

PŪRONGO- Ā-TAU

Mō te mutunga o te tau i te
30 o ngā rā o Pipiri 2023

ANNUAL REPORT

For the year ended
30 June 2023



Te Kawa Mataaho
Public Service Commission



Statement of Representation

I am pleased to present the annual report of Te Kawa Mataaho Public Service Commission (the Commission) for the year ended 30 June 2023. This report comprises:

- the annual report of the Public Service Commission on the operations of the Commission, provided under the Public Finance Act 1989
- the annual report of the Chief Executive on the operations of the Public Service Commission and its audited financial statements, provided under the Public Finance Act 1989
- the annual report of the Chief Executive on the operations of Toi Hau Tāngata Social Wellbeing Agency as a departmental agency of the Public Service Commission, provided under the Public Finance Act 1989.



A handwritten signature in blue ink, consisting of a stylized 'P' followed by a cursive 'H'.

Peter Hughes CNZM (he/him)

**Te Tumu Whakarae mō Te Kawa Mataaho
Public Service Commissioner | Head of Service**

29 September 2023

Presented to the House of Representatives pursuant to the Public Finance Act 1989.

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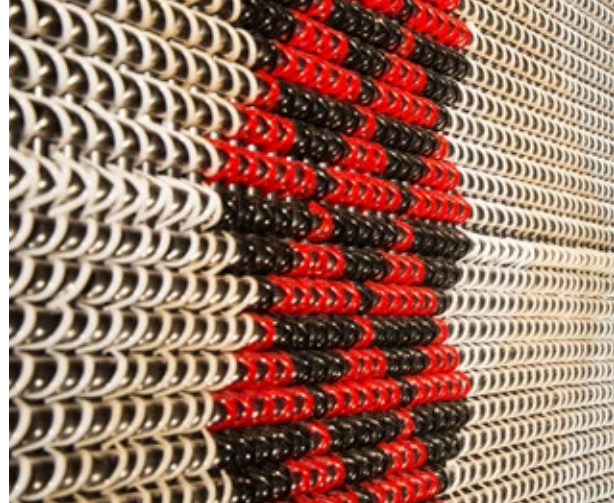
Te rārangi upoko

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Tā te Kaikōmihana tirohanga

Commissioner's overview



The Public Service's role is to deliver the services and outcomes New Zealanders rely on, support the Government to implement its policies and prepare for the future. In line with this role, the Public Service is focused on continually improving how it works so that it can deliver most effectively for New Zealanders.

In December 2022, Te Kawa Mataaho Public Service Commission (the Commission) released [Te Kahu Tuatini State of the Public Service](#) which sets out the vision for how the Public Service should operate in the future and where there are expectations for progress over the next three years. Since then, the Public Service has continued to adapt and work in different ways as it responds to New Zealanders' changing needs and priorities.

After several years focused on the global pandemic, the Public Service has helped Aotearoa New Zealand to transition back to 'business as usual' while continuing to manage the pandemic's longer-term impacts. Our borders have reopened, resumed immigration is bringing key skills and talent into the country and our businesses and education sector are making use of new domestic and overseas opportunities. While Aotearoa New Zealand has been impacted by global trends, including rising inflation rates and constraints on global supply chains, the Public Service has continued to help

New Zealanders to manage these issues and get support where they need it.

In early 2023, severe weather events disrupted New Zealanders' lives and livelihoods. These events required the Public Service to respond with speed and agility and to work in different ways to support communities. Public servants connected people to emergency services and shelter, partnered with local organisations to keep people safe and provided those most affected with support to rebuild their lives and businesses. We can expect such extreme weather events to occur more often in the future. The Public Service must continually learn from these events in order to work most effectively to help communities build their climate resilience.

Alongside these localised events, the Public Service has continued to deliver for all New Zealanders across all aspects of their lives – from supporting people to find housing or employment to managing our public land and assets and investing in and building national infrastructure. As we faced unexpected challenges, the Public Service has been ready to change plans and reprioritise and deploy resources to where they are most needed. This is what New Zealanders expect from us.

In the past 12 months, the Public Service has also advised on and implemented major system changes as part of the Government's policy agenda. This has



included reshaping the country's health system, creating the first ever dedicated disabled people's agency and supporting the Government to progress a range of significant legislative reforms, including to the resource management and planning system. These programmes are large and complex, and for some, it will take time until New Zealanders see their full impact. The Public Service is focused on making sure it delivers for New Zealanders today, and for future generations.

And we have continued to improve how we deliver services for our citizens now. People rightly expect public services to be easier to access and to be delivered in ways that meet their needs. Public servants already act with integrity and a spirit of service. New Zealanders increasingly also expect them to understand and reflect the communities they serve. And they expect to have more opportunities to directly shape government policies and services that respond to the real issues they are facing and connect with their aspirations and values. We are enabling these ways of doing things through whole-of-government mechanisms like the Open Government Partnership National Action Plan.

All of this means New Zealanders can see improvements in how public services look and feel. People trust our public institutions most when they are getting services that are responsive and reliable.

We are continuing to see high levels of trust in the Public Service, which was again found in the Organisation for Economic Co-operation and Development's 2023 Drivers of Trust in Public Institutions in New Zealand study. However, we cannot take this trust for granted, and we are always looking at ways to strengthen it further.

We also know there are areas where Public Service agencies may not be best placed to directly meet the needs of particular New Zealanders. At times, it will be communities, marae, hapū or iwi who have the right skills and relationships to deliver services for people in ways that best suit those people. This means we need to change our usual ways of doing things and be quicker to get out of the way.

Behind all of this work, the Commission has continued to lead the system to better deliver for New Zealanders. We are continuing to use the new tools enabled in the Public Service Act 2020 to ensure that agencies join up around customers, clients and citizens, drive better performance across the Public Service and improve outcomes for New Zealanders, their whānau and their communities. We are also working to make sure public servants are fairly supported and recognised for what they do to serve Aotearoa New Zealand and New Zealanders.

We are immensely proud of the work that the Public Service does for our country.



Te kupu whakataki

Introduction

Improving how the Public Service delivers for New Zealanders

The Public Service is here to support the Government of the day to implement its policies and to deliver services for all New Zealanders, in a way that improves New Zealanders' lives and upholds their trust and confidence. This is a core constitutional role and is an important part of our democratic form of government. It is also a key enabler in helping the Public Service support the Crown's relationships with Māori under Te Tiriti o Waitangi Treaty of Waitangi.

Every day, around 60,000 public servants serve individuals, whānau and communities across the country and partner with others to improve outcomes. Across the wider public sector, which includes the Public Service as well as the education and health sectors and other Crown entities, almost 450,000 people are working to serve New Zealanders.

The Public Service aims to continually strengthen its ways of working so that it can most effectively deliver for New Zealanders. It has continually evolved and transformed over decades as it moves towards this goal. The Public Service Act 2020 has been the most recent step in this journey. It strengthens expectations for the different parts of the Public Service to work collectively, flexibly and in ways that continue to maintain integrity and trust so that it can respond to the challenges New Zealanders face.

Helping create a modern Public Service that is fit for the future

In December 2022, the Commission published *Te Kahu Tuatini State of the Public Service* briefing, which sets out the vision for how the Public Service should operate in the future and what progress is expected towards the vision over the next three years.

The Commission has an important role in guiding the Public Service in this direction. We aim to foster a leading-edge, unified, trusted Public Service that serves Aotearoa New Zealand and its people. Our strategic intentions to deliver on this vision focus on leading the Public Service to:

- achieve outcomes for New Zealanders – real, tangible improvements in the lives of individuals, whānau and communities
- improve services to New Zealanders and businesses by organising around their needs rather than agency functions
- ensure the public sees government agencies, and the Public Service as a whole, as an integral part of society and legitimate in their exercise of authority.

This annual report describes the progress the Public Service has made in the last 12 months towards achieving this vision, and how we have supported it to do so. In particular, the report sets out how the Public Service and the Commission have:

- helped New Zealanders respond to significant challenges in the last year
- continued to connect New Zealanders to high-quality services that meet their needs
- helped New Zealanders take a greater role in shaping what public services look like
- maintained high levels of Public Service integrity and New Zealanders' trust
- continued to drive high performance and organised the system to deliver more effectively for New Zealanders
- continued to ensure public servants are well supported to serve Aotearoa New Zealand
- helped Pacific island partners strengthen their public institutions.

Together, these are all important steps towards making sure the Public Service is best equipped to serve New Zealanders now and in the future.

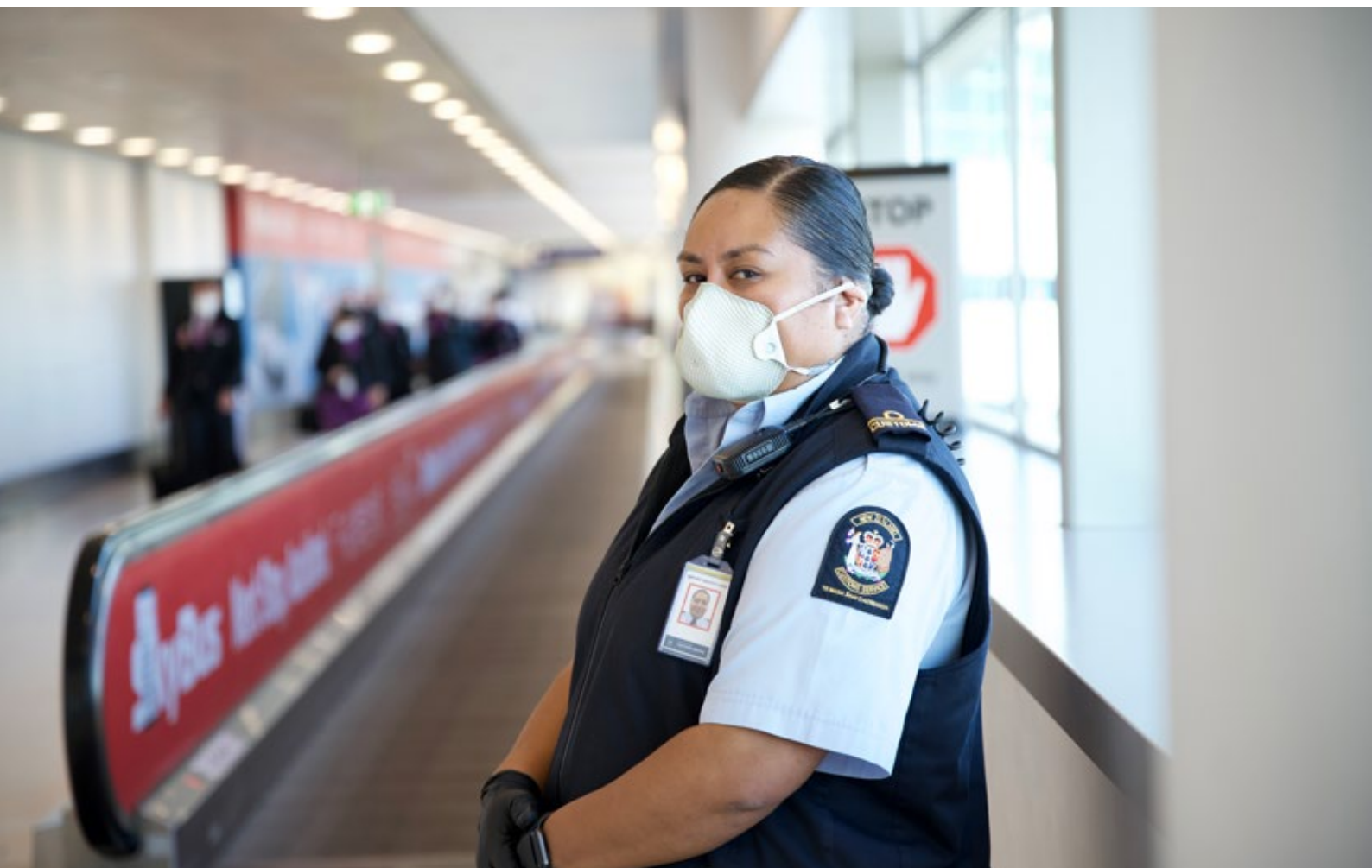
Te āwhina i a Aotearoa kia urupare atu ki ngā wero nui | Helping Aotearoa New Zealand respond to significant challenges

A key part of the Public Service's role is to help our country respond to present and future challenges. When unexpected crises occur, New Zealanders expect the Public Service to move quickly to enable communities to respond and ensure New Zealanders receive the services and supports they need. They also expect the Public Service to be focused on risks and challenges that may arise in the future and to help the country prepare for these.

The last 12 months have continued to require the Public Service to adapt and work flexibly as it has helped the country navigate major challenges. The following sections describe this in more detail.

Supporting New Zealanders to return to normality after COVID-19

In the first two years of the COVID-19 pandemic, the Public Service ran a world-leading response, which helped New Zealanders keep safe. It also played a critical role in keeping key services operating, ensuring that people had access to emergency supports when they needed them and coordinated a nationwide vaccination programme that has protected millions of New Zealanders from severe illness or death.





The global pandemic has not ended, but we have now transitioned into a phase where COVID-19 is becoming endemic within Aotearoa New Zealand. In the last 12 months, the focus of the Public Service has shifted to supporting New Zealanders to return to ‘business as usual’ and to reconnect with the world. This has been a whole-of-government effort and has required us to work with communities and businesses in different ways.

Under the Care in the Community welfare response model, health agencies and Te Manatū Whakahiato Ora Ministry of Social Development are now helping communities to manage COVID-19 themselves. The Ministry’s regional teams have partnered locally with iwi and Māori, Pacific and other ethnic communities, the disability sector, community providers and councils to ensure New Zealanders can access a joined-up welfare response. This has meant that whānau who need to self-isolate due to COVID-19 can access the support they need, such as food parcels and help to pay bills and rent.

Since border restrictions related to the management of the pandemic were lifted at the end of September 2022, the Te Mana Arai o Aotearoa New Zealand Customs Service has managed rapidly increasing numbers of travellers. The border agencies worked together to design and develop the New Zealand

Traveller Declaration, an online version of the paper-based arrival cards, which is one of the biggest changes in many years to how risk is managed at the border. It has helped to keep our primary industries safe – for example, it has enabled Customs to automatically inform travellers about foot-and-mouth disease, keeping the disease out of our country and our farms.

Te Manatū Aorere Ministry of Foreign Affairs and Trade has supported the Government to sign a free trade agreement with the European Union, and also to bring a free trade agreement with the United Kingdom into force. These agreements are expected to increase exports for Aotearoa New Zealand businesses by up to NZ\$1 billion and NZ\$1.8 billion per year respectively. The Ministry has also recently upgraded their bilateral Working Holiday Scheme with the United Kingdom, which could benefit thousands of New Zealanders who are already living or who wish to live in the United Kingdom.

As a result of this work across the Public Service, New Zealanders have been able to return to more normal lives. We are seeing a resumption in levels of immigration into Aotearoa New Zealand and rates of foreign students’ enrolment in our education institutions.



Helping communities respond to severe weather events

Over the last 12 months, New Zealanders have faced several major weather events that have disrupted their lives and livelihoods. The Auckland floods in January 2023 and Cyclone Gabrielle in February 2023 have had multiple and complex impacts across the country. Regions such as Tairāwhiti faced significant flooding, disruption to key transport and supply routes and widespread damage to homes, farmland and crops.

Te Rākau Whakamarumarū National Emergency Management Agency leads the government in responding to natural disasters through the National Crisis Management Centre. The Centre was active for eight weeks during the Cyclone Gabrielle response, deploying approximately 670 workers from a range of agencies. The Workforce Mobility Hub in the Commission helped the National Emergency Management Agency to move public servants across the Public Service, deploying 67 additional staff where they were needed most.

In the early stages of these weather events, communities and local bodies moved quickly to respond to emerging risks and keep people safe. Public Service agencies likewise moved with agility to support communities, make sure emergency supports were easy to access and ensure that resources reached the people and places where they were needed most. For example:

- Te Hīkina Whakatutuki Ministry of Business, Innovation and Employment and Kāinga Ora Homes and Communities (Kāinga Ora) partnered with regional Civil Defence centres and emergency management agencies to connect people to temporary accommodation if they could not stay in their homes.
- In the immediate aftermath of Cyclone Gabrielle, Te Tari Taiwhenua Department of Internal Affairs partnered with Trust Tairāwhiti, the regional development trust for Tairāwhiti, to contribute \$235,000 in immediate community relief grants.
- The Ministry of Social Development made Civil Defence payments available to help people with food,

bedding, clothing, loss of income and costs for those who had to leave home. Between 28 January 2023 and 30 June 2023, these payments supported more than 105,000 people and totalled over \$66.2 million.

- Te Tāhuhu o te Mātauranga Ministry of Education partnered with communities to support affected schools and minimise disruption to children’s learning. For example, Pātoka School in the Hawke’s Bay was supported with two generators and an electrician to get the school back up and running. Students also received packs that included learning resources, food and other supplies to support their learning and wellbeing.

To support the Public Service effort, the Commission advised Government on the creation of a new Chief Executive Cyclone Recovery, a functional chief executive role enabled under the Public Service Act 2020, to co-ordinate the Public Service’s contribution to the ongoing cyclone response. The Commission also worked with Regional Public Service Commissioners (Regional Commissioners) to help to co-ordinate between local cyclone response efforts and central government support.

These weather events have created serious and ongoing impacts for New Zealanders, and the rebuild and recovery will take time. The Public Service has been supporting communities in recovery efforts in different ways. For example:

- Manatū Ahu Matua Ministry for Primary Industries operated a grants fund for farmers/growers to help initial recovery on farms and remove silt from trees and vines, support clean-up, and minimise future losses. By June 2023, the Ministry had approved over 5,600 grants and paid out over \$64 million to farmers, growers and whenua Māori.

