

# *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

# Details of Appropriations and Capital Injections

## Annual Appropriations and Forecast Permanent Appropriations

| Titles and Scopes of Appropriations by Appropriation Type   | 2022/23                |                                      |                    |
|---|------------------------|--------------------------------------|--------------------|
|   | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| <b>Departmental Output Expenses</b>   |                        |                                      |                    |
| <b>Leadership of the Public Management System (M66) (A36)</b><br>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. | 41,399                 | 5,207                                | 46,606             |
| <b>Supporting Implementation of a Social Wellbeing Approach (M63) (A36)</b><br>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.  | 6,758                  | 423                                  | 7,181              |
| <b>Total Departmental Output Expenses</b>   | 48,157                 | 5,630                                | 53,787             |
| <b>Departmental Capital Expenditure</b>   |                        |                                      |                    |
| <b>Public Service Commission - Capital Expenditure PLA (M66) (A36)</b><br>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.  | 100                    | 1,094                                | 1,194              |
| <b>Total Departmental Capital Expenditure</b>   | 100                    | 1,094                                | 1,194              |
| <b>Non-Departmental Other Expenses</b>  |                        |                                      |                    |
| <b>Open Government Partnership (M66) (A36)</b><br>This appropriation is limited to payments associated with New Zealand's membership of the Open Government Partnership.  | 200                    | -                                    | 200                |
| <b>Remuneration and Related Employment Costs of Chief Executives (M66) (A36)</b><br>This appropriation is limited to the remuneration and costs relating to the employment of chief executives employed by the Public Service Commissioner.   | 18,199                 | 422                                  | 18,621             |
| <b>Total Non-Departmental Other Expenses</b>  | 18,399                 | 422                                  | 18,821             |
| <b>Total Annual Appropriations and Forecast Permanent Appropriations</b>  | 66,656                 | 7,146                                | 73,802             |

## Capital Injection Authorisations

|   | 2022/23                |                                      |                    |
|---|------------------------|--------------------------------------|--------------------|
|   | Estimates Budget \$000 | Supplementary Estimates Budget \$000 | Total Budget \$000 |
| Public Service Commission - Capital Injection (M66) (A36) | -                      | 328                                  | 328                |

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

|   | 2022/23            |                                       |   |                                |                |
|---|--------------------|---------------------------------------|---|--------------------------------|----------------|
|   | Estimates<br>\$000 | Supplementary Estimates               |   |                                | Total<br>\$000 |
|   |                    | Departmental<br>Transactions<br>\$000 | Non-<br>Departmental<br>Transactions<br>\$000 | Total<br>Transactions<br>\$000 |                |
| <b>Appropriations</b>   |                    |                                       |   |                                |                |
| Output Expenses   | 48,157             | 5,630                                 | -   | 5,630                          | 53,787         |
| Benefits or Related Expenses  | -                  | N/A                                   | -   | -                              | -              |
| Borrowing Expenses  | -                  | -                                     | -   | -                              | -              |
| Other Expenses  | 18,399             | -                                     | 422   | 422                            | 18,821         |
| Capital Expenditure   | 100                | 1,094                                 | -   | 1,094                          | 1,194          |
| 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>   | 66,656             | 6,724                                 | 422   | 7,146                          | 73,802         |
| <b>Crown Revenue and Capital Receipts</b>                             |                    |                                       |   |                                |                |
| Tax Revenue   | -                  | N/A                                   | -   | -                              | -              |
| Non-Tax Revenue   | 18,250             | N/A                                   | 422   | 422                            | 18,672         |
| Capital Receipts  | -                  | N/A                                   | -   | -                              | -              |
| <b>Total Crown Revenue and Capital Receipts</b>                       | 18,250             | N/A                                   | 422   | 422                            | 18,672         |

## 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*

|                        | 2022/23            |                                     |                |
|------------------------|--------------------|-------------------------------------|----------------|
|                        | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| Total Appropriation    | 41,399             | 5,207                               | 46,606         |
| Revenue from the Crown | 31,700             | 548                                 | 32,248         |
| Revenue from Others    | 9,699              | 4,659                               | 14,358         |

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

|  | 2022/23               |  |                   |
|--|-----------------------|--|-------------------|
|  | Estimates<br>Standard | Supplementary<br>Estimates<br>Standard | Total<br>Standard |
| Assessment of Performance  |                       |  |                   |
| 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 (see Note 1) |                       |  |                   |
| <ul style="list-style-type: none"> <li>100% of agreed performance expectations include a requirement to strengthen Māori Crown Relationships</li> </ul>  | New Measure           | 100%                                   | 100%              |
| The Commission through the Leadership Development Centre strengthens leadership practices by delivering Te Putenga   Leadership in Practice  |                       |  |                   |
| <ul style="list-style-type: none"> <li>Participants of Te Putenga   Leadership in Practice programme agree or strongly agree it made me an effective leader (see Note 2)</li> </ul>  | New Measure           | 80%                                    | 80%               |
| The Commission provides services, support, and resources through the Pay Equity centre of excellence (Pay Equity Taskforce) (see Notes 3, 4 and 5)   | New Measure           | 80%                                    | 80%               |
| The Commission develops workforce guidance to support agencies and entities to implement Kia Toipoto   Public Service Pay Gaps Action Plan 2021-24 (see Notes 3 and 6)   | New Measure           | Achieved                               | Achieved          |

