

# *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	2023/24		
	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> 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.	36,400	5,343	41,743
<b>Public Service Fale (M66) (A36)</b> 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
<b>Supporting Implementation of a Social Wellbeing Approach (M63) (A36)</b> This appropriation is limited to providing strategic cross-social-system advice and supporting cross-system work, creating insights, tools, and practices to support sector-wide implementation of a social wellbeing approach.	6,758	924	7,682
<b>Total Departmental Output Expenses</b>	47,158	6,267	53,425
<b>Departmental Capital Expenditure</b>			
<b>Public Service Commission - Capital Expenditure PLA (M66) (A36)</b> This appropriation is limited to the purchase or development of assets by and for the use of the Public Service Commission, as authorised by section 24(1) of the Public Finance Act 1989.	540	-	540
<b>Total Departmental Capital Expenditure</b>	540	-	540
<b>Non-Departmental Other Expenses</b>			
<b>Open Government Partnership (M66) (A36)</b> This appropriation is limited to payments associated with New Zealand's membership of the Open Government Partnership.	200	-	200
<b>Remuneration and Related Employment Costs of Chief Executives (M66) (A36)</b> This appropriation is limited to the remuneration and costs relating to the employment of chief executives employed by the Public Service Commissioner.	18,617	1,566	20,183
<b>Total Non-Departmental Other Expenses</b>	18,817	1,566	20,383
<b>Total Annual Appropriations and Forecast Permanent Appropriations</b>	66,515	7,833	74,348

## Capital Injection Authorisations

	2023/24		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
Public Service Commission - Capital Injection (M66) (A36)	-	-	-

# Supporting Information

## Part 1 - Vote as a Whole

### 1.2 - Trends in the Vote

#### Summary of Financial Activity

	2023/24				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	47,158	6,267	-	6,267	53,425
Benefits or Related Expenses	-	N/A	-	-	-
Borrowing Expenses	-	-	-	-	-
Other Expenses	18,817	-	1,566	1,566	20,383
Capital Expenditure	540	-	-	-	540
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
Multi-Category Expenses and Capital Expenditure (MCA)					
<i>Output Expenses</i>	-	-	-	-	-
<i>Other Expenses</i>	-	-	-	-	-
<i>Capital Expenditure</i>	-	N/A	-	-	-
<b>Total Appropriations</b>	<b>66,515</b>	<b>6,267</b>	<b>1,566</b>	<b>7,833</b>	<b>74,348</b>
<b>Crown Revenue and Capital Receipts</b>					
Tax Revenue	-	N/A	-	-	-
Non-Tax Revenue	18,668	N/A	(30)	(30)	18,638
Capital Receipts	-	N/A	-	-	-
<b>Total Crown Revenue and Capital Receipts</b>	<b>18,668</b>	<b>N/A</b>	<b>(30)</b>	<b>(30)</b>	<b>18,638</b>

## 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		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	36,400	5,343	41,743
Revenue from the Crown	31,085	894	31,979
Revenue from Others	5,315	4,449	9,764

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

	2023/24		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Assessment of Performance			
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)	Published month following the survey collection	Released within 8 weeks of receipt of the data	Released within 8 weeks of receipt of the data
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 develop and maintain the capability of the Public Service to engage with Māori and understand Māori perspectives (see Note 4)</li> </ul>	100%	100%	100%
The Commission strengthens Public Service leadership through the Leadership Development Centre (LDC):			
<ul style="list-style-type: none"> <li>All Public Service departments are members of LDC (see Notes 5 and 6)</li> </ul>	100%	100%	100%

Assessment of Performance	2023/24		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
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"> <li>At least 50 active members across all Development Board cohorts (see Notes 7 and 8)</li> </ul>	90	(40)	50
The Commission collects and publishes Public Service workforce data annually (see Note 9)	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"> <li>Ethnic diversity in the Public Service workforce continues to be maintained (see Notes 10 and 11)</li> </ul>	New measure	In line with NZ population	In line with NZ population
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 12 and 13)	New measure	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 14 and 15)	New measure	Achieved	Achieved
The Commission provides services, support, and resources through the Pay Equity centre of excellence (Pay Equity Taskforce) (see Note 16)	80%	Measure removed	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 (see Note 17)	Achieved	Measure removed	Measure removed

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.

**Disclosure:** The measure description has been amended by clarifying the measure relates to the financial year to ensure consistency in reporting over time.

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.

**Disclosure:** The budget standard has been updated from previously "Published month following the survey collection" as this does not allow sufficient time for analysis before release, particularly since the questionnaire had additional questions added in 2023. The existing contextual note has been updated for clarity.

Note 4 - 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.

**Disclosure:** This measure description has been updated slightly for clarity only.

Note 5 - 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 6 - 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.

**Disclosure:** This measure description has been updated to specify the measure is for the Leadership Development Centre and removes reference to the annual Public Service Leaders' Summit and supporting career boards.

Note 7 - 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 8 - 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.

**Disclosure:** Budget standard has updated, reducing standard from 90 active cohort members to 50 to reflect the Development Boards move to a more targeted approach offering cross-agency development to smaller cohorts of leaders. The measure description has been updated to reflect the Leadership Strategy.

Note 9 - The data which the Commission collects gives us the information on public sector occupations, workforce size, the regional workforce and workforce diversity and inclusion.

**Disclosure:** A contextual note has been added for clarity to explain the output of this work.

Note 10 - 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 11 - 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.