- Te Puni Kōkiri Ministry of Māori Development is distributing \$9 million to help Māori recover from the cyclone through the Cyclone Gabrielle Māori Communities Response Fund. By the end of April 2023, a total of \$7.84 million had already been committed or was being processed or under discussion. This funding is helping communities with clean-up expenses, equipment, recovery planning and coordination, and rebuilding infrastructure. Te Puni Kōkiri staff are also helping whānau to identify and connect with other recovery-focused government funds.
- The Ministry of Social Development stood up Enhanced Taskforce Green to help with the clean-up of affected areas. From January 2023 to 30 June 2023, the taskforce set up 14 teams covering five regions. This has seen 89 jobseekers come off a main benefit and into work to assist their communities.
- As of 21 July 2023, the National Emergency Management Agency has paid a total of \$2,330,433 in claims to local authorities for Cyclone Gabrielle welfare costs.

Weather events of this magnitude are likely to become more common in the future, and it is critical that the Public Service learns from them so that it can most effectively help communities build their climate resilience.

The Public Service is also supporting the Government Inquiry into the Response to the North Island Severe Weather Events, and it will seek to learn as much as possible from the inquiry’s findings.



Responding to global trends and preparing our country for future challenges

As the world transitions out of the pandemic, it continues to face complex challenges, including rising inflation rates, global supply chain issues and the invasion of Ukraine. Reconnecting our country to the world means we may be even more impacted by these issues in the future. The Public Service has continued to adapt as it supports the Government and New Zealanders to plan for and respond to these issues.

The Public Service also has an important stewardship role in planning for future risks and making sure the country is well equipped to respond to these. The Public Service Act 2020 requires Public Service chief executives to prepare a long-term insights briefing every three years that considers medium and long-term trends, risks and opportunities that could affect New Zealanders and identifies policy options for responding to these. These briefings must be prepared independently of Ministers and must be tabled in Parliament.

Public Service agencies published the first set of long-term insights briefings

over the last 12 months. Topics covered in these briefings include Aotearoa New Zealand's long-term fiscal position, future public participation in government, the impacts of automated vehicles operating on our roads, ensuring the future well-being of land and people, thriving whānau in 2040 and the long-term implications of our ageing population for our housing and urban futures.

The Public Service Act 2020 also places a responsibility on the Public Service Commissioner (Commissioner) to prepare a report on the state of the Public Service every three years to promote stewardship of the Public Service as a whole. This report must also be tabled in Parliament. The Commissioner published the first ever state of the Public Service briefing in December 2022. *Te Kahu Tuatini State of the Public Service* sets out the vision for how the Public Service should be working to effectively serve New Zealanders in the future and the expectations for progress in the next three years.

Together, these briefings provide an important mechanism for ensuring the Public Service is focused on the most important issues that could affect New Zealanders in the future.



Karen Bartlett. Credit: Adrian Heke

“

The value of a joined-up Public Service becomes very, very evident at times like this.”

Karen Bartlett

Responding after Cyclone Gabrielle

When Cyclone Gabrielle struck in February, causing widespread destruction, Karen Bartlett hunkered down with a group of Public Service colleagues and got straight to work.

“Overnight, everything fell apart,” says Karen, recalling the immediate aftermath. “And all through the next day, it was severe: no power, no communications; bridges were out; people were cut off.”

Karen is the Regional Commissioner for Hawke’s Bay – one of 12 representing the different regions of Aotearoa New Zealand.

As her usual Hastings office had no power, Karen went to Civil Defence headquarters for a couple of days before joining colleagues at the local Te Puni Kōkiri office, where there was a generator.

The team quickly expanded to include public servants from Te Puni Kōkiri, the Te Manatū Whakahiato Ora Ministry of Social Development, Oranga Tamariki, Ministry of Education, Te Whatu Ora, Waka Kotahi, Department of Corrections

and more, all working side by side when it mattered most.

“Just by sitting together, it meant things could happen almost immediately. And it was running on communication and trust.”

Karen says the strength of the relationships, built over time, enabled a better and more unified response.

“Once we knew the needs of the communities, we could collectively work out how we could fund those needs, and with a single reporting mechanism to make it easier and faster for everyone. These may sound like small things, but when you look back at the way we used to operate, they’re actually quite big. The value of a joined-up Public Service becomes very, very evident at times like this.”

Te tuku tonu i ngā ratonga ki ngā tāngata o Aotearoa | Continuing to deliver services to New Zealanders

The Public Service has a responsibility to support the Government of the day to serve New Zealanders. This means working every day to improve New Zealanders' lives by enabling them to receive the services and opportunities they need. It also means advising the Government on its policy agenda and then delivering on its agreed priorities.

Connecting New Zealanders to high-quality services and opportunities

The Public Service supports New Zealanders across almost all areas of their lives, from helping them find housing or employment to managing public land and assets and investing in and building national infrastructure.

The following sections set out some examples of areas where the Public Service has continued to deliver through the last 12 months:

- People affected by family violence have been able to seek support from a new suite of digital tools, including a centralised 24/7 phone and online chat support service, a dedicated website with interactive resources for those seeking help and a new online space specifically driving behaviour change for those who may use violence.
- Businesses and organisations were protected from over 200,000 cyber threats by Malware Free Networks®, a new cyber defence product developed by Te Tira Tiaki Government Communications Security Bureau's National Cyber Security Centre.
- A record number of over 300 Pacific students in secondary and tertiary education were awarded science, technology, engineering, arts and mathematics scholarships.
- Landowners and court users have been able to find information about their whenua on Pātaka Whenua, a new online portal to make it easier for people to interact with Te Kooti Whenua Māori Land Court.
- New Zealanders have been able to access 3,192 more public homes than in the year before – with Kāinga Ora now managing a total of 79,463 public homes.
- Tiakitanga Pūtaiao Aotearoa Biosecurity New Zealand in the Ministry for Primary Industries screened 4,877,864 arriving passengers for biosecurity threats. It issued nearly 5,500 infringements for undeclared fresh produce, used equipment such as hiking boots and camping gear, and meat products.
- More than 5,000 people have found nature-based employment across 220 contracted projects through the Jobs for Nature programme. This has enabled activities like removing lead from 35 buildings in Aoraki Mount Cook Village to help protect kea.



Supporting the Government to advance major system and legislative reforms

Over the last 12 months, the Public Service has delivered multiple policy reforms in support of the Government. Several of these reforms have represented the most significant changes for their sectors in many years:

- On 1 July 2022, Te Whatu Ora Health New Zealand, a new Crown agent, was established, replacing the 20 district health boards across the country. A new independent statutory entity called Te Aka Whai Ora Māori Health Authority has also been created. These changes have required different parts of the Public Service to advise on and implement new legislation and manage impacts for around 80,000 health workers.
- Te Manatū Whakahiato Ora the Ministry of Social Development, Manatū Hauora Ministry of Health and other agencies worked with disabled people to advise on and support the creation of Whaikaha Ministry of Disabled People (Whaikaha), which was established on 1 July 2022.
- The Public Service is making changes to improve the safety and wellbeing of tamariki and others who have been in State care. This includes improving Oranga Tamariki Ministry for Children (Oranga Tamariki) policies and practices for tamariki Māori and work

to strengthen mechanisms for the independent oversight of the Oranga Tamariki system.

- Public Service agencies are supporting a survivor-led design group to develop a new system of redress for abuse in State care, as part of the Government's response to the Abuse in Care Royal Commission of Inquiry.
- Manatū mō te Taiao Ministry for the Environment has advised on and progressed significant Government reforms to resource management legislation. The Spatial Planning Act 2023 and Natural and Built Environment Act 2023 have repealed and replaced the Resource Management Act 1991.
- The Ministry for the Environment and other Public Service agencies led the development of the 2022 Emissions Reduction Plan, which aims to reduce Aotearoa New Zealand's greenhouse gas emissions, and the August 2022 National Adaptation Plan, which supports New Zealanders to adapt and thrive in a changing climate.
- The wider public sector is also reducing its own emissions under the Carbon Neutral Government Programme.

These Government reforms are large and complex, and implementing them has required focus and effort across the Public Service. It will take time for New Zealanders to see their full impact.

Te mau ki te ngākau pono | Maintaining integrity and trust

Integrity is a key contributor to New Zealanders' trust in the Public Service and the wider public sector. To maintain people's confidence, the Public Service needs to show that it is trustworthy and that public servants act in the interests of New Zealanders and never for their personal gain.

Ensuring the Public Service acts with integrity

Our Public Service is held in high regard and ranks well across a range of international integrity measures and studies. That reputation depends on its ability to build and maintain a high-trust public management system and a workplace culture that promotes integrity and ethics as being central to its values and work. Every public servant has a part to play.

The Commissioner is responsible for setting standards of integrity and conduct across most of the public sector. Since 2007, this has been set through a code of conduct called the Standards of Integrity and Conduct. Over the last 12 months, the Commission has been developing and consulting with a wide range of public servants on a revised code of conduct. This will replace the existing code and will reflect the Public Service principles and values set out in the Public Service Act 2020. This will help to give New Zealanders even more certainty about the high expectations that are held for how public servants should act.

The Commission also has a key role in supporting public sector agencies to act with integrity and maintain political neutrality before, during and after a general election. General elections are a significant part of our democratic form of government, and it is important that public servants maintain their high

standards of integrity and conduct and the political neutrality of their agencies during this period.

In March 2023, we released updated election guidance. This guidance identifies common principles and obligations that will help people who work in the public sector during the 2023 election.

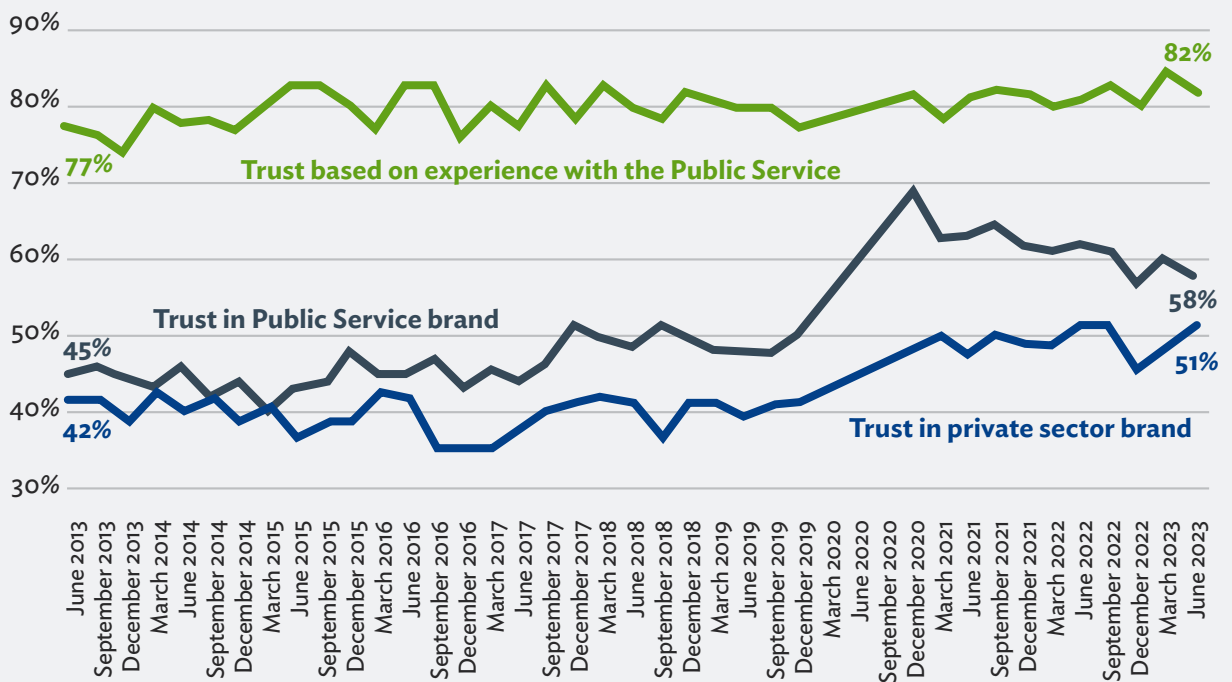
We have been working with a group of senior Public Service leaders who will have an ongoing role in working closely with the Commission on matters of integrity and conduct. This year, the focus was on being a champion within their agency for the election guidance. Going forward, the upcoming new code of conduct will also be a focus. This group is likely to expand to include more leaders from Crown entities.

Maintaining New Zealanders' trust in the Public Service

The Public Service cannot operate without the trust and confidence of the people it serves. When New Zealanders trust our public institutions, they are more likely to engage in democratic processes, help inform the design of effective services and get involved in tackling complex problems. This trust is crucial for maintaining social cohesion and driving better outcomes for the future. The international literature identifies responsiveness, reliability, integrity, openness and transparency as some of the key drivers of trust in public institutions.

Our Public Service is continuing to see high levels of trust among New Zealanders. In 2022, the Organisation for Economic Co-operation and Development (OECD) selected Aotearoa New Zealand for a case study about the drivers of public trust in our country. The case study drew on a survey of approximately 2,000 New Zealanders, along with

Figure 1: Trust in the Public Service, June 2013–June 2023



background information gathered through interviews with leaders in the Public Service, politicians, community leaders and academics. The report noted that Aotearoa New Zealand has one of the highest levels of trust in its public institutions among OECD member countries. It also pointed to the high trust experienced by our country over the past 15 years, the success of our pandemic response and our preparedness for dealing with future pandemics.

We have seen further evidence of these high levels of trust over the last 12 months with the run of a quarterly survey (Kiwis Count) to measure the trust and confidence New Zealanders have in the Public Service. Over the last 10 years, there has been an upward trend in trust in the Public Service more generally, with a sharp upward spike in 2020 during the COVID-19 crisis. Results from the June 2023 quarter of the survey showed that 58 percent of the population trust the Public Service in general, and 82 percent trust the Public Service based on their personal experiences with it, after an all-time high of 84 percent in the March 2023 quarter.

More details on these trends can be seen in figure 1 above.

While these findings are positive, we cannot take them for granted. We are always looking at ways to strengthen this trust further.

In May 2023, the Commission piloted changes to the Kiwis Count survey to understand more about what factors influence trust in the Public Service. Initial findings from the pilot were that more than two-thirds of participants agreed that the Public Service treats people with respect, shows a spirit of service to the community and is honest. Over half of participants agreed that our Public Service is open and transparent with information, reliable and fair and that agencies work together to meet their needs. The lowest levels of agreement were on whether the Public Service admits responsibility for mistakes (40 percent) and whether it changes services in response to feedback from the public (41 percent).

We plan to include these questions in future Kiwis Count surveys to see how these drivers vary across groups and over time.

TE HOROPAKI | CASE STUDY



Saunoa Samasoni

Young leader steps up to help Auckland flood recovery

When flooding devastated Auckland homes in early 2023, Saunoa (Noa) Samasoni stepped up to help the recovery.

In her seconded role as senior project manager at Kāinga Ora, Noa leads the team responsible for managing the major works required on the 657 flood-impacted Kāinga Ora properties.

Noa began her Kāinga Ora career in the Customer Support Centre in 2016 and now oversees the servicing of more than 8,000 Auckland homes.

In her maintenance leadership role, Noa is responsible for negotiating contracts with business partners and designing cross-departmental initiatives aimed at streamlining internal processes.

Noa helped design the award-winning Te Mahi Ngātahi maintenance programme, which has improved the process for maintenance partners and provides a better experience for customers.

The initiative was named runner up in both the Social Housing Excellence and Innovation categories of the Australasian Housing Institute's 2022 Australasian Brighter Futures Awards.

Noa is committed to delivering for Aotearoa New Zealand and New Zealanders through her strong work ethic, driving cross-departmental initiatives to improve efficiency despite significant time constraints and challenges.

Her collaborative approach to engaging and partnering with others is demonstrated in her work with external stakeholders, sharing knowledge and ideas to enable continuous improvement.

Noa's colleagues say she consistently places the needs of others above her own and has a genuine concern for the wellbeing of her team, peers, customers and community.

Te tautoko i ngā tāngata o Aotearoa ki te tārai ratonga tūmatanui | Supporting the role of New Zealanders in shaping public services

In *Te Kahu Tuatini State of the Public Service*, the Commissioner set out the expectation that the Public Service should be seeking to make it easier for New Zealanders to be involved in the work of government.

New Zealanders have growing expectations that they will be able to have a say in what policies and public services look like. This can help to ensure policies and services focus on what is most important to New Zealanders, and it is an important part of further building New Zealanders' trust in the Public Service.

There are also areas where the Public Service needs to step out of the way and enable iwi, hapū or communities to take the lead on designing and delivering services to achieve better outcomes for New Zealanders. Enabling iwi, hapū and community-led approaches can allow services to draw on the knowledge and expertise held by communities and therefore be more reliable and responsive to their needs. It can also support the Crown to meet its commitments under Te Tiriti o Waitangi.

Enabling New Zealanders to participate in government processes

New Zealanders are becoming increasingly involved in the development of policies and public services. This involvement can take many forms, from people building their understanding of how government works and key issues it is considering through to actively taking part in decision-making and service design.

Government has committed to making it easier for New Zealanders to participate in policies and services through the

Open Government Partnership, an international agreement that Aotearoa New Zealand has been part of since 2013. The Commission released the fourth National Action Plan under the partnership in December 2022. In line with our commitments under the plan, we are working with the Policy Project at Te Tari o te Pirimia me te Komiti Matua Department of the Prime Minister and Cabinet to develop a tool to help Public Service agencies engage with and involve communities in decision-making processes.

The use of plain language helps agencies communicate more effectively with the public about requirements and entitlements that might apply to them. Better and more accessible information improves transparency, open government and active citizenship. It helps maintain public trust in government.

The Plain Language Act 2022 came into force in April 2023. To meet reporting requirements under section 12 of the Act, we asked agencies whether they had appointed a plain language officer, the nature of the role, actions taken to notify staff about the Act, training undertaken, resources produced and arrangements to receive feedback from the public on the agency's plain language responsibilities.

All agencies have appointed a plain language officer to oversee their plain language work. In all cases this is the appointment of an existing staff member who has had plain language responsibilities added to their role. Agencies are informing staff about the Act and training staff.

Agencies are at various stages in updating supporting resources. Many

have developed or updated tools such as style guides, online learning modules and content review checklists. Some larger agencies have developed a network of plain language champions across their agency. More work is required by some agencies to ensure that customer complaints that have a plain language component are identified and addressed. The Commission is helping as resources and learning are shared across agencies.

