

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 2021/22 financial year covering:

- a total of over \$38 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 nearly \$17 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 2021/22 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	2020/21		2021/22
	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.	38,818	38,818	38,468
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.	11,052	10,546	6,758
Total Departmental Output Expenses	49,870	49,364	45,226
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.	1,188	1,188	100
Total Departmental Capital Expenditure	1,188	1,188	100
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.	16,692	14,901	16,614
Total Non-Departmental Other Expenses	16,892	15,101	16,814
Total Annual Appropriations and Forecast Permanent Appropriations	67,950	65,653	62,140

Capital Injection Authorisations

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Public Service Commission - Capital Injection (M66) (A36)	188	188	-

Supporting Information

Part 1 - Vote as a Whole

1.1 - New Policy Initiatives

Policy Initiative	Appropriation	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$000
Delivering on the Public Service Commission's core functions, system leadership and Government Expectations	Leadership of the Public Management System Departmental Output Expense	-	1,622	1,622	1,622	1,622
Total Initiatives		-	1,622	1,622	1,622	1,622

1.2 - Trends in the Vote

Summary of Financial Activity

	2016/17	2017/18	2018/19	2019/20	2020/21		2021/22			2022/23	2023/24	2024/25
	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	39,330	45,167	43,543	44,673	49,870	49,364	45,226	-	45,226	43,402	42,162	42,135
Benefits or Related Expenses	-	-	-	-	-	-	N/A	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other Expenses	14,081	14,940	15,167	15,538	16,892	15,101	-	16,814	16,814	17,526	17,540	17,552
Capital Expenditure	209	1,553	1,867	654	1,188	1,188	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	-	-	-	-	-
Total Appropriations	53,620	61,660	60,577	60,865	67,950	65,653	45,326	16,814	62,140	61,028	59,802	59,787
Crown Revenue and Capital Receipts												
Tax Revenue	-	-	-	-	-	-	N/A	-	-	-	-	-
Non-Tax Revenue	12,347	14,430	14,574	14,768	17,178	17,178	N/A	17,064	17,064	17,077	17,091	17,103
Capital Receipts	-	-	-	-	-	-	N/A	-	-	-	-	-
Total Crown Revenue and Capital Receipts	12,347	14,430	14,574	14,768	17,178	17,178	N/A	17,064	17,064	17,077	17,091	17,103

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 reported in last years' 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 since 2016/17 with two years seeing significant increases:

- In 2017/18, output expenses increased by \$5.837 million. The main reasons for this were because the Leadership Development Centre (LDC) became a branded business unit within the Public Service Commission (LDC is fully funded through external agencies), and the Social Wellbeing Agency (SWA) drew down on their contingency funding to deliver phase 2 of the Data Exchange project.
- In 2020/21, output expenses increased by \$5.197 million. The main reasons for this were because of the Public Service Fale (which was established in late 2019/20 but was not operating at full capacity until 2020/21), and the Clerical and Administration Pay Equity team. Both of these functions are funded through external agencies.

The 2021/22 budget sees a significant drop as phase 2 of the Data Exchange project is now finished, reducing SWA's budget significantly. The forecast is for the budget to drop further in 2022/23 and 2023/24 due to the Clerical and Administration Pay Equity team forecasting to finish partway through 2022/23.

Other Expenses

The increases in actual spend from 2016/17 to 2019/20 reflect the increase in the number of chief executives as a result of the increasing number of agencies. Actual expenditure in 2020/21 is lower than previous years due to the voluntary reduction in salaries undertaken by chief executives as a response to the COVID-19 pandemic. The budget in 2021/22 and outyears represents a return to normal salaries. However, these numbers are higher than 2016/17 to 2019/20 due to the inclusion of a contingency component to allow for unplanned expenditure relating to chief executives.

Capital Expenditure

Capital expenditure has been trending upwards since 2017/18. This is largely down to the significant changes in the Commission's operating environment requiring capital investment. These include the Commission:

- leaving the Central Agencies Shared Services arrangement and purchasing its own IT hardware and infrastructure
- growing in size over recent years (with a resultant need for more floor space and IT equipment), including the acquisition of the Leadership Development Centre and the Social Wellbeing Agency and their respective associated capital costs, and
- undertaking a unified communications project to allow the Commission to be fully flexible in its approach to work.

