remuneration increases for chief executives.

The actuals for 2020/21 were lower than would otherwise be anticipated due to chief executives accepting a 20% pay reduction for 6 months during COVID-19.

Capital Expenditure

Capital expenditure has remained at a fairly consistent level. This expenditure has covered the Commission's 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.

The Commission expects capital expenditure to reduce in future years as we are moving to a new location which will cover leasehold improvements and furniture and fittings, and the Commission is decreasing in size.

Crown Revenue and Capital Receipts

Non-Tax Revenue

Non-tax revenue represents the reimbursements received from departments for funding chief executives. This has been increasing over time for the same reasons chief executive expenditure has been increasing (refer above).

1.4 - Reconciliation of Changes in Appropriation Structure

2023/24 Appropriations in the 2023/24 Structure	2023/24 (Current) \$000	Old Structure		New Structure		
		Appropriations to which Expenses (or Capital Expenditure) have been Moved from or to	Amount Moved \$000	2023/24 Appropriations in the 2024/25 Structure	2023/24 (Restated) \$000	2024/25 \$000
Vote Public Service <i>Departmental Output Expense</i> Supporting Implementation of a Social Wellbeing Approach	6,758	Transferred to: Supporting Implementation of a Social Investment Approach	6,758	Vote Social Investment <i>Departmental Output Expense</i> Supporting Implementation of a Social Investment Approach	6,758	6,252
Total	6,758		6,758		6,758	6,252

Explanations of the reasons for changing the appropriation structure are noted in the details of each appropriation in Parts 2-4.

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	41,743	39,674	32,722
Revenue from the Crown	31,979	31,979	28,026
Revenue from Others	9,764	8,795	4,696

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

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Oversight of performance and integrity of the system			
Respondents in the Kiwis Count trust and confidence survey for the financial year agree, or strongly agree that, based on their last service experience, they could trust public servants to do what is right (see Notes 1 and 2)	80%	80%	80%
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 (see Note 3)	Released within 8 weeks of receipt of the data	Released within 8 weeks of receipt of the data	Released within 8 weeks of receipt of the data
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%	100%	100%
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

Assessment of Performance	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Chief executive and agency performance management			
Public Service chief executive expectations are set annually by the Public Service Commissioner and take account of the Government's priorities, targets and work programme (see Notes 4 and 5)	New measure	100%	100%
Public Service chief executives will have their performance accounted for in assessing eligibility for performance pay (see Notes 6 and 7)	New measure	100%	100%
The Commission works with Public Service chief executives to agree individual development plans:			
<ul style="list-style-type: none"> 100% of chief executives have an agreed development plan (see Note 8) 	100%	100%	100%
A succession plan is developed for the chief executive position of Public Service agencies:			
<ul style="list-style-type: none"> 100% of chief executive positions have a succession plan (see Note 9) 	100%	100%	100%
The Commission reports the remuneration of Public Service chief executives every financial year:			
<ul style="list-style-type: none"> 100% of all chief executive remuneration published 	100%	100%	100%
The Commission works with Public Service chief executives to set performance expectations for supporting the Crown in its relationships with Māori and developing capability to engage with Māori and understand Māori perspectives:			
<ul style="list-style-type: none"> 100% of agreed performance expectations include a requirement to develop and maintain the capability of the Public Service to engage with Māori and understand Māori perspectives (see Note 10) 	100%	100%	100%
Chief executive appointments			
The Commission meets its statutory requirements for appointment, reappointment and transfer of Public Service chief executives:			
<ul style="list-style-type: none"> 100% of appointment, reappointment and transfer of Public Service chief executives meets statutory requirements (see Notes 11 and 12) 	100%	100%	100%
Review of the design and operation of the system of government agencies			
The Commission completes a minimum of 3 performance improvement reviews for the financial year and the reviews are published online (see Note 13)	New measure	3-6 reviews	3-6 reviews
Follow-up engagement with chief executives is held on the progress an agency has made against the implementation plan within 6 months of review publication (see Note 14)	New measure	100%	100%