In late 2022 and early 2023, Te Manatū Waka Ministry of Transport worked with the University of Auckland's Koi Tū: The Centre for Informed Futures to hear from New Zealanders on the question 'How should we fund the transport system in the future?' The first stage of this project sought people's input on a wide range of topics through an interactive online conversation. The second stage included deliberative workshops in Auckland, Waikato and Christchurch. At these workshops, New Zealanders discussed the future of the transport system in person, learned more about the issues and shared their perspectives. This is feeding into the Ministry's policy work on the future revenue system for transport.

Another example of participatory approaches to policy development is the Equity Index for schools. The Ministry of Education launched the Equity Index in 2023 to replace the 30-year-old decile system that had been used to allocate funding in the education system according to socioeconomic need. The Ministry worked closely with schools to develop and implement the index. One school principal said that "working alongside the Ministry of Education on this project gave smaller, more disadvantaged schools who represented whole communities an opportunity to share our stories, challenge decisions and offer advice and beliefs. We had a voice at the table. We were listened to. And our ākongā, whānau and community ... are extremely grateful".

Supporting iwi, hapū and community-led approaches

Iwi, hapū and communities are increasingly leading the design and delivery of policies and services, with the Public Service taking a supporting role.

The Public Service has a responsibility to support the Crown in its relationships with Māori under Te Tiriti o Waitangi. Under Article Three (ōritetanga), the Crown has made commitments towards ensuring equity for all New Zealanders, including Māori. Under Article Two (rangatiratanga), the Crown has committed to recognise the authority of iwi and hapū to lead and make decisions on matters that relate to their taonga.

While many government services are delivering effectively for most New Zealanders, we know there are areas where the Public Service is not best placed to meet people's needs. In recent years, there have been many examples of iwi, hapū and communities taking leadership and supporting their people in ways the Public Service has not been able to do, including in the responses to COVID-19 and the recent severe weather events. Recognising and backing this leadership can enable services that are culturally responsive and aligned to communities' needs and aspirations. This can also build communities' trust in the services and those who are delivering them.

Over the last 12 months, there has been a range of areas where the Public Service has stepped back and focused on enabling iwi, hapū and communities to take the lead. For example:

- Iwi, hapū and Māori businesses have been funded to deliver housing solutions for their communities through Whai Kāinga Whai Oranga, an initiative jointly delivered by Te Tūāpapa Kura Kāinga Ministry of Housing and Urban Development and Te Puni Kōkiri. The initiative provides



these groups with grants or loans to build new housing or infrastructure or repair existing housing owned by whānau where these projects would not be able to receive investment from other sources. By June 2023, a total of 1,003 homes had been approved, 1,618 infrastructure sites had been approved or contracted and 483 repairs to homes owned and occupied by Māori had been contracted through the initiative.

- Ngāti Rangi and Ngāti Kahungunu have partnered with Te Puni Kōkiri, Ara Poutama Aotearoa Department of Corrections and Te Manatū Whakahiato Ora the Ministry of Social Development to deliver Paiheretia te Muka Tāngata, which supports whānau involved with the corrections system in Te Tai Tokerau and Te Matau ā Māui. It was co-designed in 2019 with tāne and whānau Māori with experiences of the system,

hapū, iwi, Māori service providers and hāpori Māori. Through this initiative, navigators are helping tāne and whānau Māori set goals, access services and maintain relationships and cultural connections with their whānau members.

- Iwi held a key role in developing and delivering the 2023 census. For the first time, the Data Iwi Leaders Group was part of the 2023 Census Programme Governance Board, underpinned by its existing Mana Ōrite Relationship Agreement with Tatauranga Aotearoa Stats NZ. Under that group's leadership, iwi collectives led the collection of census data in three locations. The information gathered in the census will help the Public Service understand and better respond to New Zealanders' future needs around things like infrastructure, health services and housing.



Ezra Schuster. Credit: Adrian Heke

Ultimately, it's about getting the right people at the right table at the right time – and it won't always be the same people.”

Ezra Schuster

Enabling and empowering our regions

For Ezra Schuster, Regional Commissioner for Waiariki / Bay of Plenty, success comes down to building strong relationships.

“We're moving from good transactional relationships to longer-term, trusting, enduring, honest relationships. And that's built on meeting *kanohi ki te kanohi* and *mana to mana* over a period of time – it's not instant”.

“We are growing in confidence, but I don't take that for granted.”

Ezra is one of 12 Regional Commissioners working across the 15 regions of Aotearoa New Zealand.

Employed by individual government departments, the regional commissioners help link Public Service efforts with those of stakeholders in the community to define priorities and improve services and outcomes.

“Ultimately, it's about getting the right people at the right table at the right time – and it won't always be the same people. There are big differences between dealing with issues like COVID-19 and mental health or family violence, for example.

“But the principle is the same: connecting the right people to get the best outcomes for communities.”

The approach acknowledges that *iwi* and other Māori groups and regional stakeholders (including Pasifika, local government, business and other ethnic and community groups) know the realities of their communities and hold valuable insights into what can work to improve their wellbeing.

“There's a Samoan proverb: ‘*E fofo le alamea le alamea*’. It means our communities know the answers, our *iwi* leaders have the solutions; so it's very much about connecting the dots to allow those solutions to be put into practice,” says Ezra.

Te āwhina i te Ratonga Tūmatanui ki te tuku hua whai kiko mō ngā tāngata o Aotearoa

Helping the Public Service to deliver more effectively for New Zealanders

New Zealanders are facing even more complex challenges that require more specialised responses. The Commissioner expects the Public Service will continue to strengthen its focus on working flexibly and collaboratively so it is ready to adapt and respond to these challenges.

In the last 12 months, the Commission has continued to lead across, review and improve the Public Service to deliver more effectively for New Zealanders. This builds on new tools which were created in the Public Service Act 2020, which enable different parts of the Public Service to organise in new ways to respond to issues and drive better outcomes for New Zealanders.

Strengthening Public Service leadership

The Public Service needs to ensure it has the leadership and capabilities necessary to be able to respond to the challenges New Zealanders face. The Leadership Strategy, developed during the last 12 months and released by the Commission in July 2023, describes how this leadership will be strengthened across the Public Service. The strategy aims to create a unified approach to building the culture, capability and agility of Public Service leadership.

Te Ohu Tumu Whakarae i te Ratonga Tūmatanui Public Service Leadership Team (PSLT) is a key part of this strategy. This is the group of chief executives brought together by the Commissioner under the Public Service Act 2020 to collectively lead and steward the system. This group achieves its goals through fortnightly meetings to share context

and discuss priorities across the Public Service and takes opportunities to learn and grow through specific workshops, masterclasses and quarterly retreats. Through these events, chief executives can share their own lessons, expertise and experience with their colleagues to support each other in dealing with common issues.

Some of the topics covered over the last 12 months have included capturing valuable lessons from the COVID-19 response through a series of workshops, sharing international perspectives from engagements with chief executive overseas and focusing on how to work most effectively through interdepartmental executive boards.

Below the chief executive level, Te Pae Turuki Public Service Leaders Group (PSLG) brings together senior leaders from the most complex and influential leadership roles across Public Service departments, departmental agencies, Ngā Pirihimana o Aotearoa New Zealand Police, Te Ope Kātua o Aotearoa New Zealand Defence Force and some large Crown agents. The group supports these leaders to work as a team to provide strong, unified leadership across the Public Service.

The PSLT engages with this group of senior leaders through *Whakapakari* (an e-newsletter), online events and Te Pae Aramahi Development Boards. The PSLG event in May 2023 provided an opportunity for leaders to hear directly from the Prime Minister and the Minister for the Public Service about their expectations.



Driving better Public Service performance

The Commission has an ongoing role in driving the Public Service to perform more effectively for New Zealanders and ensure it is well equipped to continue doing so in the future.

In the last 12 months, we have taken a stronger focus on building future capability within and across Public Service agencies.

We launched the Capability

Review Programme this year. This tool builds on the previous Performance Improvement Framework reviews to focus more on assessing the capabilities that Public Service agencies need to deliver effectively for New Zealanders. The first three reviews are currently underway at Te Manatū mō ngā Iwi o te Moana-nui-ā-Kiwa Ministry for Pacific Peoples, Te Manatū Waka Ministry of Transport and Te Tari Taake Inland Revenue (Inland Revenue). The Commission is also developing a System Capability Model, which will help assess and build capability across multiple parts of the Public Service, and we aim to finalise this model in late 2023.

A key focus in this work is making sure New Zealanders get value for their money. Over the last 12 months, the Commission and Te Tai Ōhanga The Treasury have worked together to improve fiscal management and efficiency in the Public Service. One example is the development of the Fiscal Sustainability and Effectiveness Programme, which aims to improve efficiency in the Public Service through better workforce planning, improved scrutiny of Budget proposals and lifting expectations for agencies around fiscal management. This programme will be implemented through the next financial year.

The Commission is also improving government's and New Zealanders'

Te Pae Aramahi Development Boards allow chief executives to steward the development of current and future senior leaders for the benefit of their agencies, the Public Service and New Zealanders. This development support is focused on groups of leaders who are critical to achieving system priorities. Over the last year, these development boards have focused their efforts on developing Māori and Pacific leaders and leaders of other ethnicities within and outside the PSLG. This will help create a group of leaders that better reflects the communities they serve.

The Commission is also continuing to train and invest in leaders to ensure the Public Service is fit for the future. In the last 12 months, there has been a significant uptake in training and course development, where the Leadership Development Centre within the Commission has delivered 25 new and refreshed development programmes (up 28 percent) to more than 350 participants (up 35 percent) and completed 828 leadership assessments (up 26 percent) compared with the same period last year (2021/22). It is also building a stronger pipeline to invest in diverse current and future leaders in the Public Service, including core capability learning for all public servants.

access to high-quality data about our Public Service workforce. Over the last year, we completed a project to improve our data infrastructure, including a data warehouse and creating new pipelines to enable us to access administrative workforce information from Public Service agencies. These improvements will enable us to collect this information quarterly rather than annually, which will provide greater transparency to the public and give us the ability to respond to workforce movements in real time.

Setting clear expectations for Crown entities

Statutory Crown entities are often the ‘face of government’ for New Zealanders and deliver services across almost all areas of life, including public health, education, transport and housing, along with regulating a range of sectors and industries. New Zealanders can and should expect similar standards of integrity and performance from Crown entities as they do from agencies in the core Public Service.

The Public Service Act 2020 formally recognises the role Crown agents play as part of the Public Service. It subjects the wider group of Crown entities to minimum standards and guidance on integrity issued by the Commissioner.

The Commission established the Crown Entity Resource Centre in 2021 to better support Crown entity performance, appointments, governance and monitoring. In the last 12 months, the Centre has taken a number of steps to help Crown entities understand and meet their responsibilities and work in ways that meet New Zealanders’ high expectations. This has included:

- releasing *Te Tūāpapa o te Mahi Tika: He Aratohu hei Aroturuki i te Hinonga Karauna – The Foundations of Good Practice: Guidelines for Crown Entity Monitoring*

- establishing the Future Directors Diversity Programme to support greater diversity on Crown entity boards, working with nominating agencies and Crown entity chairs
- releasing the “All-of-Government” *Requirements and Expectations on Statutory Crown Entities* to provide greater clarity about expectations for Crown entity boards and the agencies monitoring them
- delivering targeted guidance and support on the general election for Crown entity boards, with a particular focus on political neutrality
- supporting the delivery of the new Postgraduate Certificate in Public Management for Crown Entity Monitors with the Wellington School of Business and Government at Te Herenga Waka Victoria University of Wellington
- supporting Iti Kōpara – Public Governance Aotearoa to develop tailored governance training for current and aspiring Crown entity board members.

Organising the Public Service to deliver

Interdepartmental executive boards

Many of the biggest challenges facing Aotearoa New Zealand sit across different government portfolios. The Public Service Act 2020 enables the creation of interdepartmental executive boards to help Public Service chief executives work together to address complex issues that cannot be solved by a single agency. The model encourages chief executives to collaborate on strategic policy, planning and budgeting.

There are currently five interdepartmental executive boards. These include the new Digital Executive Board, which is leading and managing the improvement of digital public services to ensure they are modern, cohesive, secure and effective for New

Zealanders. The Spatial Planning Board (previously the Strategic Planning Board) and the Climate Change Executive Board have also refreshed their functions and mandate as they progress their work programmes and take a stronger focus on implementing the Spatial Planning Act 2023 and supporting national climate change adaptation respectively.

New Zealanders are already seeing results from the work of these boards. For example, the Border Executive Board has joined up multiple border agencies to manage our borders more effectively and keep New Zealanders safe. In the last year, the board has managed Aotearoa New Zealand's ongoing response to COVID-19, reopened the borders to resurging numbers of international visitors and kept our primary industries safe from threats such as foot and mouth disease.

The success of the Border Executive Board and others highlight the effectiveness of the interdepartmental executive board model at driving cross-agency collaboration. The executive boards help Ministers and stakeholders such as businesses engage with the Public Service through a single point of contact. They build collective ownership of shared goals and issues and ensure regular cross-agency engagement at a senior level, which can otherwise be difficult to achieve. More recently, the Commission has been working with existing boards to capture their practical lessons and experiences to support future boards.

System leadership

New Zealanders expect the Public Service to work effectively as a whole. In line with this, different parts of the Public Service should be sharing best practices, building capability and allocating resources efficiently.

The Public Service Act 2020 enables the Commissioner to designate any Public Service chief executive as a system leader, to work across agencies to lift collective

performance and achieve common goals. This model provides ways to improve services for New Zealanders, develop expertise and capability across the Public Service and improve efficiencies across agencies.

The Commissioner has designated seven system leaders. Five of these formalise previously existing leadership roles, including for property, procurement, digital, data and information security. The Commissioner has also established two new system leaders for service transformation and regional public services.

In the last 12 months, these system leaders have been focused on taking a stronger role in overseeing Public Service performance and better co-ordinating and prioritising significant investments in their areas. For example, agencies will now need to work with the Digital, Data and Information Security System Leaders on decisions about digital investments above a certain threshold.

The Government Chief Digital Officer has supported a new digital identity trust framework to better protect the privacy and security of information shared with government and a 'cloud first' policy to drive modernisation of Public Service systems. The Government Chief Data Steward has progressed important work on Māori data governance. The System Leader for Property has also progressed work on a centralised approach to office accommodation for the Public Service. These changes are helping to make sure cross-government decisions are more consistent, co-ordinated and efficient, in line with what New Zealanders expect.

Regional leadership

Many of the issues that are important to New Zealanders, and the challenges they face, are increasingly specific to the regions and communities they are part of. For example, the recent severe weather events have had uneven impacts and have

been most strongly felt by certain communities. To serve New Zealanders well, different parts of the Public Service need to be able to collaborate at the regional level and organise effectively around specific communities' needs and aspirations.

The Public Service has been taking steps to achieve this. In 2021, Cabinet agreed to formally designate the existing regional Public Service leaders as Regional Commissioners. This strengthened their mandate to work with iwi, local government and community leaders to set regional Public Service priorities that reflect communities' needs and co-ordinate planning and delivery of services, while connecting back to national-level decision-makers when needed.

In the last year, the Regional Commissioners have played a critical role in the immediate response to the severe weather events and worked alongside Civil Defence and the National Emergency Management Agency on a co-ordinated recovery effort for impacted regions. They are also working with regional groups to co-ordinate work towards social, economic, skills, workforce and environmental priorities and to improve outcomes for Māori by strengthening partnerships based on Te Tiriti o Waitangi. For example, they have worked alongside the Queenstown Business Chamber of Commerce to support workforce planning in the Queenstown Lakes District Council area, and with New Zealand Police, iwi, non-governmental organisation and agencies in Southland to minimise the impact of organised crime.



Workforce Mobility Hub

The Public Service needs to be more agile so it can provide support where it is needed most and respond to unpredictable events. One way to achieve this is to increase interoperability between Public Service agencies and make it easier for public servants to move across the system.

The Workforce Mobility Hub has been a key mechanism for achieving this. The Hub was established in 2020 to support the response to COVID-19. It works between agencies to enable the rapid mobilisation of staff across the Public Service. This helps agencies ensure critical services continue to be delivered during rapid 'surges' in demand.

As noted earlier in this report, the Hub had a key role in supporting the National Emergency Management Agency to move public servants around the country to respond to the immediate impacts of Cyclone Gabrielle. It is now developing a stronger system-wide approach to resource national crisis responses, which will include a digital platform for managing surge workforces. This platform will also enable public servants to be deployed within the Public Service where specific capability or capacity is needed to deliver on Government priorities.

TE HOROPAKI | CASE STUDY

The importance of learning for leaders

Brijesh John, Domain Lead, Technology Architecture at Inland Revenue, completed the Leadership Development Centre's Te Manutaki New Senior System Leader Development programme in May.

Brijesh found connecting with other senior leaders from across the Public Service invaluable.

“I learnt a lot from hearing different people's perspectives and really enjoyed the collaborative discussions. As we progressed through the programme, people really opened up. With us all at a similar level, you could clearly explain some of the challenges, whether it was managing up, leading mitigation of operational risks, setting direction or enabling people and systems.

“Through the programme, I gained a wider perspective and realised I can have more informal conversations across the Public Service to discuss issues and solutions. Thinking about things from another

agency's perspective or the Public Service in general was beneficial. It also gave me more confidence to push system outcomes and have those conversations in a more confident manner, knowing you are backed at a public sector level by government priorities.”

The programme includes four facilitated days centred around system priorities and transition conversations with an executive coach. As a busy senior leader, it's not always easy to prioritise development, however, Brijesh believes learning must be a priority for leaders.

“Reflecting on what one of the guest speakers said on the programme, it's about being humble and recognising you don't know everything. When you get this opportunity for focused learning time, jump on it! Also, have confidence that your manager and other leaders will appreciate that you need to learn. Trust your team and delegate as necessary to make time for learning.”