Note 1 - This is a measure of quality. 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 2 - This is a measure of quality, aligned to our role in developing leadership capability. The LDC facilitates the flagship 9-month development programme - Te Putenga | 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 Putenga 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 3 - Kia Toipoto | Public Service Pay Gaps Action Plan 2021-24 is a comprehensive set of actions to help close gender, Māori, Pacific and ethnic pay gaps in the Public Service. By putting Kia Toipoto into action, agencies can achieve the expectations set out in the Public Service Act 2020 and the Government Workforce Policy Statement 2021. These require the Public Service to be a good employer and close gender and ethnic pay gaps. Pay equity is about ensuring that everyone's work is valued based on their skills, responsibilities and experience, as well as the effort it requires. The Equal Pay Act 1972 makes it clear that equal pay and pay equity are legal requirements. Pay equity settlements are powerful vehicles for closing gender, Māori, Pacific and ethnic pay gaps. Together, these measures support the Public Service closing pay gaps and progressing pay equity. It is an important driver to ensure the Public Service is reflective of the communities we serve. Increased diversity and inclusion helps the Public Service to deliver better outcomes and services and strengthens public trust and legitimacy. Each agency's Pay Gaps Action Plan is published on their respective website this can be reconciled with the list of Public Service agencies and entities. The Commission separately reports on trends and progress toward closing gender, Māori, Pacific, and ethnic pay gaps through its workforce data and annual report.

Note 4 - The Pay Equity Taskforce is a dedicated centre of excellence responsible for developing and leading best practice guidance, support and advice on the pay equity process and claims. The Taskforce considers issues that have system-wide implications particularly when aspects of the legislation are being tested in court. We also provide system guidance and advice to Ministers and to agencies, businesses, and the community sector on pay equity claims and the pay equity process. The taskforce also provide educational webinars and workshops to increase the understanding of the pay equity in Aotearoa New Zealand.

Note 5 - This measure rates the quality of services, support and resources received by external stakeholders in the last 12 months by the Pay Equity Taskforce. The Commission requests all external stakeholders who confirm they have used or had contact with the Pay Equity Taskforce within the last 12 months to complete an annual survey. The survey includes 9 questions seeking feedback on the performance of the Pay Equity Taskforce over the period March 2022-March 2023. Respondents select from a range of options (excellent, very good, good, fair, poor). Responses are collated by the Commission and the proportion of respondents who have selected very good or excellent are reported.

Note 6 - This is a measure of quality. It was selected because it demonstrates how workforce guidance is developed and published for release, working collaboratively with the working group, Te Whakapiri, representing the Commission, Public Service Association, Ministry for Women, Ministry for Pacific Peoples, Ministry for Ethnic Communities, and employee led networks. The consultation process for developing guidance involves a series of actions, including who is involved, and signed off accordingly by the Deputy Commissioner, Workforce, Employment and Equity (the Commission) and by the National Secretary of the Public Service Association. The Commission separately reports on trends and progress toward closing gender, Māori, Pacific, and ethnic pay gaps through its workforce data and annual report. This measure is anticipated to change in 2024/25 following the conclusion of Kia Toipoto and may be replaced with a new measure to reflect a more general set of workforce guidance.

| Type of Change | Assessment of Performance   | Reason for Change   |
|----------------|---|---|
| New Measure    | 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"> <li>100% of agreed performance expectations include a requirement to strengthen Māori Crown Relationships</li> </ul> | 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.   |
| New Measure    | The Commission through the Leadership Development Centre strengthens leadership practices by delivering Te Putenga   Leadership in Practice <ul style="list-style-type: none"> <li>participants of Te Putenga   Leadership in Practice programme agree or strongly agree it made me an effective leader</li> </ul>  | This is a measure of quality. Te Putenga   Leadership in Practice is for experienced Public Service leaders who are ready to transform their leadership impact and grow strategic influence across the Public Service.  |
| New Measure    | The Commission provides services, support, and resources through the Pay Equity centre of excellence (Pay Equity Taskforce)   | This is a measure of quality. The centre of excellence for pay equity develops and leads best practice guidance, support, and advice on pay equity claims and the pay equity process including system guidance and advice to Ministers and to agencies, businesses, and the community sector. Through this we are contributing to pay equity settlements which help to make substantial progress toward closing Public Service pay gaps and create fairer workplaces for all. Diversity, equity and inclusion helps the Public Service to deliver better outcomes and services and strengthens public trust and legitimacy. |
| New Measure    | The Commission develops workforce guidance to support agencies and The Commission develops workforce guidance to support agencies and entities to implement Kia Toipoto   Public Service Pay Gaps Action Plan 2021-24   | This is a measure of quality. It was selected because it demonstrates how workforce guidance is developed and published for release, working collaboratively with the working group, Te Whakapiri, representing the Commission, Public Service Association, Ministry for Women, Ministry for Pacific Peoples, Ministry for Ethnic Communities, and employee led networks. The Commission separately reports on trends and progress toward closing gender, Māori, Pacific, and ethnic pay gaps across the Public Service, through its workforce data and annual report.  |