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Leadership strategy and capability			
The Commission strengthens Public Service leadership through the Leadership Development Centre (LDC):			
<ul style="list-style-type: none"> All Public Service departments are members of LDC (see Notes 15 and 16) 	100%	100%	100%
The Commission through the Leadership Development Centre strengthens leadership practices by delivering Te Putanga Leadership in Practice:			
<ul style="list-style-type: none"> Participants of Te Putanga Leadership in Practice programme agree or strongly agree it made me an effective leader (see Note 17) 	80%	80%	80%
The Commission strengthens senior leadership and management capability of the Public Service through implementation of the Leadership Strategy for New Zealand's Public Service, initially focused on leaders in Te Pae Turuki Public Service Leaders Group (PSLG) positions:			
<ul style="list-style-type: none"> At least 50 active members across all Development Board cohorts (see Notes 18 and 19) 	50	50	50
Workforce			
The Commission collects and publishes Public Service workforce data annually (see Note 20)	Published no later than 15 December	Achieved	Published no later than 15 December
The Public Service reflects the communities we serve:			
<ul style="list-style-type: none"> Ethnic diversity in the Public Service workforce continues to be maintained (see Notes 21 and 22) 	In line with NZ Population	In line with NZ Population	In line with NZ Population
Heads of Human Resources surveyed across the Public Service agree or strongly agree that the Commission engages responsively with them and supports a coordinated approach to workforce issues across the system (see Note 23)	New measure	70%	70%
Contractor and consultant operating expenditure (OPEX) across the public sector is reduced by \$400 million from 2022/23 expenditure levels by 30 June 2025 (see Notes 24 and 25)	On-track	On-track	On-track
The Commission develops and maintains workforce guidance to support agencies in line with Government expectations in any current or future Government Workforce Policy Statement (see Notes 26 and 27)	Achieved	Achieved	Achieved
Minister and Parliamentary Services			
Minister for the Public Service has satisfaction with policy advice (see Notes 28 and 29)	80%	80%	80%
Technical quality of policy advice papers assessed using the Policy Quality Framework (see Notes 30 and 31)	70%	70%	70%

Note 1 - This is a measure of quality and impact. Quality of our leadership of the system will impact the result of this measure. The Kiwis Count survey provides reliable reporting on trust and confidence in the Public Service. These measures determine the success of the Public Service in promoting trust through acting constitutionally and ethically in delivering improved outcomes and better services; and connecting New Zealander's trust to the service experience they have received. This enables a better understanding of the drivers of trust, allowing us to be responsive to how we deliver our services.

Note 2 - Kiwis Count trust and confidence results are measured quarterly and are publicly available on the Commission's website. The Kiwis Count survey includes a large question set. All respondents who confirm they have 'used or had contact with a Public Service organisation' within the last 12 months receive the question with regard to the Public Service "Overall, you can trust them to do what is right". Respondents provide a numeric response on a 1-5 scale (1 = strongly disagree, 5 = strongly agree). The scale also has an 'N/A' option. Respondents who select a rating of 4 or 5 on the scale are considered to have agreed or strongly agreed what they could trust public servants to do what is right. Responses are collated by the Commission and the proportion of respondents who have selected 4 or 5 are reported.

Note 3 - This is a measure of timeliness. The Kiwis Count survey provides reliable reporting on trust and confidence in the Public Service. Kiwis Count trust and confidence results are measured quarterly and are publicly available on the Commission's website. Kiwis Count participants are a nationally representative sample from an online panel. Approximately 2000 people will take part every three months and around 8,000 every year.

Note 4 - Public Service chief executive expectations focus on lifting the performance of the public sector through delivering on Government priorities. Expectations ensure that chief executives are effectively leading their agencies and driving performance across agencies core functions. Expectations set the basis on which the Public Service Commissioner assesses the performance of Public Service chief executives throughout the year. The aim is to drive coordination, both structure and fiscal, across the public sector.

Note 5 - This is measured through the Public Service Commissioner setting and regularly monitoring progress on the delivery of agreed chief executives. The Commission has an established process for monitoring and tracking the delivery of Public Service chief executives.

Disclosure: This is a new measure for 2024/25 which relates to a component of the Commission's work programme and government priorities.