Brijesh John



Have the confidence that your manager and other leaders would appreciate that you need to learn. Trust your team and delegate as necessary to make time for learning.”

Brijesh John

Kia kanorau, kia matatika | A diverse, fair and equitable public service

Enabling the creation of a diverse, fair and equitable public service workforce that is best-placed to serve New Zealanders

Public servants are the heart of the Public Service. The work they do every day and the spirit of service they bring to their work are the reason the Public Service is able to make a difference for New Zealanders. Public servants need to be well supported and recognised for what they do so they have the capabilities they need and can focus on addressing the issues that matter. It is also important that New Zealanders can see their own communities reflected in the Public Service so they can trust that it will understand and respond to what is most important to them.

Creating fairer and more equitable workplaces

Public Service chief executives have responsibilities under the Public Service Act 2020 to act as good employers and

create a fair and supportive working environment. The Commission has a role in helping ensure the wider public sector workforce is highly skilled, agile, adaptive, diverse, equitable and inclusive, supported by strong employment relations practices and is supportive of Māori Crown relationships. These are all necessary features of a workforce that is capable of meeting New Zealanders' changing priorities and needs.

The delivery of the Public Sector Pay Adjustment throughout the last 12 months has been a major focus. This pay adjustment was available to a large portion of the public sector workforce and has helped provide greater certainty for workers, their employers and the New Zealanders who depend on their work. The Commission had a key role in advising Government on the pay adjustment, engaging with unions and employers at a system level and supporting the negotiations across different parts of the public sector.



We have also continued to make progress in reducing gender and ethnic pay gaps in the Public Service. Guided by *Kia Toipoto – Public Service Pay Gaps Action Plan 2021–24*, in the last 12 months, we published guidance for agencies focused on addressing bias, achieving equitable pay, developing annual pay action plans, improving workforce and leadership representation and ensuring recruitment and career development is fair and equitable. The Pay Equity Taskforce in the Commission also supports and advises agencies as they respond to particular pay equity claims, which could have significant impacts on closing these pay gaps.

These actions have had real impacts in ensuring the Public Service is a fairer and more equitable place to work. We are now seeing that:

- the gender pay gap is the lowest it has ever been at 7.7 percent, down from 12.2 percent in 2018
- the pay gap for Māori public servants is also the lowest it has ever been at 6.5 percent, down from 11.2 percent in 2018
- the pay gap for Pacific public servants has fallen to 17.7 percent, down from 21.6 percent in 2018
- the pay gap for Asian public servants is now 12.4 percent, compared with 11.6 percent last year and 12.6 percent in 2018.

Because younger public servants are more likely to be Pacific, Asian or Middle Eastern, Latin American or African (MELAA), the average salaries of public servants of these ethnicities are comparatively lower, and this may be slowing improvements in these pay gaps.

Reflecting the communities we serve

New Zealanders expect the Public Service to reflect and understand the needs of the communities it serves. The Public Service Act 2020 places responsibilities on the Commissioner and on chief executives to work towards achieving this.

Creating a diverse and inclusive Public Service helps ensure it has the capabilities it needs to serve New Zealanders well. When New Zealanders feel that they are represented in our public institutions, they are more likely to trust those institutions and be willing to participate in government processes. Making sure public servants feel safe, included and supported in their workplaces is also part of the responsibilities that Public Service leaders hold as good employers.

Papa Pounamu is a group of Public Service chief executives who are responsible for setting the diversity and inclusion work programme for the Public Service. Papa Pounamu has set five commitments for improving diversity and inclusion, which all chief executives have agreed to make mandatory within their agencies. These commitments are focused on addressing bias, building relationships, improving cultural competence, fostering employee-led networks for like-minded groups of public servants and supporting inclusive leadership.

This work is continuing to change what the Public Service looks like and who holds leadership roles across the system. Public Service agencies have made progress against the Papa Pounamu commitments over the last 12 months, and as a result, the Public Service is now more diverse than ever before. Some of the key areas of progress we are seeing are described below:

- The Public Service has achieved and maintained gender diversity in chief executive and senior roles. The



percentage of women in the top three tiers of leadership now sits at 55.8 percent, up from 53.5 percent in 2021. The gender pay gap among senior Public Service leaders has also halved in the last five years.

- Māori now hold 13.5 percent of the top three tiers of leadership roles, while the actual number has almost doubled since 2016. In the Public Service, 18 percent of chief executives identify as Māori, compared with 14.5 percent of the overall working population in Aotearoa New Zealand.
- Initiatives to attract and retain diversity in the Public Service, and the pipeline of future leaders, are showing some impact, with 14.9 percent of new recruits identifying as Asian. Both Māori (16.4 percent) and Pacific (10.2 percent) representation in the Public Service workforce have increased over the past year and remain high compared with the overall working-age population.
- All Public Service agencies now have a Whāinga Amorangi plan, endorsed by Te Arawhiti Office for Māori

Crown Relations (Te Arawhiti), for how they will improve their Maori-Crown capability. Sixty-five percent of public servants feel encouraged and supported to use te reo Māori at their workplaces and ensure Māori views and perspectives are considered in their work.

- Public servants are increasingly able to access employee-led networks that can help them connect, share ideas and support each other. There are now nine cross-agency networks that are influencing practices and policies for a fairer, more equitable and inclusive Public Service. These include networks for women, Māori, Rainbow communities, disabled, Asian and Pacific peoples. Networks focused on neurodiversity, mental health, age and life stage, faith and other ethnicities are also emerging.

While the Public Service is making progress, more work is needed to ensure all its employees feel safe, supported and included. The Commission is working on a more focused approach for increasing diversity for disabled people and Rainbow communities within the Public Service.

TE HOROPAKI | CASE STUDY



Deputy Director-General Lisa Fong (second right) and members of the National Cyber Security Centre.

“We recognise the private sector is key in our mission towards a cyber-resilient New Zealand.”

Lisa Fong

Strengthening our cyber defence capabilities

Aotearoa New Zealand’s cyber defence capabilities have been strengthened thanks to a collaboration between Te Tira Tiaki Government Communications Security Bureau’s National Cyber Security Centre and their industry partners.

Malware Free Networks® (MFN®) provides near real-time threat intelligence to industry partners, who then use it to protect their customers’ networks. Since launching in December 2021, MFN® has disrupted nearly one million cyber threats.

The MFN® threat intelligence service can be integrated with other systems and platforms to increase the range of malicious activity customers are defended against. MFN® brings these cyber security capabilities to a large number of nationally significant Aotearoa New Zealand organisations.

National Cyber Security Centre Deputy Director-General Lisa Fong says collaboration and partnership between government and the private sector is key

to increasing Aotearoa New Zealand’s cyber security resilience.

“We are really proud of what we have been able to achieve with MFN® – connecting the private and public sectors to scale our cyber defence impact. Through our MFN® partners, we are able to take cyber threat information from a range of sources, including the operation of our own capabilities and our international partners, and use it to help defend Aotearoa New Zealand organisations.

“We recognise the private sector is key in our mission towards a cyber-resilient New Zealand. By providing them with high-quality cyber threat information that they can readily use to help protect their customers, in tandem with other commercial products, makes a real difference in the long term.

“When we launched MFN®, we knew this would be a real change for New Zealand’s cyber security posture, and our ability to have impact at scale and speed would grow enormously.”



Border Executive Board: (L to R) Chris Seed (CE MFAT), Ray Smith (CE MPI), Fiona McKissock (Lead of BEB Executive), Christine Stevenson (CE NZ Customs), Carolyn Tremain (CE MBIE) and Peter Mersi (CE IRD).

Delivering an integrated and effective border control system

The Border Executive Board is leading the delivery of an integrated, effective, safe and smart border system that enables the prosperity and security of Aotearoa New Zealand.

The interdepartmental executive board brings together chief executives from six agencies across the Public Service that have responsibility for a border function. Those agencies are: Customs (Chair), Ministry of Business, Innovation and Employment, Ministry of Foreign Affairs and Trade, Ministry of Health, Ministry for Primary Industries, and Ministry of Transport.

This cross-agency leadership and joint accountability model has enabled the agencies to be clear about their contribution and has resulted in a modern border that is increasingly integrated for both travellers and traders.

The Board works to provide better social and economic outcomes for Aotearoa

New Zealand by helping connect the world through trade, travel and tourism, at the same time protecting our economy, society and biodiversity.

It played a critical role in the response to COVID-19 and continues to lead system improvements, such as the New Zealand Traveller Declaration, a digital arrival card that aims to help passengers move through airports more efficiently and improve the safety and security of Aotearoa New Zealand.

Other improvements include integrating health staff in the Integrated Targeting and Operations Centre to strengthen our border's risk management and response efforts, providing a coordinated border voice and engaging with the six major international airports to ensure their infrastructure meets the needs of border agencies.



Public Service Fale

Overview

**‘O le ala i le pule o le tautua.’
*‘The pathway to leadership is through service.’***

This well-known Samoan proverb captures the spirit of the Public Service Fale (the Fale) and our system leadership journey over the past 12 months. To best serve our Pacific partners, we have expanded our bilateral and regional support and, in so doing, deepened our relationships and knowledge of Pacific Public Service Commissioners’ (Pacific Commissioners’) contexts, needs and aspirations. We have taken a whole-of-government approach to delivery and strengthened our impact as a regional public service hub by undertaking more of our work face to face in Pacific countries and hosting Pacific public service colleagues in Aotearoa New Zealand.

The Fale was established in January 2020 as a business unit within the Commission at the request of Pacific Commissioners. We work with 16 Pacific Commissioners, helping them attain their goals of strengthening public services for their citizens. We do so first and foremost by taking a Pacific-led approach to all our work. This means our Pacific partners

set our priorities, and we organise our collective efforts to meet their needs.

Our work programme is supported by a representative governance board of Pacific Commissioners from across the Pacific region, with Aotearoa New Zealand and Australian public service commissions sitting on the board as observers. The board is chaired by Hon Luamanuvao Dame Winnie Laban DNZM, QSO.

Priority areas for Pacific Commissioners in the past 12 months have been: leadership development investment, initiatives to strengthen governance of public service institutions (including through public service reform), organisational design, and integrity and ethics advice and support. Digital solutions and using technology effectively to enhance public sector delivery have also been important and growing areas of focus.

To understand the Fale’s impact from the perspective of Pacific Commissioners, we undertook a mid-cycle evaluation conducted by an independent provider to inform decisions about future direction and investment for the Fale. The evaluation included interviewing Pacific Commissioners, the Ministry of Foreign Affairs and Trade and other key



Kiribati Public Service Office and the Public Service Fale, Public Service Commission

stakeholders. Their recommendations and an implementation plan will be further developed in the coming financial year.

Deepening regional and bilateral Pacific Public Service Commission support

This year, to expand our regional connection into Micronesia and deepen bilateral support, the Fale travelled to Kiribati to support that country’s key priorities related to organisational reviews, agency performance assessments, and integrity and ethics. Kiribati has an unreliable internet connection, so face-to-face workshops, practical, hands-on sessions and direct access to topic-specific support were a great help in supporting the Kiribati Public Service Office to build capability. The office not only valued the tools and methodologies we introduced but also appreciated the advice and collegial exchange of ideas, approaches and the close relationship they were able to build with our team.

A whole-of-government approach to advice, support and delivery

This year, to leverage the Fale’s connections across the Pacific and with the Aotearoa New Zealand Public Service and to further our whole-of-government approach to delivery, we partnered with the United Nations Development Programme (UNDP), the Pacific Maritime Safety Programme (PMSP) of Nō te Rere

Moana Aotearoa Maritime New Zealand and He Manawa Tītī programme of the Ministry of Foreign Affairs and Trade.

Since 2022, we have supported the UNDP’s Pacific Office in Fiji (funded by the Ministry of Foreign Affairs and Trade) to build an integrity and ethics framework, based on our own [Pacific-wide Code of Ethics for Public Servants](#). The framework was launched in early July 2023 and piloted with the Fiji Independent Commission Against Corruption and in the Solomon Islands, receiving positive feedback to date.



We travelled with Maritime New Zealand’s PMSP to Niue to promote our online learning platform, FaleOnline and launch PMSP’s e-Learning modules, which are hosted on the site. This visit was our first in-country engagement since the COVID-19 travel restrictions were lifted. This in-person engagement helped us strengthen and build new relationships with our counterparts in Niue and other public service employees, in particular

those working in the maritime safety environment. As a result of this work, one-quarter of the Niuean public service registered an account with FaleOnline, and these public servants now have access to on-demand capability building content, including maritime safety learning.

We also provided support for the Ministry of Foreign Affairs and Trade's He Manawa Tītī scholarship programme for 28 young leaders between the ages of 25 and 35 years from Fiji, Samoa, Tonga and Tuvalu. We offered a day discussing cultural leadership considerations and a day learning about leadership in the Public Service, which comprised classroom-based leadership development, a visit to the Commission and a leadership practice session with the Fale's Deputy Commissioner. Feedback from programme participants was positive with anecdotal requests for more time to be allocated to these activities in future programmes. During the programme, we provided an opportunity for one participant to meet with Customs to learn about their human resources

management and information systems and online recruitment platform.

Strengthening our impact as a regional public service hub, working face to face

In November 2022, the Fale hosted the first in-person meeting of the Fale governance board in Wellington. All board member countries were represented (Samoa, Tonga, Papua New Guinea, New Caledonia, Niue, Kiribati and the Federated States of Micronesia). Meeting face to face helped the board strengthen relationships, not only with the Fale but also more broadly with the Commission, and gave board members the opportunity to engage directly with each other and as a governance body. The visit also featured meetings with the Minister for the Public Service (Hon Andrew Little) and Minister of Foreign Affairs (Hon Carmel Sepuloni) to discuss public service issues across the Pacific region, meetings with the Fale to advance priority areas of work and meetings with Pacific diplomatic representatives resident in Wellington, via the Pacific Heads of Missions group.



Niue Public Service Commission, Maritime Safety Programme Maritime NZ, and the Public Service Fale, Public Service Commission.



Minister for the Public Service, Hon Chris Hipkins, Minister of Foreign Affairs and Trade, Hon Nanaia Mahuta, Members of the Public Service Fale Governance Board and the Public Service Fale.



Mr Gary Juffa, Governor Oro Province, Government of Papua New Guinea, Deputy Commissioner Public Service Fale, Ms Tania Ott, Mr Jordan Aquila, Advisor, Mr David Sode, Programme Director, Papua New Guinea.

That same month, we hosted an official visit by the Chair of the Papua New Guinea Special Parliamentary Committee on Public Sector Reform and Service Delivery, Hon Gary Juffa, and members of his team, who visited Aotearoa New Zealand and the Fale to further develop their roadmap for reforming and strengthening the Papua New Guinea public sector. Along with meeting Fale officials, the visiting delegation also met

with the Speaker of the Aotearoa New Zealand House of Representatives, Rt Hon Adrian Rurawhe.

Being able to engage face to face once more with our Pacific counterparts, following the lifting of COVID-19 travel restrictions, was important in strengthening our relationships across the region.

TE HOROPAKI | CASE STUDY



Mary Soonaoso



“When Pacific languages are heard, spoken and celebrated, Pacific communities thrive. When our Pacific communities thrive, Aotearoa is a better place for all of us.”

Mary Soonaoso

Unlocking the power of language

Mary Soonaoso Tiumalu and her team are leading the strategy to revive and maintain Pacific languages in Aotearoa New Zealand.

Mary is the Language Strategy and Development Manager at the Te Manatū mō ngā Iwi o te Moana-nui-ā-Kiwa Ministry for Pacific Peoples.

She leads a team of five responsible for Leo Moana o Aotearoa – the Pacific Languages of Aotearoa Survey, the first national project of its kind to investigate the use and attitudes towards nine Pacific languages.

It’s a big piece of research work and runs alongside the Pacific Languages Strategy Aotearoa New Zealand 2022–2032, which takes a long-term approach to coordinating support for Pacific languages across government, communities and other key stakeholders.

“When Pacific languages are heard, spoken and celebrated, Pacific communities

thrive. When our Pacific communities thrive, Aotearoa is a better place for all of us,” says Mary.

In September 2022, Mary was named Te Tohu mō te Kaiārahi Rangatahi o te Tau Young Leader of the Year at Te Hāpai Hapori Spirit of Service Awards, which recognise public servants and initiatives that exemplify the spirit of service and demonstrate an outstanding commitment to Aotearoa New Zealand.

In her citation, Mary was praised as “a selfless leader who works to create real and long-lasting change for Pacific communities in Aotearoa New Zealand”.

“Her spirit of service is underpinned by the values of alofa (compassion for others), fa’aaloalo (building trust and respect) and tauata’i (exemplary leadership).”

Mary says she is full of hope for the revitalisation and maintenance of Pacific languages in Aotearoa New Zealand.

**Te Kawa Mataaho
Public Service
Commission
- Tō Mātou
Whakahaere
Our Organisation**





Te Kawa Mataaho – Tō mātou whakahaere

Our organisation

The Commission provides leadership and oversight of the Public Service. Our organisation's key focus is to ensure the Public Service works as one system focused on delivering the outcomes and services that New Zealanders want, need and expect while maintaining high levels of trust and confidence.

We lead the public sector while protecting and enhancing the standards of integrity and conduct that are at the heart of what we do. Our organisation sets the course, role models what good looks like and leads the system to deliver the results and services that matter to New Zealanders. Working with us is about being part of a small agile team with a big ambition. Our ambition means we enable our people to push the boundaries and strive for better, while encouraging our colleagues across other agencies to do the same.

We continue to grow our organisation's capability to deliver and perform at its best. Organisational health, continuous improvement of the operating model and modelling best practice for the Public Service are important parts of the Commission being ahead of the game, fit for the future and enabled to lead

and serve. Over the last year, through a deliberate organisational development plan, we have achieved progress across key areas of our organisational capability and performance, including:

- **building a modern and flexible workplace** that is a great place to work and be productive, based on an inclusive, respectful and positive working environment, including **providing trusted advice, tools and information**
- developing assurance and accountability, role modelling and **keeping our organisation safe, resilient and sustainable.**
- **growing an agile, diverse and capable workforce**, supporting diversity, building cultural competency and eliminating the pay gaps (including our gender and ethnic pay gap action plans, progressing Papa Pounamu diversity and inclusion priorities and implementing Te Angitū, our Māori strategy).