### *Reasons for Change in Appropriation*

This appropriation increased by \$5.207 million to \$46.606 million for 2022/23 due to an increase of:

- \$4.659 million in revenue adjustments from other departments and third parties. The increases consist of:
  - \$1.030 million in agency contributions for the Clerical and Administration Pay Equity Claim
  - \$808,000 due to external secondments
  - \$633,000 for the Leadership Development Centre arising from levies and additional course fees
  - \$558,000 for the Public Service Fare (funded by the Ministry of Foreign Affairs and Trade)
  - \$538,000 from Ministry for Women and Ministry of Business, Innovation and Employment towards the Equal Pay Taskforce
  - \$529,000 primarily consists a mix of an increase in Employee-led Networks levies, recovery of Chief Executive recruitment and levies charged by the new Māori Emerging Leaders Programme.
  - \$300,000 to begin the Agency Capability Review Programme and,
  - \$263,000 for the cost recovery of the Fire and Emergency New Zealand investigation.
- \$428,000 reflecting cost pressures in the delivery of services and outputs supported by the appropriation.
- \$120,000 reflecting an expense transfer from 2021/22 to 2022/23 to fund chief executive recruitment which had been delayed.

*Memorandum Account*

|                                      | 2022/23            |                                     |                |
|--------------------------------------|--------------------|-------------------------------------|----------------|
|                                      | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| <b>Leadership Development Centre</b> |                    |                                     |                |
| Opening Balance at 1 July            | 942                | -                                   | 942            |
| Revenue                              | 3500               | 466                                 | 3,966          |
| Expenses                             | (3500)             | (466)                               | (3,966)        |
| Transfers and Adjustments            | -                  | -                                   | -              |
| Closing Balance at 30 June           | 942                | -                                   | 942            |

|                              | 2022/23            |                                     |                |
|------------------------------|--------------------|-------------------------------------|----------------|
|                              | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| <b>Employee Led Networks</b> |                    |                                     |                |
| Opening Balance at 1 July    | -                  | -                                   | -              |
| Revenue                      | 626                | 115                                 | 741            |
| Expenses                     | (626)              | (115)                               | (741)          |
| Transfers and Adjustments    | -                  | -                                   | -              |
| Closing Balance at 30 June   | 0                  | 0                                   | 0              |

**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.

*Reasons for Change in Appropriation*

This appropriation increased by \$423,000 to \$7.181 million for 2022/23 due to:

- \$208,000 to continue the refreshed work programme agreed by the Social Wellbeing Board which was delayed by COVID-19 related issues
- \$115,000 to continue engagement with Non-Government Organisations and diverse communities on Te Aorerekura: National Strategy for the Elimination of Family Violence and Sexual Violence
- \$100,000 to fund the support for the delayed Oranga Tamariki Action Plan and its implementation.

## 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*

|                               | 2022/23            |                                     |                |
|-------------------------------|--------------------|-------------------------------------|----------------|
|                               | Estimates<br>\$000 | Supplementary<br>Estimates<br>\$000 | Total<br>\$000 |
| Forests/Agricultural          | -                  | -                                   | -              |
| Land                          | -                  | -                                   | -              |
| Property, Plant and Equipment | 100                | 260                                 | 360            |
| Intangibles                   | -                  | 834                                 | 834            |
| Other                         | -                  | -                                   | -              |
| <b>Total Appropriation</b>    | <b>100</b>         | <b>1,094</b>                        | <b>1,194</b>   |

#### *Reasons for Change in Appropriation*

This appropriation increased by \$1.094 million to \$1.194 million for 2022/23 due to:

- an increase in the forecast to accommodate the replacement of computer equipment
- the data transformation project, and
- the digital platform project.

#### *Capital Injections and Movements in Departmental Net Assets*

##### Public Service Commission

| Details of Net Asset Schedule             | 2022/23<br>Main Estimates<br>Projections<br>\$000 | 2022/23<br>Supplementary<br>Estimates<br>Projections<br>\$000 | Explanation of Projected Movements in 2022/23   |
|---|---|---|---|
| Opening Balance                           | 6,356   | 6,799   | Supplementary Estimates opening balance reflects the audited results as at 30 June 2022.  |
| Capital Injections                        | -   | 328   | \$328,000 was the surplus made by the Employee-led Networks (ELN) team in 2021/22, which was incorrectly returned to the Crown. This is now being returned. |
| Capital Withdrawals                       | -   | -   |   |
| Surplus to be Retained (Deficit Incurred) | -   | -   |   |
| Other Movements                           | -   | -   |   |
| <b>Closing Balance</b>                    | <b>6,356</b>                                      | <b>7,127</b>  |   |

## Part 3 - Details of Non-Departmental Appropriations

### 3.4 - Non-Departmental Other Expenses

#### 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.

##### *Reasons for Change in Appropriation*

This appropriation increased by \$422,000 to \$18.621 million for 2022/23 due to a decision to establish a new agency and, by implication, a new chief executive position.