Note 6 - This measure relates to the Government's policy of implementing performance pay for Public Service chief executives. Performance payments for Public Service chief executives are linked to the delivery of key indicators and specific expectations set out in performance expectations agreed by the Public Service Commissioner.

Note 7 - This is measured through the Public Service Commissioner annually assessing the performance of Public Service chief executives within the context of the specific expectations they have met throughout the year. The Commission draws on a broad base of information and evidence, including insights and feedback from Ministers, to inform these assessments. The assessments inform the extent to which Public Service chief executives are awarded eligible performance payments.

Disclosure: This is a new measure for 2024/25 which relates to a component of the Commission's work programme and government priorities.

Note 8 - This measure is focussed on developing chief executives and their replacements to ensure a pipeline of capable high-performing people for senior leadership roles in the Public Service. Ensuring capable leadership delivers better outcomes and services across the Public Service and enables the Public Service to be prepared to meet future challenges.

Note 9 - This measure is focussed on developing chief executives and their replacements to ensure a pipeline of capable high-performing people for senior leadership roles in the Public Service. Ensuring capable leadership delivers better outcomes and services across the Public Service and enables the Public Service to be prepared to meet future challenges.

Note 10 - The Public Service Act 2020 states that the role of the Public Service includes supporting the Crown in its relationships with Māori under te Tiriti o Waitangi | the Treaty of Waitangi. It places explicit responsibilities on Public Service leaders to develop and maintain the capability of the Public Service to engage with Māori and to understand Māori perspectives. By including this in setting performance expectations with chief executives, we are modelling our commitment to supporting Māori Crown relationships.

Note 11 - The Public Service Act 2020 defines one of the Commissioner's functions as the appointment of the leaders of the Public Service. The requirements that the Commissioner must comply with when appointing, reappointing, or transferring chief executives are detailed in Section 44(d) and Schedule 7 of the Public Service Act 2020. This measure aligns to trust and legitimacy and our system leadership role. The transparency and robustness of the appointment process for chief executives is fundamental to ensuring trust and confidence in the Public Service. This supports our vision of a Public Service acting constitutionally and ethically.

Note 12 - The Commission retains evidence of compliance with each of the requirements which can be made available. The assessment of individual candidates, and the deliberations of panels, will not be made available, instead compliance will be recorded in the register of chief executive appointments with all of the requirements consolidated into one overall 'the Commission has complied with all requirements' field. This evidence may include (depending on the nature of the appointment/reappointment/transfer): Correspondence with Ministers and the Governor-General in council to advise of vacancies, make recommendations and receive decisions; Public notification of the role; and Selection and meeting dates of the selection panel. At the end of the year, a sample of chief executive appointments are reviewed and the compliance within the sample used to indicate compliance across all appointments.

Note 13 - The Performance Review Programme aims to lift the overall performance of the public service. Reviews take a forward-looking approach and are led by independent Lead Reviewers. Reports are published on the Commission website.

Disclosure: This is a new measure introduced for 2024/25 which relates to a new programme of work established in 2023.

Note 14 - Implementation plans are clear action plans for the agency to address areas identified for improvement in a performance improvement review. These areas, and associated actions, will be tracked through regular follow-ups with chief executives.

Disclosure: This is a new measure introduced for 2024/25 which relates to a new programme of work established in 2023.

Note 15 - The Leadership Development Centre (LDC) is the primary vehicle for system-wide leadership development. LDC works in partnership with Public Service agencies to design and implement common core development. These measures through the LDC focuses on creating great public service leaders, united around a spirit of service and skilled in working together to achieve positive results for New Zealanders. The Public Service Leaders Summit brings together the senior leadership across the Public Service to promote the vision, strategy, and culture of the Public Service and how this will deliver better outcomes and services for Aotearoa New Zealand and New Zealanders. Career Boards collectively focus on creating a strong, diverse, and inclusive pool of senior public service leaders so they are better prepared to lead the Public Service into the future and promotes our diversity and inclusion goal, ensuring our leadership is reflective of the communities we serve.

Note 16 - Public Service departments pay a membership subscription to the LDC. Membership of the LDC includes all organisations defined as Public Service departments under the Public Service Act 2020.