Collectively, our efforts are making a meaningful difference for New Zealanders.

Building a modern and flexible workplace

We continue to improve our physical workplace design to help us use our footprint as efficiently as possible, collaborate smoothly across our organisation and deliver our best work.

Our office layout enables activity-based working through the various settings across our office, from silent working areas, open collaboration areas and gathering areas to desk-based work. Pairing our meeting spaces with smart technologies has allowed us to connect remotely with others easily and efficiently, modelling how the Public Service of the future will work – providing flexible, accessible, technology enabled workspaces that support hybrid working arrangements. This vision of how the Public Service will work underpins our future accommodation strategy. We continue to work with the Government Property Group to support the development of a hub where Public Service agencies can co-locate and collaborate as we progress to a more unified Public Service.

Part of providing a great place to work is ensuring we meet our health and safety obligations. This year, we have refreshed our health, safety and wellbeing policy and revitalised our Health, Safety and Wellbeing Committee. Our continuous improvement approach includes reviewing our risk register, ensuring all our representatives, first aiders and wardens are properly trained and improving our processes for inspecting our workplace and raising awareness of incidents.

Providing trusted advice, tools and information

Enhancing the digital experience and maturing our digital capability have been at the cornerstone of improving our organisational efficiency and supporting us to better engage across the Public

Service and deliver better services for Aotearoa New Zealand.

Key achievements include:

- our new publicservice.govt.nz website and digital presence
- linking the Public Service through collaboration platforms such as Microsoft Teams
- automating corporate processes, such as new staff onboarding
- developing a new foundational digital platform, utilising customer relationship management (CRM) technology and a data transformation project to enhance how we collect and manage information on public service leaders and more frequent updates to workforce data.

Our people have been able to make good use of digital collaboration and communication tools to lead workshops and meetings across the Public Service and with our Pacific partners and the public. This has included promoting our election guidance and delivering trust and confidence workshops. We continue to keep abreast of changes to the technology ecosystem and make sure our channels and platforms are fit for purpose in a modern hybrid world.

Our focus going forward will be on ensuring digital maturity within the Commission is as good as we can make it. Giving our people the knowledge and confidence to use available tools and platforms is key to our success as a system enabler and maximising our productivity. Another key focus will be automation to encourage better efficiencies across the Commission, creating an environment where we can add the most value and do our best work.



Bill Moses

Our digital workplace has become simpler, safer and smarter. People have all the tools and resources they need to collaborate.”

Bill Moses

The importance of collaboration

Collaboration is essential for the Commission and the wider Public Service to achieve great outcomes for New Zealanders.

Over the past three years, we have increased our digital maturity, with new Microsoft technologies that let our people work together effectively and securely online.

“Our digital workplace has become simpler, safer and smarter,” says Chief Digital Officer, Bill Moses. “People have all the tools and resources they need to collaborate. They don’t have to switch between multiple systems or remember lots of passwords. They can co-author documents, plan their projects and even use emojis and gifs for casual conversations.”

Improving cross-agency collaboration has been a high priority. The Commission is now digitally linked to more than 30 other

agencies. Our people can chat securely in real time to colleagues in other Public Service departments, communicate on video and share information to help improve services.

One cross-agency success has been the creation of a collaborative online learning space for the Public Service diversity and inclusion workforce. Around 100 public servants across the Public Service now use these resources, which include process guidance, training materials and shared documents.

The Commission has overcome many of the challenges to successful collaboration, and we aim to continue finding new ways to break down silos and enable public servants to engage and collaborate digitally.

Keeping Te Kawa Mataaho safe, resilient and sustainable

Strengthening our financial management capability is key to supporting our organisational delivery goals. We are committed to using our resources effectively and demonstrating efficiency and value for money.

We have initiated a structured work programme to ensure the Commission works sustainably and is able to manage current and future cost pressures. We have bolstered the capability and capacity of our finance function to ensure we work actively with budget managers to accurately forecast and support the Commission with effective financial management, reporting and controls.

We continue to build our procurement capability with a refreshed policy, new guidance documents and a new contracts module. The policy further promotes the Government's priorities of broader outcomes and progressive procurement while ensuring we remain compliant with procurement rules. Our new guidance documents support our people to run a robust procurement process that provides value to the Commission and is fair and transparent for suppliers. Our new contracts module enables better contract management by providing regular dashboard reporting to managers. The module also provides aggregate reporting for our leadership team to monitor contract spending across the Commission.

We are also working to improve our payment processes. The Government has set a target of 95 percent of invoices being paid within 10 working days. In 2022/23, we averaged 94.4 percent. Much of our effort in this space has shifted to e-invoicing, our preferred way to make payments and a priority area for the government. Our target (as set by the Government) is for 20 percent of invoices to be e-invoices by 1 July 2024, with 90 percent by 1 July 2026.

We continue to identify and harness opportunities to enhance our organisational performance and assurance environment to enable the Commission to lead the Public Service well. This year, we have reorganised and brought our planning and performance function together with our risk and assurance function.

Effective risk management is central to planning, resource allocation and decision-making. We have taken the opportunity to review our strategic risk register and commenced work on refreshing our risk policies and tools. Our protective security capability has matured as a result of a focused effort to develop new tools and resources along with raising education and awareness to embed a security culture and provide greater workforce assurance. We have also continued to progress our thinking and articulation of our performance reporting framework to meet new service performance reporting standards.

Learning and adapting from our COVID-19 experience, our business continuity framework allows us to quickly set up the right-sized response to an unexpected event, deliver our critical functions and continue to support and lead the Public Service (as for example during the response to Cyclone Gabrielle). We continue to evolve this plan to cover future scenarios, including greater resilience outside the Wellington region.

Growing an agile, diverse and capable workforce

Our vision is to attract, develop and retain the diverse and capable workforce we need to lead the Public Service. To do this effectively, we need smart, talented and driven people who are motivated by a spirit of service and thrive on complex issues, can see the big picture and inspire others.

Our plan Mahere Tāngata People Plan 2022–25 sets out our aspirations as an employer and our roadmap for growing a diverse and capable workforce that reflects the communities we serve and is driven to deliver the services they need. Key achievements include:

- establishing a Leaders' Community of Practice to connect leaders with our strategy, strengthen leadership practices and share learning on applied people leadership skills
- developing and publishing an integrated diversity, equity and inclusion (DEI) plan, bringing together our activities to create a more diverse workforce and leadership and create a fairer workplace with equitable pay and people practices and a workplace culture where everyone feels included, valued and comfortable being themselves at work
- refreshing our performance, development and progression policy and enhancing our core development offerings, supporting career progression and promotion
- enhancing our reporting to provide improved workforce data to decision makers
- improving our processes to support recruitment, onboarding and offboarding.

This year was significant in our employment relations environment as we negotiated the Commission's first collective agreement and implemented

the Public Sector Pay Adjustment (PSPA) for all employees. Through this work, we have sought to model approaches that drive greater consistency and commonality, helping make the Public Service an exemplar of modern, progressive employment practices and a great place to work. This delivers on system expectations, including the Government Workforce Policy Statement on the Government's expectations for employment relations in the public sector and Public Service Pay Guidance 2023, and ensures we achieve these priorities within the Government's fiscal context.

Te Angitū – Building our Māori Crown relations capability

Te Angitū, our Māori capability strategy, is building foundational cultural capability for our people. Our goal is to ensure our people can confidently understand, value and participate in te ao Māori in a way that enables our organisation to support the Crown in its relationship with Māori. This helps us meet our responsibilities under section 14 of the Public Service Act 2020, building and maintaining our capability to engage with Māori and understand Māori perspectives.

Te Angitū draws on the work of Te Arawhiti to transform leadership through Whāinga Amorangi, including the priority areas of te reo Māori and Aotearoa New Zealand history, including understanding Te Tiriti o Waitangi. Te Angitū incorporates Te Mahere Reo Māori, our Māori language plan, as part of our requirements under Maihi Karauna, the Crown's strategy for Māori language revitalisation.

We know, through our Te Taunaki Public Service Census (Te Taunaki) results, that 86 percent of our people value their knowledge of te reo Māori and/or wish to grow it. Te reo Māori is evident in the universal use of te reo job titles and group names, as well as waiata and tikanga at team meetings and events.

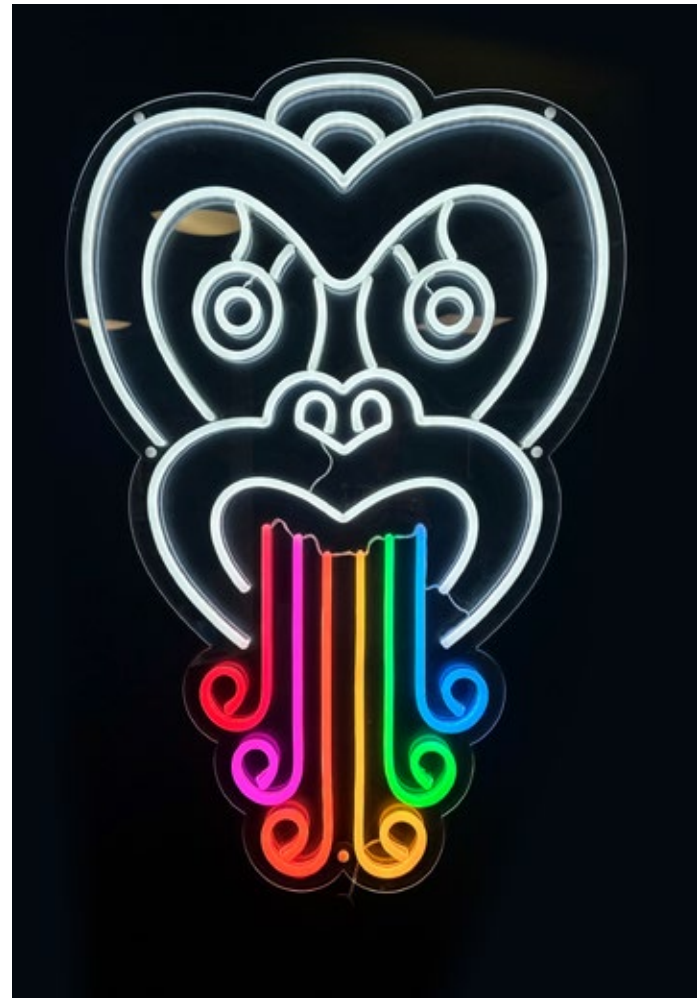
We have continued to meet our Te Angitū strategy's target of having at least 40 percent of current employees having completed level 1 or 2 foundational Māori cultural competency training incorporating te reo Māori, tikanga and Te Tiriti o Waitangi. This year, opportunities for developing capability have been expanded, with level 3 cultural competency classes provided as well.

We have embedded The Wall Walk® education programme as a core development offering in our organisation to raise our people's awareness of Aotearoa New Zealand's unique history of Māori Crown relations. In all, 72 percent of our people, including 50 percent of our leaders have now completed The Wall Walk® workshop. Participants have fed back that the programme has given them a better understanding of Aotearoa New Zealand history and the importance of Māori Crown relations.

Our cross-Commission team, Te Rōpū Angitū, helps champion the strategy, organise cultural events, celebrate good practice and support wider culture change across all our teams. Te Rōpū Angitū led our celebration of Te Wiki o te Reo Māori and Matariki celebrations. These milestones each year are valuable capability building opportunities, and all groups across the Commission are engaged in activities to help us to learn and participate in te ao Māori.

We also continue to participate in and contribute to sector group hui organised by Te Arawhiti and agency-wide hui organised by Te Taura Whiri i te Reo Māori Māori Language Commission, and our people attend public sector events such as Uhi Tai Maihi Karauna Language Symposium, which was held on 7 and 8 June 2023.

We have achieved Te Angitū measures of 100 percent of our employees attending at least one development opportunity to build Māori Crown capability through



a variety of activities, including courses, staff talks, events, workshops and conferences, and at least 60 percent of our people have completed The Wall Walk® workshop.

Encouraging diversity, equity and inclusion

Diversity, equity and inclusion are about reflecting and valuing the communities that we're here to serve, including people across all dimensions of diversity: gender, ethnicity, disability, Rainbow, age and more. At the Commission, we contribute to policy, services and outcomes that improve the wellbeing of Aotearoa New Zealand's communities. We also create a work environment that enables our people to thrive and perform at their best.

This year, we developed and published our first integrated diversity, equity and inclusion plan.

The plan brings together our activities and aligns them with three clear priorities. These are to be:

- diverse (creating a more diverse workforce and leadership that reflects, values and understands Aotearoa New Zealand society)
- equitable (creating a fairer workplace with equitable pay and people practices)
- inclusive (creating a workplace culture where everyone feels included, valued and comfortable being themselves at work).

This plan reflects and reinforces the Public Service Act 2020 (specifically sections 73 and 75), which covers promoting diversity and inclusiveness and good employer requirements. It aligns with our commitments under *Kia Toipoto | Closing Gender, Māori, Pacific and Ethnic Pay Gaps Public Service Action Plan 2021–24* and Papa Pounamu (the work programme that brings together diversity and inclusion initiatives across the Public Service).

The Papa Pounamu programme has five priorities – addressing bias, cultural competence, inclusive leadership, building relationships and employee-led networks. Our activities on each of these is described below.

Addressing bias

Completion rates for unconscious bias training remain at near 100 percent. New employees also complete Rainbow Tick training on understanding LGBTQIA+ (lesbian, gay, bisexual, transgender, queer or questioning, intersex, asexual and more) inclusion. We continue to address bias as we strengthen our people practices and foundations. Employee engagement and adopting best practice guidance have helped us identify potential sources of bias and achieve Kia Toipoto goals by refreshing our internal policies,



including recruitment, development and career progression. We are currently sourcing additional training on reducing the effects of bias in recruitment, which will be required training for all those involved in recruiting.

Developing cultural competence

This year, we completed the roll-out of the Mana Aki intercultural competence learning programme across all teams, achieving over 90 percent completion rate. Mana Aki explores what it means to act in a way that empowers people from all cultures, as the ability to act in a way that enhances mana is a key part of being

Ko te pūtake o te Ratonga Tūmatanui, ko te tautoko i te
kāwanatanga whai ture me te kāwanatanga manapori; ko te āwhina
i te Kāwanatanga o te wā nei me ō anamata ki te whakawhanake,
ki te whakatinana hoki i ā rātou kaupapa here; ko te tuku i ngā
ratonga tūmatanui e nui ana te kounga, e nahanaha ana anō hoki;
ko te tautoko i te Kāwanatanga e tūroa ai te whai oranga o te marea;
ko te huawaere i te whai wāhitanga o te kirirarau ki te ao tūmatanui
me te whakatutuki i ngā mahi i runga i tā te ture i whakahau ai.

PUBLIC SERVICE ACT 2020

interculturally competent. We are now planning to embed this programme into our onboarding and induction process to ensure all new employees take part.

We continue to support developing Māori Crown relations capability (see the earlier discussion on Te Angitū). Our employee-led networks have also helped us build cultural competence through the celebration of language weeks and key cultural festivals and events.

Encouraging inclusive leadership

Our leader-led approach models inclusive leadership, with our leaders delivering activities to their teams to build culture,

including the Mana Aki intercultural competence learning programme outlined above. Building on the roll-out of Inclusive Leadership Conversations to all leaders, we are planning to incorporate inclusive leadership principles into new leader induction sessions, with ongoing follow-up for all leaders as part of the monthly Leaders Community of Practice.

Our leaders participate in Leadership Development Centre (LDC) programmes at key transition points (such as when they become a new people leader or senior system leader). This reinforces our leadership expectations for inclusivity as inclusive leadership practices are



woven into all the LDC common and core programmes. All our deputy commissioners also demonstrate inclusive leadership through active sponsorship of employee-led networks.

Building relationships

Building culture is a key focus area in our Mahere Tāngata People Plan. We keep our workplace culture invigorated and alive with cross-organisational activities, such as weekly staff talks and celebrations of key events, such as ANZAC Day and Matariki. The opportunity to participate in cross-Commission team projects brings together diverse perspectives, skills and experiences. Teams are supported to

strengthen their cohesion and enhance their ability to work with diverse working styles and preferences. Together, this helps us actively connect with each other informally and formally to strengthen collaboration and maintain a positive workplace culture.

Supporting employee-led networks

Our internal-facing employee-led networks (ELNs) continue to mature and flourish. They include networks for women, Rainbow, Pacific peoples (our Oceans network), ALAAME (Asian, Latin American, African and Middle Eastern) and new professionals.



Wendy Thompson, Phoebe Lockett, Alana Fasavalu, Carin Sundstedt, Campbell Eccles, Thor Gudjonsson, Martine Hartley-Parsons and Dominic Godfrey.

Over the last year, we have focused on strengthening and supporting these networks through executive sponsorship and access to organisational funding, which supports their growth and development.

Our ELNs meet regularly and host organisational events, such as Pink Shirt Day, to raise awareness, educate and celebrate different cultures and identities. For example, this year, the Rainbow Network recognised Intersex Awareness Day and the International Transgender Day of Visibility. Our Oceans Network continued to actively support and promote Pacific language weeks. Our ALAAME Network hosted an Eid al-Fitr

celebration, sharing information about Eid along with halal food at the end of the fasting month of Ramadan.

We have also supported network members to participate in system events to help build their sense of belonging. Such events included the Women in Public Service Summit, which took place in November 2022, and the Cross Agency Rainbow Network Conference, which took place in June 2023.



Te Kawa Mataaho also strongly encourages us to bring our whole selves to work and allows people to be who they are.”

Campbell Eccles



Lily Gilchrist and Campbell Eccles

A great start

As a graduate fresh out of university, I am new to the Public Service and to the workforce. Since starting at the Commission, I have been fortunate to have multiple opportunities to develop my career and get involved in a range of events and activities, all of which have helped me understand more about the role the Commission plays in the Public Service.