**Disclosure:** This new measure has been introduced from 2023/24 to show how the Commission acts as a steward for diversity and inclusion in the Public Service, engaging with our stakeholders to improve the composition, culture and capability of our workforce.

Note 12 - 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 13 - 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).

**Disclosure:** This new measure introduced from 2023/24 reflects a component of the Commission's work in promoting the appropriate level of outsourcing by Public Service departments and departmental agencies.

Note 14 - 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 15 - 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'.

**Disclosure:** This measure has been updated from 2023/24 to reflect the new Government Workforce Policy Statement. This measure replaces the existing measure "The Commission develops workforce guidance to support agencies and entities to implement Kia Toipoto | Public Service Pay Gaps Action Plan 2021-24".

Note 16 - **Disclosure:** This measure has been removed in 2023/24 due to the funding for the Pay Equity Taskforce winding down.

Note 17 - **Disclosure:** This measure has been removed in 2023/24 as part of the review of the Commission's performance framework and current priorities.

### *Reasons for Change in Appropriation*

This appropriation increased by \$5.343 million to \$41.743 million for 2023/24 due to an increase of:

- \$4.449 million in revenue adjustments from other departments and third parties. The largest components of the increase include:
  - \$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
  - \$700,000 for the Leadership Development Centre arising from levies and additional course fees
  - \$598,000 to continue the Agency Capability Review programme which is fully funded by the agencies being reviewed
  - \$494,000 due to external secondments
- \$894,000 reflecting the drawdown of the tagged contingency which was established to fund the Public Sector Pay Adjustment remuneration cost pressure
- \$100,000 reflecting a fiscally neutral adjustment from the Remuneration and Related Employment Costs of Chief Executives Appropriation due to the redeployment of a Chief Executive into the Commission.

This is offset by a \$100,000 decrease due to an expense transfer from 2023/24 to 2024/25 to fund the Digital Platform which has experienced delays in sourcing and negotiations with suppliers.

### *Memorandum Account*

	2023/24		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Leadership Development Centre</b>			
Opening Balance at 1 July	1,098	156	1,254
Revenue	3,500	500	4,000
Expenses	(3,500)	(500)	(4,000)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	1,098	156	1,254

	2023/24		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
<b>Employee Led Networks</b>			
Opening Balance at 1 July	83	348	431
Revenue	741	114	855
Expenses	(741)	(114)	(855)
Transfers and Adjustments	-	-	-
Closing Balance at 30 June	83	348	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.

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

Assessment of Performance	2023/24		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Pacific Public Service Commissioners who agree the Public Service Fale supports their goals and strengthens public services in their country (see Notes 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"> <li>The Public Service Fale supports the delivery of the Annual Pacific Public Service Commissioners Conference (see Note 3)</li> </ul>	New measure	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"> <li>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)</li> </ul>	70%	80%	80%
<ul style="list-style-type: none"> <li>Percentage of participants agree the Public Service Fale mentoring programme improved leadership development (see Note 5)</li> </ul>	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.

**Disclosure:** The measure description has been updated slightly as it is not necessary to refer to "Pacific Stakeholders" in the measure, as Pacific Public Service Commissioners are the key Pacific stakeholders supported by the Public Service Fale programme. A contextual note was removed which is not relevant to the measure anymore. This references 20 February 2020 - 31 October 2022 which refers to the period for which the 2023 Mid Cycle Evaluation was assessed. This is now completed, and the Management Response approved by MFAT.

Note 3 - The measure "Fale governance meetings supported by the Public Service Fale" is removed in 2023/24 and replaced with this better fit for purpose measure as reflected in the Memorandum of Understanding between MFAT and PSC. Initially this measure was adopted to reflect the fact that Pacific Commissioners were not able to convene in their governance capacity as a 16 (sixteen) member regional body since the Public Service Fale was established, due to travel restrictions arising from COVID-19.

**Disclosure:** 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.

**Disclosure:** The measure wording has been updated slightly by adding in the word "percentage" to make this more outcome focused. The budget standard has been updated from 70% to 80% to have a realistic target.

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.

**Disclosure:** The measure wording has been updated slightly by adding in the word "percentage" to make this more outcome focused.

## 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*

	2023/24		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	6,758	924	7,682
Revenue from the Crown	6,758	-	6,758
Revenue from Others	-	924	924

### *Reasons for Change in Appropriation*

This appropriation increased by \$924,000 to \$7.682 million for 2023/24 due to:

- \$600,000 reflecting Departmental funding received to progress developing a regional data platform drawing together data from multiple agencies to support the development of shared regional public service priorities funded by Ministry of Social Development
- \$324,000 reflecting funding Departmental funding received from Independent Children's Monitor, Ministry for Ethnic Communities and Ministry of Justice via the Joint Venture Te Puna Aonui for the access of their data and analytics platform.

## 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.

##### *Expenses*

	2023/24		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	18,617	1,566	20,183

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

This appropriation increased by \$1.566 million to \$20.183 million in 2023/24 due to an increase of:

- \$916,000 reflecting decisions to establish three new agencies and, by implication, three new chief executives
- \$750,000 reflecting remuneration increases for chief executives.

These increases are offset by a \$100,000 reduction reflecting a fiscally neutral transfer to the Commission's Leadership of the Public Management System Appropriation to fund a chief executive on assignment within the Commission.