Note 17 - This is a measure of quality, aligned to our role in developing leadership capability. The LDC facilitates the flagship 9-month development programme - Te Putanga | Leadership in Practice - for experienced Public Service leaders who are ready to transform their leadership impact and grow strategic influence across the Public Service. LDC support three programmes during the reporting year. Evaluations are conducted after each cohort. The Commission requests respondents provide a numeric response on a 1-5 scale (1 = strongly disagree, 5 = strongly agree). Respondents who select a rating of 4 or 5 on the scale, agree or strongly agree Te Putanga made me an effective leader. Evaluations are conducted after each cohort. Responses are collated by the Commission and the proportion of respondents who have selected 4 or 5 are reported.

Note 18 - To have the greatest impact and to increase system leadership capability, initiatives under the Leadership Strategy for New Zealand's Public Service are focused on leaders in positions responsible for delivering the most significant Public Service priorities set by the Government and the Public Service Leadership Team. These positions have been identified by chief executives and are included in Te Pae Turuki Public Service Leaders Group (PSLG).

Note 19 - These Boards address system-wide leadership capability needs within their functional area or region by working with prioritised leaders who are ready for cross-agency development opportunities. There are three functional boards: Corporate, Operations and Policy; one regional board for Auckland, and each has its own cohort. Cohorts are recorded in the Commission's information systems and the size of the cohort is reported quarterly. At the end of the reporting period, the Commission's information systems will be interrogated to validate that there are at least 50 active members across the four Development Boards.

Note 20 - The data which the Commission collects gives us the information on public sector occupations, workforce size, the regional workforce and workforce diversity and inclusion.

Note 21 - This is a measure of quality and impact. Quality of our leadership of the system will impact the result of this measure. The Diversity and Inclusion are essential parts of the Public Service, and the Commission has a leadership role in this. Through our work in Papa Pounamu and the efforts of our Workforce functions, we have an impact on the composition of the Public Service.

Note 22 - The data the Commission collects provides insights that support our work to improve Public Service diversity and inclusion. This measure is a proportion of the Public Service workforce to New Zealand population.

Note 23 - This is measured through a satisfaction survey of the Heads of Human Resources (HR) in Public Service Leadership Team agencies through an annual survey. With the HR Head of Profession model, the Commission enables improved HR practices; promotes the use and visibility of common guidance to improve interoperability; grows and leads communities of practices and provides channels for collaboration and sharing of information.

Disclosure: This is a new quality measure introduced for 2024/25 to show the work Commission does to support Heads of HR in Public Service Leadership Team agencies.

Note 24 - This is a measure of quality and impact. Quality of our leadership of the system will impact the result of this measure. The Commission has a leadership role in setting and monitoring expectations on Public Service workforce composition and supporting responsible workforce spend.

Note 25 - The public sector for this purpose refers to departments and departmental agencies, Crown agents, autonomous Crown entities and independent Crown entities, NZ Police, NZ Defence Force, and the Māori Health Authority (until it is disestablished).

Note 26 - This measure is linked to the Government's expectations under the Government Workforce Policy Statement. As part of this, the Commission has stewardship responsibilities to develop a highly capable Public Service workforce that reflects the diversity of the society it serves and to ensure fair and equitable employment. The quality of our workforce guidance and advice will have an impact on this outcome.

Note 27 - At present this measure is a review of our workforce guidance in the year, to ensure it is relevant and in line with Government expectations. This 'achieved' target is a placeholder as we develop a 'quality measurement approach'.

Note 28 - This is a measure of quality and are a requirement under the Policy Project led by Department of Prime Minister and Cabinet. The Minister for the Public Service is surveyed to assess satisfaction with the Commission's policy advice received during the financial year. The quality of our policy advice to the Minister demonstrates our commitment to accountability and transparency and leadership of the public management system, which enable better outcomes and services, and trust and confidence in the Public Service.

Note 29 - The Minister for the Public Service is surveyed to assess satisfaction with policy advice provided during the reporting period. Policy advice papers provided to the Minister for the Public Service for presentation to, and endorsement by, Cabinet. The rating measures Ministers' satisfaction on a scale from 1 to 10, where 1 means unsatisfied and 10 means extremely satisfied. Internal assessment of the quality of the Commission's policy advice is based on a five-point scale: 1 = Unacceptable; 2 = Poor; 3 Acceptable; 4 = Good; 5 = Outstanding.