The team I work in has fully supported the start of my working life with career development conversations, coaching and lots of on-the-job learning opportunities. The Public Service is a development-rich organisation, and I've attended vital educational sessions that have enabled me to learn more about Te Tiriti o

Waitangi, helping me better understand our responsibilities to our Māori Crown relationships.

The Commission also strongly encourages us to bring our whole selves to work and allows people to be who they are. I have also been supported to attend the Cross Agency Rainbow Network Conference, which was great fun and very insightful and provided me with important learnings that I look forward to helping implement here at the Commission.

I've had a great start to my Public Service career!

Campbell Eccles



Shanay Talopau



I quickly learned how policy can create positive change. This ignited my desire to pursue a career in the Public Service. ”

Shanay Talopau

From summer intern to a career in Public Service

I joined the Commission after completing Tupu Tai Pasifika Public Sector Summer Internship Programme. I feel very lucky to be able to serve as a public servant and continue my studies at the same time.

I am currently studying law and public policy, and from my experience at my internship, I quickly learned how policy can create positive change. This ignited my desire to pursue a career in the Public Service.

I came into my role without a lot of experience. However, my team (Information Technology Services) have a great team dynamic and have always been willing to help me grow, making the Commission an awesome working environment. There are so many development opportunities, including both learning on the job and events like The

Wall Walk® (the workshop designed to raise awareness of key events in Aotearoa New Zealand’s history) and a visit to the National Library of New Zealand’s He Tohu exhibition of He Whakaputanga, Te Tiriti o Waitangi and the suffrage petition.

Furthermore, the Oceans network helps me feel at home, and it is great having the visibility of people like me. It gives me a great sense of belonging and pride in who I am. Celebrating language weeks and other events shows who we are and builds other people’s understanding of and respect for our Pacific cultures. I really enjoy working here.

Shanay Talopau

Te Kawa Mataaho Public Service Commission

Demographic Profile

The Commission is a small, dynamic organisation, with regular movement of people including through secondments and fixed-term employment to enable delivery of time-bound projects. In the 2022/23 year, we had a small increase in our number of employees, with 6.5 more full-time equivalent (FTE) employees than the previous year.

Our workforce is made up of those supporting our core statutory work programme, as well as the additional functions that we host on behalf of the system:

- the Public Service Fale supports Pacific Commissioners (see more on page 34)
- the Employee-Led Networks Team supports cross-agency employee-led networks to create a fairer, more equitable, inclusive and diverse Public Service that reflects the communities we serve
- the Pay Equity Claim Team represents public sector employers through the public sector administration and clerical claim pay equity process
- the Leadership Development Centre delivers public sector leadership development programmes, resources and experiences

The composition of our workforce is described below.

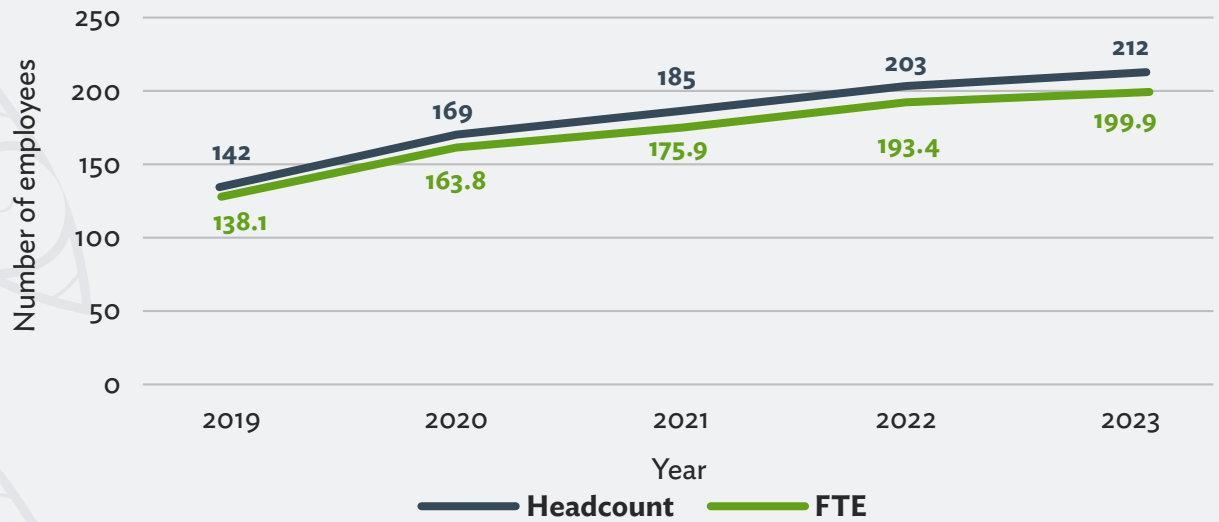
Highlights

- we have 212 employees working both full and part time. 39 employees (18 percent of our headcount) are working in recoverable functions
- 69 percent of our employees are female
- our senior leadership and management group is 52.5 percent female
- our workforce profile is becoming increasingly diverse, with increases in Pacific, Asian and other ethnicities since 2019
- our organisational structure is unique in that it includes three statutory officers (tier 1): the Public Service Commissioner and two statutory Deputy Public Service Commissioners.

Our workforce numbers

Figure 2: The Commission workforce headcount, including tier 1 statutory officers and seconded employees, as at 30 June 2023

These figures include functions hosted by the Commission on behalf of the Public Service.



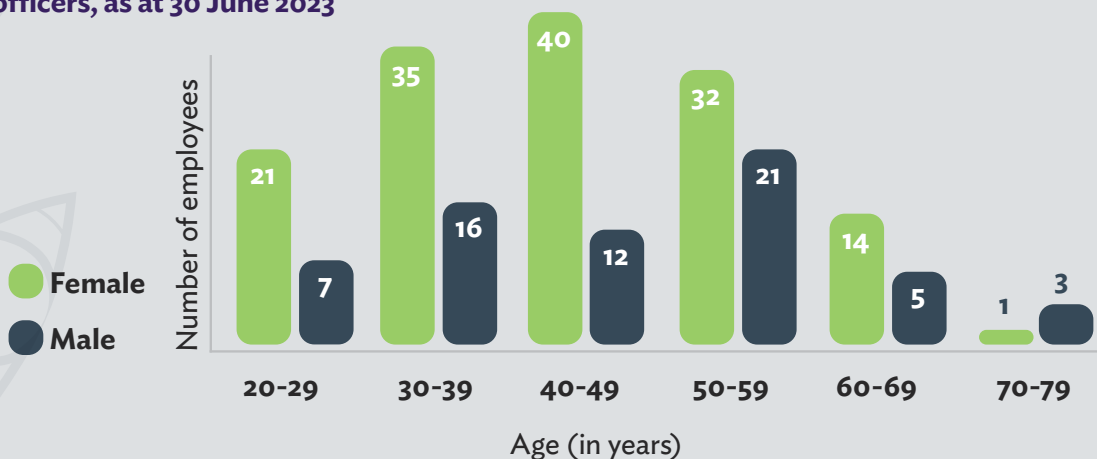
Gender representation by role

Our senior leadership and management* group (tiers 2 and 3**) is **52.5** percent female.

Two of our three tier 1 statutory officers are female.

50 percent of our Deputy Commissioners (tier 2) are female.

Figure 3: The Commission gender representation by age group, including tier 1 statutory officers, as at 30 June 2023



This chart excludes unknown/other genders

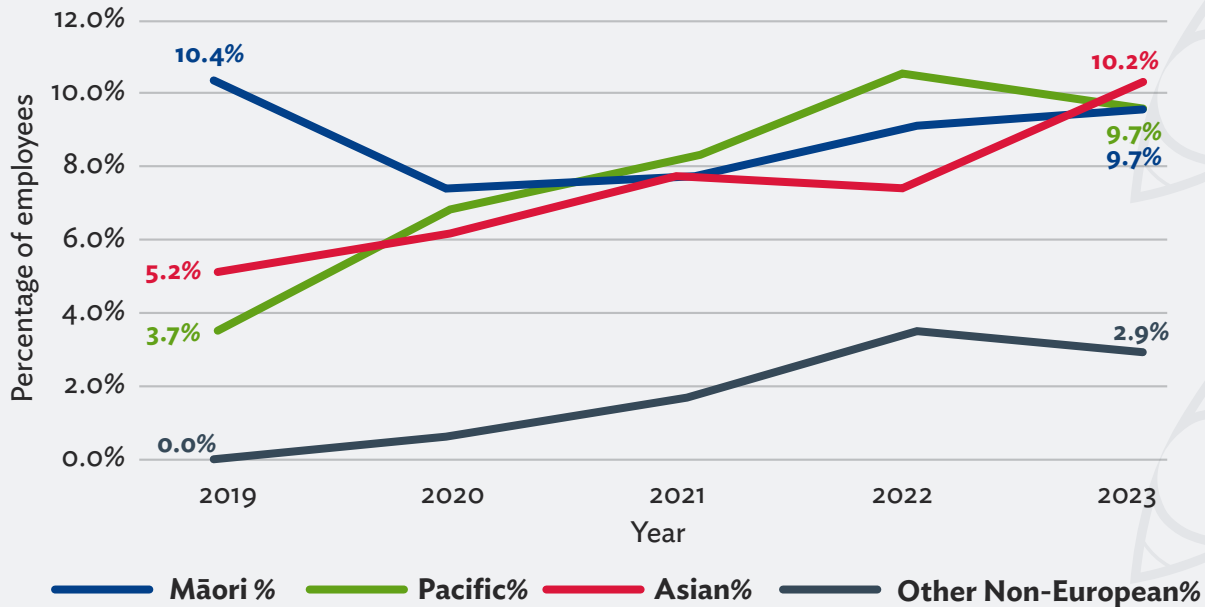
* Senior leadership includes assistant commissioners. Our management group includes people leaders but not chief advisors.

**Published workforce data metrics exclude tier 1 who are our three statutory officers (Public Service Commissioner and two Deputy Public Service Commissioners).

Our employee ethnicities

For the 2022/23 year, 97.2 percent of our employees disclosed their ethnicity. The data we report here is based on the number of employees who volunteered ethnicity information. Some people may have reported more than one ethnic group, which can result in numbers adding up to more than 100 percent.

Figure 4: Māori, Pacific, Asian and other non-European employees in the Commission, 2019–2023



In 2022/23, our senior leadership and management group (tiers 2 and 3*) comprised:

- European % 82.5%
- Māori % 20.0%
- Other ethnicities are suppressed in line with guidance to help protect privacy

*Published workforce data metrics exclude tier 1 statutory officers.

Pay gaps

We continue to build on the work we have done in previous years by putting in action Kia Toipoto Pay Gaps Public Service Action Plan 2021–24 (Kia Toipoto). Our integrated [Diversity, Equity, and Inclusion Plan](#) incorporates our gender pay action plan and continues to report and make progress on closing pay gaps, widening the focus to include gender, Māori, Pacific and other ethnicity pay.

Our gender pay gap

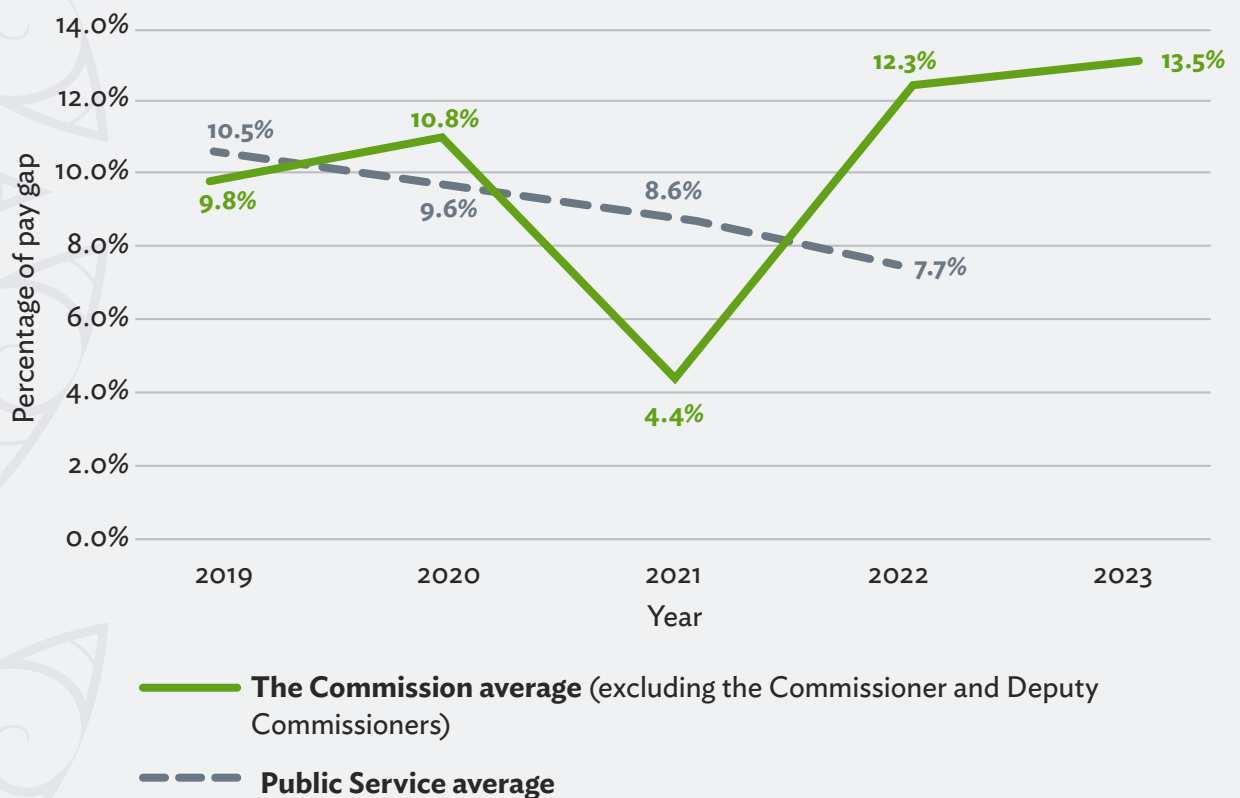
Our gender pay gap (using average pay) increased between 30 June 2022 and 30 June 2023 by 1.2 percent to 13.5 percent. The median gender pay gap for 2023 was 15.7 percent (in 2022, the median was 12.3 percent).

As a small organisation, we can expect our gender pay gap to be volatile because a variation across a small number of employees can have a significant impact. In addition, because our organisation is 69 percent female, the distribution across the organisation of our relatively small proportion of male employees can have

a disproportionate impact on our result. For example, while our senior leadership and management group* is 52.5 percent female and only 47.5 percent male, the men in the senior leadership and management group make up 30.2 percent of the total men in our organisation, while the women represent only 14.9 percent of the total women.

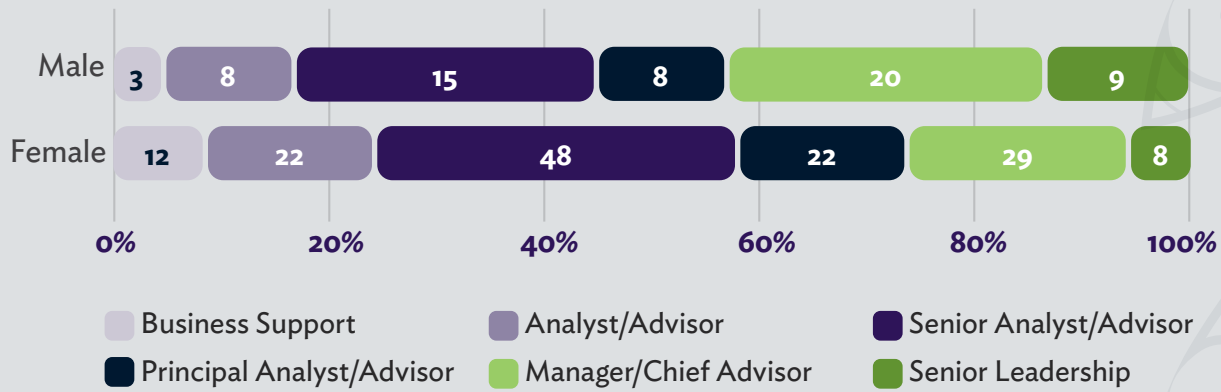
* Our senior leadership and management group comprises tiers 2 and 3, including people leaders and assistant commissioners but not chief advisors.

Figure 5: The Commission average (mean) gender pay gap, 2019–2023



The Commission is unusual in that our structure includes three statutory officers (tier 1 being the Public Service Commissioner and two statutory Deputy Public Service Commissioners) who are excluded from our organisational gender pay gap calculation. As both our Deputy Public Service Commissioners are female, removing their salaries significantly reduces the overall female average salary.

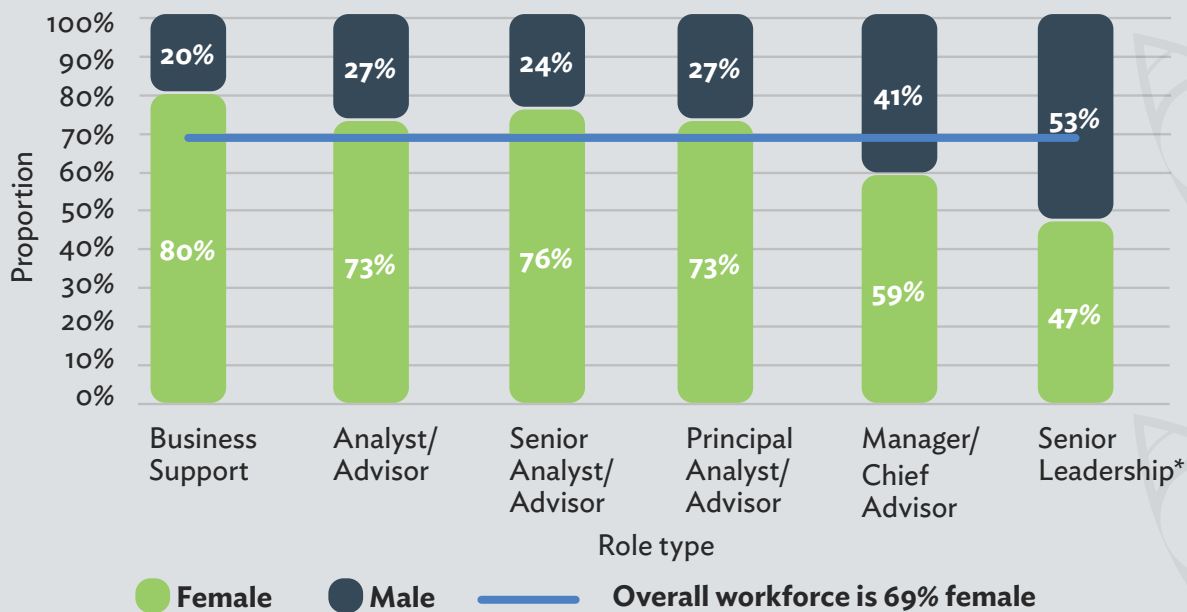
Figure 6: The Commission gender representation by role, as at 30 June 2023



Gender representation by role chart excludes tier 1 statutory officers and unknown/other genders. Manager and chief advisor roles are combined in this chart due to the small number of chief advisors. Chief advisors provide ‘thought leadership’ but are not people leaders.