Crown Revenue and Capital Receipts

Non-Tax Revenue

The increase between 2016/17 and 2020/21 reflects the increasing costs of chief executives, as this revenue relates to the recovery of chief executive salaries. The higher 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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	38,818	38,818	38,468
Revenue from the Crown	27,580	27,580	27,641
Revenue from Others	11,238	11,238	10,827

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

	2020/21		2021/22
	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 yearly that identifies the public's perceptions and experiences of trust and confidence in public services	Annual results are published by 30 June	Published by 30 June	Annual results are published by 30 June
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%	81%	80%

Assessment of Performance	2020/21		2021/22
	Final Budgeted Standard	Estimated Actual	Budget Standard
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
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	125 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 Gender Pay Gap action plans before 31 December 2020	100% of departments publish by 31 December 2020	Achieved	Measure removed
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	Achieved	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 2021/22 Annual Report.

Current and Past Policy Initiatives

Policy Initiative	Year of First Impact	2020/21 Final Budgeted \$000	2021/22 Budget \$000	2022/23 Estimated \$000	2023/24 Estimated \$000	2024/25 Estimated \$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
Continuing to deliver on the Commission's core functions, system leadership and Government expectations	2022/23	-	-	2,000	2,000	2,000
Delivering on the Commission's core functions, system leadership and Government expectations	2019/20	3,000	2,000	-	-	-

Reasons for Change in Appropriation

This appropriation will decrease by \$350,000 in 2021/22 due to:

- a decrease of \$1 million reflecting the funding profile for a previous baseline increase (Delivering on the Commission's core functions, system leadership and Government expectations)
- a decrease of \$455,000 reflecting a one-off transfer in 2020/21 to assist with the recruitment of the next tranche of chief executives
- a decrease of \$411,000 reflecting one-off revenue received from departments and other parties in 2020/21, the largest contributor being external secondments
- a decrease of \$329,000 reflecting a one-off capital to operating transfer to allow the Leadership Development Centre to spend their surplus, and
- a decrease of \$196,000 reflecting the expense transfer from 2019/20 to 2020/21 for the Public Service Census.

These decreases are offset by:

- an increase of \$1.622 million to enable the Commission to deliver on its core functions, system leadership and Government expectations, and
- an increase of \$419,000 due to a transfer in 2020/21 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.

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	11,052	10,546	6,758
Revenue from the Crown	10,797	10,797	6,758
Revenue from Others	255	255	-

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

	2020/21		2021/22
	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 combined number of agencies and NGOs on-boarded to the Data Exchange will not be less than 80% of the number committed	80% or higher	85%	Measure removed
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 2021/22 Annual Report.

Reasons for Change in Appropriation

This appropriation has decreased by \$4.294 million from 2020/21 due to:

- a decrease of \$2.900 million following two expense transfers from 2019/20 to 2020/21 for the Data Exchange and ensuring sufficient resources for strategic cross-sector advice
- a decrease of \$1.327 million reflecting the funding profile for Phase 2 development of the Data Exchange, and
- a decrease of \$255,000 reflecting a one-off increase in 2020/21 received from the Department of Internal Affairs' Innovation Fund.

This is offset by an increase of \$188,000 reflecting a one-off operating to capital swap in 2020/21 to allow the Social Wellbeing Agency to refresh their premises.

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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	788	788	100
Intangibles	400	400	-
Other	-	-	-
Total Appropriation	1,188	1,188	100

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 2021/22 Annual Report.

Reasons for Change in Appropriation

The decrease in this appropriation for 2021/22 reflects cessation of the increase in capital expenditure for the fitout of a new level and refit of the Social Wellbeing Agency's premises that occurred in 2020/21.

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

Details of Net Asset Schedule	2020/21 Estimated Actual \$000	2021/22 Projected \$000	Explanation of Projected Movements in 2021/22
Opening Balance	5,919	6,107	
Capital Injections	188	-	
Capital Withdrawals	(329)	-	
Surplus to be Retained (Deficit Incurred)	-	-	
Other Movements	329	-	
Closing Balance	6,107	6,107	

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

	2020/21		2021/22
	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

	2020/21		2021/22
	Final Budgeted \$000	Estimated Actual \$000	Budget \$000
Total Appropriation	16,692	14,901	16,614

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.