Note 30 - This is a measure of quality and are a requirement under the policy project led by Department of Prime Minister and Cabinet. The Minister for the Public Service is surveyed to assess satisfaction with the Commission's policy advice received during the financial year. The quality of our policy advice to the Minister demonstrates our commitment to accountability and transparency and leadership of the public management system, which enable better outcomes and services, and trust and confidence in the Public Service.

Note 31 - Policy advice provided by the Commission is reviewed by a panel in accordance with the guidance for assessment panels in the Policy Quality Framework. Papers are independently scored by panel members, and moderated through, before arriving at an overall score. The Commission looks at a random selection of papers, adjusted to ensure spread across business groups, of all policy papers provided to Ministers. This includes policy briefings, Cabinet papers, and related/similar material.

Existing Measures Removed in 2024/25

<p>The Commission strengthens Public Service leadership through the Leadership Development Centre (LDC), the annual Public Service Leaders' Summit, and supporting career boards:</p> <ul style="list-style-type: none"> At least 500 are invited to the annual Public Service Leaders' Summit 	<p>Disclosure: This measure has been removed in 2024/25 as the annual Public Service Leaders Summits are no longer take place.</p>
<p>The Commission, in partnership with the Ministry for Women, supports all Public Service departments to publish their annual pay gaps action plans before 31 December.</p>	<p>Disclosure: This work will be completed in 2023/24 and the measure has been removed from 2024/25 as the annual pay gaps action plan will now be combined with the Diversity, Equity & Inclusion plan.</p>

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Public Service Commission in the 2024/25 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Reduction in Back Office Functions - Public Service Commission	2024/25	-	(2,100)	(1,800)	(1,800)	(1,800)
Previous Government						
Public Sector Pay Adjustment - drawdown on tagged contingency	2023/24	894	1,006	1,006	1,006	1,006
Delivering on the Public Service Commission's core functions, system leadership and Government expectations.	2022/23	900	900	900	900	900
Continuing to deliver on the Commission's core functions, system leadership and Government expectations.	2022/23	2,000	2,000	2,000	2,000	2,000
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
Establishing a Pay Equity Centre of Excellence.	2021/22	3,000	-	-	-	-

Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 is due to:

- \$4.099 million decreased revenue received from Departments and other parties in 2024/25. The largest of these decreases in revenue are:
 - \$864,000 in agency contributions for the Clerical and Administration Pay Equity Claims
 - \$725,000 for the Fire and Emergency New Zealand and the Immigration NZ investigations, both of which are fully funded by the agencies being investigated
 - \$598,000 for the Agency Capability Review programme which is fully funded by the agencies being reviewed
 - \$494,000 due to external secondments
 - \$466,000 reflecting increase revenue for the Leadership Development Centre from levies and course fees
- a decrease of \$3 million reflecting the end of the time-limited funding received for the Pay Equity Centre of Excellence
- a decrease of \$2.100 million reflecting the Public Service Commission's contribution to the Budget 2024 savings initiatives
- a decrease of \$15,000 reflecting a fiscally neutral transfer to the Department of Internal Affairs to support the shared approach to back-office transformation.

Partially offset by:

- an increase of \$950,000 reflecting a capital to operating swap made by the Commission to assist with the anticipated costs of change processes
- an increase of \$112,000 reflecting the full amount of funding received for the Public Service Pay Adjustment
- an increase of \$100,000 reflecting an expense transfer for the Digital Platform project which has experienced delays.

Memorandum Account

	2023/24		2024/25
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Leadership Development Centre			
Opening Balance at 1 July	1,098	1,254	1,254
Revenue	3,500	4,000	3,243
Expenses	(3,500)	(4,000)	(3,243)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	1,098	1,254	1,254

	2023/24		2024/25
	Budgeted \$000	Estimated Actual \$000	Budget \$000
Employee Led Networks			
Opening Balance at 1 July	83	431	431
Revenue	741	855	698
Expenses	(741)	(855)	(698)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	83	431	431

Public Service Fale (M66) (A36)

Scope of Appropriation

This appropriation is limited to supporting the strengthening of the public sector in Pacific Island countries and territories through the establishment and delivery of the Public Service Fale.