Our most significant challenge in reducing our gender pay gap is rebalancing the gender share in lower and higher pay bands. Notwithstanding some concerted effort, our early-in-career advisory and business support roles are predominantly filled by women, with males making up only 24.4 percent of our combined business support and analyst/advisor-level roles.

Figure 7: Gender share of each role at the Commission, 2022/23 year



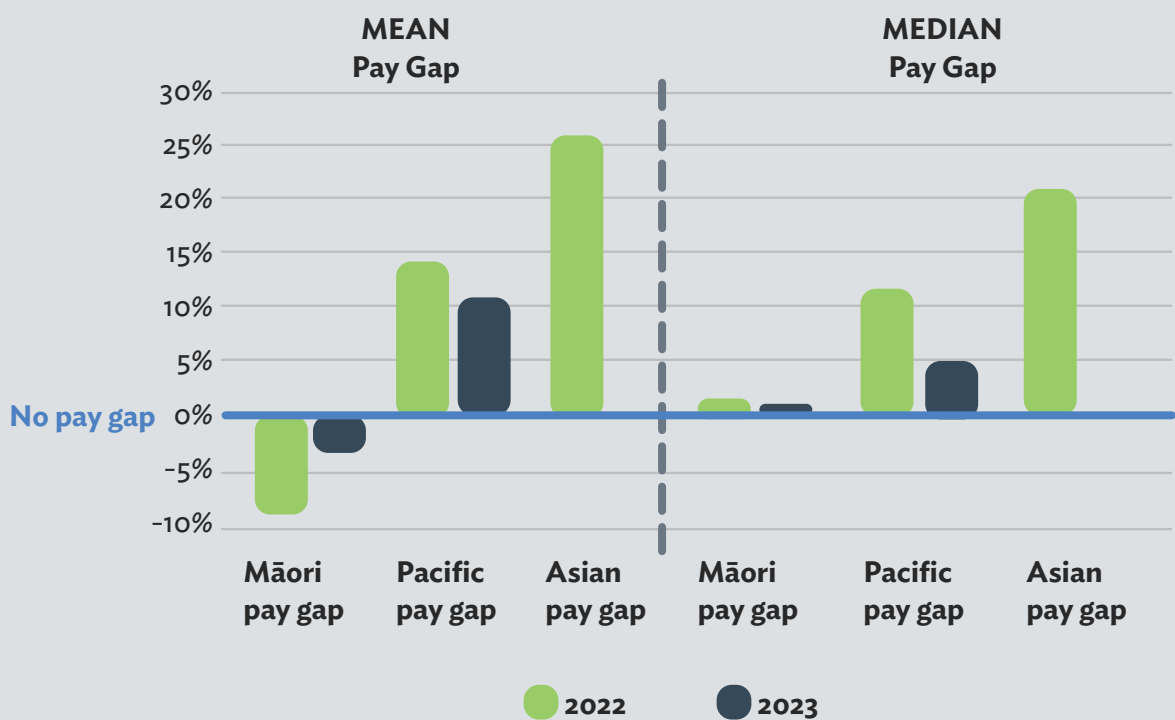
*Senior leadership includes Deputy Commissioners and Assistant Commissioners but excludes the three tier 1 statutory officers of Public Service Commissioner and two Deputy Public Service Commissioners. Both Deputy Public Service Commissioners are female, resulting in a tier 1–3 composition that is 53.5 percent female. Manager and chief advisor roles are combined in this chart due to the small number of chief advisors. Chief advisors provide ‘thought leadership’ but are not people leaders. Data includes employees identifying as female or male but does not report unknown or other genders.

Our DEI plan has identified several focus areas to reduce our gender pay gap through equitable pay and people practices, maturing our flexible work practices, gender representation and career progression. Our remuneration framework ensures criteria are transparent, we recognise experience, and we minimise discretion. We have continued to build on this by increasing the number of steps within our salary

bands for roles up to, and including, senior advisors. We maintain processes to prevent starting salaries and salaries for the same or similar roles from being influenced by bias and continually monitor to ensure pay gaps in same or similar roles do not reopen.

Along with other public sector agencies, we are participating in the clerical and administrative pay equity claim process.

Figure 8: Ethnic pay gaps at the Commission, 2022/23 year



While acknowledging the limitations of a small agency data set, we have chosen to report pay gaps where there are approximately 20 or more people in each group to help protect privacy and produce robust results. We have chosen to report our Māori pay gap with the qualifier that we have slightly fewer than 20 Māori employees. We have too few employees of other ethnicities, such as Middle Eastern, Latin American and African (MELAA), to report on pay gaps.



Our ethnic pay gaps

We have reviewed pay for individuals to ensure there is equity between those in the same or similar roles, and we have made some progress in closing ethnic pay gaps. Closing ethnic pay gaps in a sustainable way requires an increase in representation across role levels that is maintained over time. Our analysis shows the following.

- we do not have a pay gap for Māori, with Māori employees currently earning more on average than non-Māori employees. This is due to the higher representation of Māori employees at leadership levels. With an increase in Māori employees in our general workforce, we expect this to change
- we have made some progress in reducing our average Pacific peoples pay gap from 14.6 percent at 30 June 2022 to 10.5 percent at 30 June 2023. The median pay gap for Pacific peoples is currently 5 percent
- we are able to report our Asian pay gap for the first time this year due to an increase in the number of Asian employees. The average pay gap of 25.5 percent reflects that we don't currently have many people in leadership roles who identify as Asian. The median pay gap is currently 20.4 percent for this ethnic group.

There is a difference between average (mean) and median pay gaps because average pay (mean) can be influenced by a small number of employees who receive very high salaries, whereas the median is less affected by outliers.

Disability and Rainbow communities

At the Commission, we are exploring ways to improve data on other diversity dimensions, including for disabled people and Rainbow communities. Currently, our statistics about these communities come from the 2021 Te Taunaki, which provides confidential data on a three-yearly basis. Te Taunaki (2021) informed us that:

8.7 percent of our respondents identify as gay, lesbian or bisexual (we do not have statistics on transgender, intersex or non-binary genders due to our small organisational size.)

6.5 percent of our employees report having a functional difficulty and/or activity limitation.

We use the six-item Washington Group Questions to assess our indicative disability data. These questions cover aspects of disability (sight, hearing, movement, concentration, communication, self-care).

Enhancing data collection and developing action plans to ensure equity across a wider range of diversity dimensions is a priority action in our [Diversity, Equity, and Inclusion Plan](#).

Tō Mātou Tapuwae Waro | Our carbon footprint

Carbon emissions and sustainability reporting

Climate change is predicted to have a severe impact on the land and people of Aotearoa New Zealand. This will directly affect the Public Service in its efforts to serve the nation and make a difference in the communities we serve.



As overall leader of the Public Service, the Commission is committed to role modelling best practice in reducing carbon emissions and making a difference in the fight against climate change.

2022/23 is our second year reporting our carbon emissions, and we will be using this as our base year as it reflects a more normal year of operation inclusive of our international obligations, including the Public Service Fale. This is because, due to the impact of COVID-19, our previous base year (2021/22) did not accurately reflect what 'normal' looks like for one of our largest emission sources: air travel.

Independent verification

The greenhouse gas emissions measurement (emissions data and calculations) for the Commission has been independently verified against ISO14064-1:2018 by Toitū Envirocare (Enviro-Mark Solutions Limited). Toitū Envirocare is a wholly owned subsidiary of Manaaki Whenua Landcare Research, which is a Crown Research Institute.

We are proudly a Toitū carbonreduce organisation, which means we are measuring, managing and reducing our emissions according to ISO 14064-1:2018 and Toitū requirements. Toitū carbonreduce certification is accredited by the Joint Accreditation System of Australia and New Zealand (JASANZ) and under ISO 14065.

A copy of our Toitū carbon reduce certification disclosure can be viewed on the Toitū website.

Total annual emissions and their source

In 2022/23, we emitted 297 tCO₂-e (tonnes of carbon dioxide equivalent). Most of our emissions came from air travel, staff commuting between home and the workplace, electricity for our three floors (in the Te Pūtea Matua Reserve Bank of New Zealand building) and the natural gas required to heat these floors. The 2022/23 result was an increase of 84 tCO₂-e compared with our 2021/22 total of 212 tCO₂-e. The reason for this increase was the return of air travel.



Emissions profile broken down by scope and total annual emissions (tCO₂-e) for 2022/2023

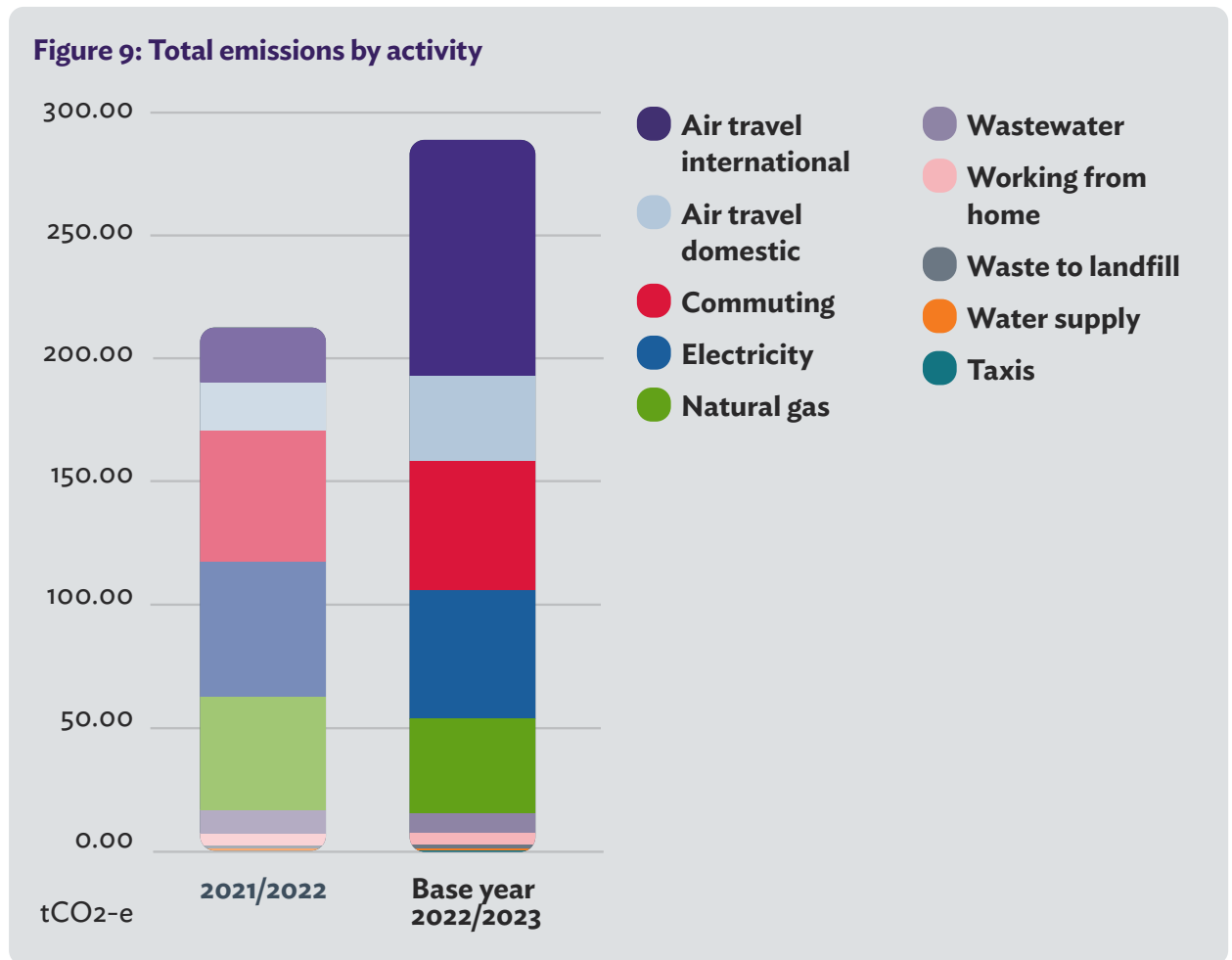
There have been two changes to 2021/22 since last year's reporting, which are incorporated in the table below:

- electricity has been updated to incorporate electricity factors for the 2022 calendar year. This has resulted in a minor increase in electricity emissions
- natural gas was incorrectly recorded as scope 1 in last year's annual report. This has been corrected to scope 3.

Category	Scope	2021/2022		2022/2023	
		tCO ₂ -e	%	tCO ₂ -e	%
Category 1: Direct emissions	Scope 1	0.00	0%	0.00	0%
Category 2: Indirect emissions from imported energy	Scope 2	13.67	6%	14.06	5%
Category 3: Indirect emissions from transportation	Scope 3	99.09	47%	195.15	66%
Category 4: Indirect emissions from products used by the organisation		99.42	47%	87.32	29%
Category 5: Indirect emissions associated with the use of products from the organisation		0.00	0%	0.00	0%
Category 6: Indirect emissions from other sources		0.00	0%	0.00	0%
Total gross emissions		212.17	100%	296.53	100%

Total emissions by activity, 2021/22 - 2022/2023

Figure 9 below compares the emissions activity between 2021/22 and 2022/23. This illustrates how the sole driver of the increase in emissions is air travel, particularly international air travel.



Emissions intensity

The Commission measures emissions intensity by FTE and expenditure. Both these factors increased in 2022/23 due to the increase in emissions, driven by air travel, while our FTE and expenditure remained relatively constant.

Please note the 2021/22 figures have changed from last year's annual report due to the change in our emissions measurement for 2021/22 as mentioned above.

Key Performance Indicators	2021/22	2022/23
FTE	193.4	199.0
Expenditure (\$m)	44.384	43.756
Total gross emissions per FTE (tCO ₂ -e)	1.10	1.49
Total gross emissions per million dollars of expenditure (tCO ₂ -e)	4.92	6.82



Our reduction targets

As we commenced reporting under this programme in the 2021/22 year, our initial reduction targets were set using that as the base year. However, when setting the base year, we believed our emissions inventory did not represent a usual year of operation due to the impact of COVID-19. We anticipated that a return to normal travel would significantly increase our emissions. Furthermore, a new function, the Public Service Fale, was established in the Commission just before the initial COVID-19 lockdown. The Fale was established to support public sector strengthening in Pacific Island countries and territories, and we anticipated a large amount of new travel from this function.

As anticipated, the increase in travel as we resumed normal operations has meant that our emissions are significantly higher in 2022/23. As a result, we have changed our base year to 2022/23 as it reflects a more normal year of operation for the Commission with the resumption of travel following COVID-19 and the normal operation of the Public Service Fale.

The Carbon Neutral Government Programme approved 2022/23 as our new base year in August 2023 and we are now developing our revised reduction targets.

Future reduction plans

The Commission has identified a series of projects that have been developed to ensure we are able to reduce our emissions to reach our reduction targets once these are set. These include the following:

- **Carbon budgeting for travel** – We will be introducing a carbon budget for travel in 2023/24, which we will gradually decrease in outyears. The reduction will be based on the needs of each function within the Commission and will reflect our international travel plan.
- **Energy efficiency** – We have commenced an internal energy audit, which will help us optimise energy efficiency use to reduce our emissions. This will provide us with recommendations in the first quarter of 2023/24.



Public Service leaders must preserve, protect, and nurture the spirit of service to the community that Public Service employees bring to their work.

PUBLIC SERVICE ACT 2020

- **Future accommodation** – Carbon emissions continue to be a key consideration in the Commission’s future accommodation strategy. We intend to move to new premises in 2025 with higher green and sustainability credentials. This has the potential to significantly lower our emissions.
- **Hybrid working** – We are looking to maximise our efficient use of office space through the appropriate use of hybrid working arrangements. This would significantly decrease our energy emissions, including less commuting.

Improving our data

We are committed to continuously improving our carbon emissions inventory. The following improvements are currently being investigated:

- we are working with The Treasury (our finance management information system provider) to pilot a method of recording our carbon emissions within our finance system. This

would increase the integrity of our information and make reporting easier

- commuting makes up a significant part of our emissions, but the data is reliant on an annual survey. We are investigating options to increase the accuracy of our commuting emissions
- we have data on 2018/19, which we gathered because of investigations into emissions before COVID-19. We intend to gather further information on previous years to build a richer understanding of our emissions story
- we are constantly looking for new ways to improve our carbon data. We will continue our conversations with Ministry for the Environment, the wider Public Service and internal stakeholders to look for potential new emissions sources or improvements to our current methods.

TOITŪ



This is to certify that

Te Kawa Mataaho Public Service Commission

is Toitū carbonreduce organisation certified.

Toitū carbonreduce certified means measuring emissions to ISO 14064-1:2018 and Toitū requirements; and managing and reducing against Toitū requirements.