Expenses and Revenue

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	4,000	4,000	4,000
Revenue from the Crown	-	-	-
Revenue from Others	4,000	4,000	4,000

What is Intended to be Achieved with this Appropriation

This appropriation is intended to strengthen Pacific public services to be more trusted, adaptable, results driven, gender inclusive, and people centred.

How Performance will be Assessed and End of Year Reporting Requirements

	2023/24		2024/25
	Final Budgeted Standard	Estimated Actual	Budget Standard
Assessment of Performance			
Pacific Public Service Commissioners who agree the Public Service Fale supports their goals and strengthens public services in their country (see Note 1 and 2)	80%	80%	80%
The Commission through the Public Service Fale supports relationship building and knowledge exchange between Pacific countries and territories:			
<ul style="list-style-type: none"> The Public Service Fale supports delivery of the Annual Pacific Public Service Commissioners Conference (see Note 3) 	1	1	1
The Commission through the Public Service Fale supports Pacific Public Service Commissioners to develop system leadership capability:			
<ul style="list-style-type: none"> Percentage of Pacific public servants who have completed Public Service Fale leadership programmes / courses / webinars/ workshops would recommend future participation to a colleague (see Note 4) 	80%	80%	80%
<ul style="list-style-type: none"> Percentage of participants agree the Public Service Fale mentoring programme improved leadership development (see Note 5) 	80%	80%	80%

Note 1 - The Public Service Fale reports annually to the Ministry of Foreign Affairs and Trade (MFAT) as part of a Memorandum of Understanding (MOU) between MFAT and the Commission. The MOU sets out the overarching goal, intended outcomes, and outputs of the Fale.

Note 2 - This is a measure of Quality. Progress in meeting the measure will be assessed through the Annual Survey of 16 (sixteen) Pacific Public Service Commissioners (or equivalent officers). The survey is undertaken by the Public Service Fale. The Commissioners are the key stakeholders supported by the Public Service Fale programme.

Note 3 - To ensure that the Commissioners were kept fully apprised of progress with the Fale work programme, 4 virtual Board meetings per annum were held with nominated representatives of each sub-regional making up the Board's membership. Once travel restrictions were fully lifted, the Public Service Fale was able to fully exercise its secretariat function to support the Pacific Public Service Commissioners with its Annual Conference from 2023.

Note 4 - This is a measure of Quality. The number and mix of offerings that support system leadership development will vary from year to year based on need. Responses are collated by the Public Service Fale and the proportion of survey respondents who would recommend future participation to a colleague are reported.

Note 5 - This is a measure of Quality. Responses are collated by the Public Service Fale and the proportion of survey respondents who agree the Public Service Fale mentoring programme improved leadership development are reported.

End of Year Performance Reporting

Performance information for this appropriation will be reported by the Public Service Commission in the 2024/25 Annual Report.

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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	540	540	423
Intangibles	-	-	-
Other	-	-	-
Total Appropriation	540	540	423

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 2024/25 Annual Report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 is due to the completion of the digital platform project.

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

Details of Net Asset Schedule	2023/24 Estimated Actual \$000	2024/25 Projected \$000	Explanation of Projected Movements in 2024/25
Opening Balance	7,669	7,669	
Capital Injections	-	-	
Capital Withdrawals	-	(1,000)	Reduction of \$1 million results from a capital expenditure to operating expenditure swap by the Commission to manage the costs of change processes.
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	-	-	
Closing Balance	7,669	6,669	

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

	2023/24		2024/25
	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

	2023/24		2024/25
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	20,183	20,183	20,049

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 was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s.15D(2)(b)(ii) of the PFA, and 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.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2023/24 Final Budgeted \$000	2024/25 Budget \$000	2025/26 Estimated \$000	2026/27 Estimated \$000	2027/28 Estimated \$000
Current Government						
Reduction in contingency funding - Remuneration and related costs of chief executives	2024/25	-	(400)	(400)	(400)	(400)

Reasons for Change in Appropriation

The decrease in this appropriation for 2024/25 is due to a reduction in contingency funding.