Sonia GroesPetrie— Certifier

Date issued: 15 September 2022 | Valid until: 15 September 2025

Certificate Number: 2022237J | Certification Status: Certified Organisation

Company Address: Level 10, Reserve Bank of New Zealand (RBNZ) Building, 2 The Terrace, Wellington, New Zealand

Certification Year Level of Assurance: Reasonable for all mandatory categories and Limited for non-mandatory categories

Please refer to the disclosure page on www.toitu.co.nz for further details.

Toitū carbonreduce is an annual certification programme and this certificate only remains valid with an annual surveillance audit.

TOITŪ
E N V I R O C A R E



WWW.JAS-ANZ.ORG/REGISTER

Certified by Enviro-Mark Solutions Limited
(trading as Toitū Envirocare)

**Te pūrongo
whakakapi
i te tau
End-of-year
reporting**



Statement of Responsibility

I am responsible, as Chief Executive of Te Kawa Mataaho Public Service Commission, for:

- the preparation of the Public Service Commission's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-year performance information on each appropriation administered by the Public Service Commission is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report
- the accuracy of any end-of-year performance information prepared by the Public Service Commission, whether or not that information is included in the annual report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Public Service Commission
- the financial statements fairly reflect the financial position of the Public Service Commission as at 30 June 2023 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of the Public Service Commission as at 30 June 2024 and its operations for the year ending on that date.



Peter Hughes CNZM (he/him)

**Te Tumu Whakarae mō Te Kawa Mataaho
Public Service Commissioner | Head of Service**

29 September 2023

Independent Auditor's Report

To the readers of the Public Service Commission's annual report for the year ended 30 June 2023

The Auditor-General is the auditor of the Public Service Commission (the Commission). The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- the financial statements of the Commission on pages 103 to 127, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2023, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information for the appropriations administered by the Commission for the year ended 30 June 2023 on pages 73 to 100;
- the statements of expenses and capital expenditure of the Commission for the year ended 30 June 2023 on pages 101 and 102; and
- the schedules of non-departmental activities which are managed by the Commission on behalf of the Crown on pages 109 to 112 and 128 to 131 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023;
 - the schedules of expenses; and revenue for the year ended 30 June 2023; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Commission on pages 103 to 127:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2023; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards;
- the performance information for the appropriations administered by the Commission on pages 73 to 100:
 - presents fairly, in all material respects:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand;
- the statements of expenses and capital expenditure of the Commission presented, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989; and
- the schedules of non-departmental activities which are managed by the Commission on behalf of the Crown present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023; and
 - expenses; and revenue for the year ended 30 June 2023.

Our audit was completed on 29 September 2023. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Public Service Commissioner and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Public Service Commissioner for the information to be audited

The Public Service Commissioner is responsible on behalf of the Commission for preparing:

- financial statements that present fairly the Commission's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand;
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand;
- statements of expenses and capital expenditure of the Commission, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989; and
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by the Commission on behalf of the Crown.

The Public Service Commissioner is responsible for such internal control as is determined necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Public Service Commissioner is responsible on behalf of the Commission for assessing the Commission's ability to continue as a going concern. The Public Service Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Commission, or there is no realistic alternative but to do so.

The Public Service Commissioner's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Commission's Strategic Intentions 2023-2025, Estimates and Supplementary Estimates of Appropriations 2022/23 and the 2022/23 forecast financial figures included in the Commission's 2021/22 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Public Service Commissioner.
- We evaluate the appropriateness of the reported performance information for the appropriations administered by the Commission.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Public Service Commissioner and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.

- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Public Service Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Public Service Commissioner is responsible for the other information. The other information comprises the information included on pages 2 to 151, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Commission in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Commission.

Karen Young

Karen Young
Audit NewZealand
On behalf of the Auditor-General
Wellington, NewZealand

Te Kawa Mataaho Public Service Commission's Statement of Performance (for the year ended 30 June 2023)


Leadership of the Public Management System

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.

2022 Actual \$000		2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
39,487	Expenses	43,621	41,399	46,606	36,400
32,927	Revenue Crown	32,248	31,700	32,248	31,085
11,404	Revenue Department	11,146	8,999	13,746	4,465
306	Revenue Other	606	700	612	850
44,637	Total Revenue	44,000	41,399	46,606	36,400

The increase in the budgeted expenditure between 2022/23 budget and the 2022/23 supplementary estimates was \$5.207 million. This is mainly due to:

- \$4.659 million in revenue from other Departments and third parties. The most significant variances (those above \$0.500 million) were due to:
 - an increase of \$1.030 million in agency contributions for the Clerical and Administration Pay Equity Claims team. The original budget was aligned to previous years, which did not cover the increase in work undertaken in the 2022/23 year
 - an increase of \$0.808 million in the number of external secondments from various departments to the Commission. These secondments resulted from decisions made during the year and were not included in the original budget
- an increase of \$0.748 million in agency contributions to the Leadership Development Centre, the Employee-Led Networks programme and the new Māori Emerging Leaders programme to accommodate an increased work programme
- an increase of \$0.558 million for the Public Service Fare from the Ministry of Foreign Affairs and Trade to allow for increased activity following the opening of the borders after COVID-19
- a contribution of \$0.538 million from the Ministry for Women and the Ministry of Business, Innovation and Employment towards the Equal Pay Taskforce.
- \$0.428 million to give effect to the Public Sector Pay Adjustment (PSPA).
- \$0.120 million reflecting an expense transfer from 2021/22 to 2022/23 to fund chief executive recruitment which had been delayed.



Actual expenditure for the year was higher than the original budget due to the inclusion of the above items in the 2022/23 supplementary estimates. However, actual expenditure was \$2.985 million less than the 2022/23 supplementary estimates as the increase in activity for the Clerical and Administration Pay Equity Claims team, the Leadership Development Centre, and the Public Service Fare was not as high as predicted. This was mainly due to vacant positions within these functions. This is also reflected in actual revenue from other Departments being \$2.6 million less than the 2022/23 Supplementary budget.

Statement of performance reporting

Our statement of performance outlines our delivery of products and services that support our leadership role and influence across the Public Service during the reporting period 2022/23.

Our performance information has been prepared in accordance with PBE FRS 48 service performance reporting requirements. We had already partially incorporated requirements from the new service performance reporting standard into our 2021/22 annual report. This included adding in our performance reporting framework and commentary on each performance measure to explain the measure's relevance to what the Commission is trying to achieve.

We are part of the Executive branch of our country's Public Service. The legislated purpose of the Public Service is to support constitutional and democratic government; enable both the current and successive governments to develop and implement their policies; deliver high-quality and efficient public services; support the Government to pursue long-term public interests; facilitate active citizenship and act in accordance with the law.

Te Tumu Whakarae mō Commissioner is the Head of Service and leads the Public Service and wider public sector agencies to work as one system and deliver better services and outcomes for Aotearoa New Zealand and New Zealanders.

The Commission's purpose is to lead and provide oversight of the public sector to this end. We ensure the Public Service carries out its purpose, acts with a spirit of service and builds public trust and confidence. We take a position when required; we back public servants and we protect the integrity of the Public Service – we lead; we serve.

We also uphold long-held Public Service principles that guide the work of public servants, that is: being politically neutral, offering free and frank advice, making merit-based appointments and providing open government and stewardship. People sign up to work in the Public Service because they want to make a difference for New Zealanders and Aotearoa New Zealand.

Our vision is to create a leading-edge, unified, trusted Public Service that serves Aotearoa New Zealand and its people.

Our strategic intentions to deliver on this vision can be summarised as leading the Public Service to:

- achieve outcomes for New Zealanders (real tangible improvements in the lives of individuals, whānau and communities)
- improve services for New Zealanders and Aotearoa New Zealand businesses by organising around New Zealander's needs rather than our agency's functions
- ensure the public sees government agencies, and the Public Service as a whole, as an integral part of society and legitimate in its exercise of authority.

Our performance framework

We use our performance framework to help us report on our progress against our strategic intentions. The framework acknowledges our responsibility for delivering products and services that support our leadership role and influence across the Public Service. The diagram *Tā Tātou Ratonga Tūmatanui* Public Service we are building together on page 78 outlines our performance framework, summarising our strategic intentions and illustrating how we use our framework to communicate our progress at every level.

- the top level reflects what New Zealanders need to see in the Public Service and the ultimate outcomes we contribute towards: improved outcomes and services, trust and legitimacy
- the middle level outlines the strategy we will follow to achieve our outcomes, including the impacts we are aiming to achieve through our system leadership role
- the third level lists our business functions and our work leading the public management system.

Our performance measures are aligned to these levels. We use our measures to help us report expenditure in our annual report.

At the top level, we report on the overall performance of the Public Service in our annual report using narratives, case studies, metrics and other indicators which demonstrate progress across our strategic intentions. The content allows us to fully explore the performance of the Commission's overall leadership role, and the influence of the Commission in delivering on its vision for the Public Service.

Case studies throughout the report provide real-life examples of how the Public Service is progressing towards our vision including through better outcomes

and services (such as *responding after Cyclone Gabrielle* on page 13 and *enabling and empowering our regions* on page 22).

As a performance measure, the Commission maintains and publishes regular measurements of trust in the Public Service. This is an overarching measure of the performance of our Public Service informed by international frameworks and best practice that enables us to make comparisons with other jurisdictions.

At the middle level, the Commission plays a leadership role in upholding the principles of the Public Service and ensuring that the operation of the Public Service is transparent and accountable.

We lead the Public Service in promoting and protecting open government and trusted, high-integrity public services. To do this, we support Public Service values, promote open government, provide guidance and advice on integrity matters, and set standards of conduct and behaviour. Where necessary, we undertake inquiries into matters of integrity and conduct. We also recognise and promote the spirit of service awards.

Data and Research is a key asset for the Commission, Public Service and for the wider public. It underpins the Commission's work programmes, provides transparency of performance of the public service, and advances academic understanding on public management and workforce. To increase the value of our research and data assets, and support transparency of the public service, we publish our research and data on the Commission's website, including an upcoming timetable for data releases.

We also exercise a significant lever on Public Service performance, being through the appointment and performance management of Chief Executives, and the establishment and leadership of the Public Service Leadership Team to ensure public service agencies work together to steward the system.

At the third level, the performance measures include products and services the Commission is directly delivering to drive influence across the Public Service and deliver on its strategic intentions.

We fulfil our responsibilities to provide advice to Ministers and measure the quality of our policy advice as well as the satisfaction of our Minister with our overall performance.

We work with Public Service leaders to develop a highly capable workforce that reflects the diversity of the society it serves and to ensure fair and equitable employment, including by promoting the good employer requirements in the Public Service Act. This includes dedicated Taskforces with actions to reduce inequity, as well as delivering services to build the capability of leaders across the Public Service.

Selecting and reviewing our measures

All of our performance measures have been selected to align with our outputs in accordance with the service performance reporting standard, meaning they are relevant, material, reliable, understandable, and comparable.

On an annual basis we review our performance measures in the estimates and update any changes through the budgeting process. This involves completing a detailed analysis to review and update the current measures. In this process, we:

- address any audit recommendations identified through the annual reporting process
- provide measures appropriate with the funding involved
- provide appropriate and meaningful performance information to support the relevant intention statement for the appropriation.

Our measures are updated and approved by relevant Deputy Commissioners, approved by the Chief Executive as a whole and signed off by the Vote Minister through the estimates process.

To ensure consistency in our reporting, we have developed and maintained data dictionary documents for each measure, which confirm how we have collected, calculated and recorded data. Te Mana Arataki Executive Leadership Team receive quarterly reports on our estimates measures.

The performance measures for our outputs (products and services) are included on pages 79-97.

Tā Tātou Ratonga Tūmatanui

The Public Service we are building together

Vision

A leading edge, unified, trusted Public Service that serves Aotearoa NZ and its people

Outcomes

Outcomes and Services

Improving the provision of services to the public, and the support that the Public Service can provide towards the achievement of outcomes

Trust And Legitimacy

Strengthening the Public Service's licence to operate by securing the things that provide the basis of public legitimacy

Supporting the Crown in its relationships with Māori under te Tiriti o Waitangi

Impacts

Improves outcomes for New Zealand

Delivers better services for New Zealanders

Supports democratic government and active citizenship

Acts constitutionally and ethically

Modern, agile and adaptive

Highly skilled and capable

Prepared to meet future challenges

Unified by a common mission and ethos

Reflective of and engaged with communities we serve

Committed to Māori and te Tiriti o Waitangi

Clear on and committed to our constitutional role

Strategies

Māori Crown Relationship

Public Service Capability

Diversity And Inclusion

System Design with Operating Model

System Leadership

Workforce

Culture

Outputs

Our Functions

The Commission provides leadership of the public management system and policy advice through our business functions:

Strategy and Policy | Integrity, Ethics and Standards | System and Agency Performance Leadership, Diversity and Inclusion | Workforce, Employment and Equity

What we achieved

Trust in Government, and improving outcomes for New Zealanders

As described in our performance framework, the top level of our performance measures reflects what New Zealanders need to see in the Public Service and the ultimate outcomes we contribute towards better outcomes and services, trust and legitimacy. The narrative of our annual report sets out examples of the services and outcomes delivered by the Public Service.

At the Commission, we measure the impact of all of this work in terms of the levels of trust that New Zealanders have in the Public Service. International research has demonstrated that this trust measure is driven by people’s experiences of the reliability and responsiveness of services, as well as their perceptions of the behaviour and integrity of the Public Service.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
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%	82%

Measurement approach

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 are prompted to consider “Overall, you can trust them to do what is right” in relation to the public service.

Respondents provide a numeric response on a scale from 1 to 5 (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 that they could trust public servants to do what is right. Responses are collated by the Commission, and we report the proportion of respondents who have selected 4 or 5. The performance measure is calculated from all responses collected for this financial year.

Relevance

The Kiwis Count survey provides reliable reporting on trust and confidence in the Public Service. This measure determines 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. Kiwis Count trust and confidence results are measured quarterly and are publicly available on the Commission’s website.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Kiwis Count trust and confidence survey is run by the Commission with reporting provided quarterly to identify the public's perceptions and experiences of trust and confidence in public services	Quarterly results are published in the month following the survey collection	Achieved	Achieved

Measurement approach

Participants are selected from an online research panel. Initially, 1,000 people were taking part every quarter (three months) and a minimum of 4,000 every year. From June 2023, the sample size per quarter increased to 2,000 people.

The nationwide survey asks New Zealanders about their experiences using public services, how they have been treated when using those services and how they rate the quality of the services they have used. Results from individual services are then aggregated up to give overall scores of service quality and trust in public services. Refer to the performance measure above for what the Commission is trying to achieve.

Upholding the Public Service principles

The Commission has a role in upholding the Public Service principles that guide the work of public servants: *politically neutral, free and frank advice, merit-based appointments, open government and stewardship*. Upholding these principles helps to maintain the high levels of integrity that New Zealanders already see in our Public Service and helps to further build their trust in the Public Service.

A particular focus in our performance measures is on Open Government and the transparency of the operation of the Public Service. We ensure that data is available in compliance with the Official Information Act (OIA), and on the size and shape of the Public Service workforce. We now publish information on the full range of anticipated data releases that the Commission will make: [Public Service Data Releases for the 6 months from July - December 2023 - Te Kawa Mataaho Public Service Commission](#)

As part of our leadership role in OIA practices, the Commission helps build agency capability through official information forum events. Over the past year we held seven events. Three of these were held alongside the Ombudsman to provide new OIA practitioners with the tools and resources to support them in their roles. These events were attended by 1,065 public servants from government departments and statutory Crown entities.

The fundamental characteristic that motivates and unites the Public Service is acting with a spirit of service to the community. The Spirit of Service Awards help support the Public Service to preserve, protect, and nurture the spirit of service that public service employees bring to their work.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission develops and oversees the implementation of the Open Government Partnership (OGP) National Action Plan (NAP). The NAP and associated end-of-term self-assessment is published in accordance with OGP requirements	The NAP is published in accordance with OGP requirements	Achieved	Achieved. Public update of plan implementation held on 30 June 2023 and information published on OGP NZ website

Measurement approach

The Commission publishes OGP NAPs. Each plan contains commitments for delivery over the two year plan duration. Each commitment has an agency lead responsible for its delivery. To ensure transparency of this process and keep the public updated on the delivery of commitments OGP requires public updates on progress every six months. The Commission arranges and coordinates these updates.

Information from the updates is published at (<https://ogp.org.nz>).

Relevance

Open government is about strengthening democracy, building trust and improving wellbeing. The OGP is an international agreement by governments to create greater transparency, increase civic participation and use new technologies to make their governments more open, effective, and accountable. Aotearoa New Zealand joined the OGP in 2013, and the Commission leads Aotearoa New Zealand's interests on behalf of the Government.

A NAP is a key deliverable and is an aggregation of commitments to be delivered during the plan implementation period.

Commentary

The Fourth National Action Plan was approved by Cabinet in November 2022 and published in December 2022.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
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.	Six-monthly reports are published within three months of the end of the reporting period or as otherwise agreed with the Office of the Ombudsman	Achieved	Achieved. Six-monthly reports published on 15 March 2023 and 13 September 2023

Measurement approach

The statistics published by the Commission capture the following elements:

- the number of requests completed by agencies in the six-month reporting period
- the number and proportion of these requests where legislative timeliness requirements were met
- the number of responses proactively published on an agency’s website
- OIA complaints to the Ombudsman that were notified to the agency
- final views issued by the Ombudsman where a deficiency was identified.

In 2022, elements were added to include measures around the use of extensions, transfers, refusals and average time to respond. The Commission publishes the report and data collected from agencies within three months of the end of the reporting period and where extraordinary circumstances impact the Commission’s ability to report within this timeframe alternative arrangements are agreed with the Office of the Ombudsman.

Relevance

This measure is aligned to culture. The OIA gives New Zealander’s the right to access information. Reporting on volume of requests and the agency’s response supports openness and transparency in the public service and delivers on our vision to act constitutionally and ethically, supporting democratic government and active citizenship. Through our official information work programme, the Commission supports Public Service agencies to maintain open and transparent information processes that ensure citizens can access information in a timely manner. Timely access to information is an important factor in building public trust and confidence as it supports citizens to better understand and participate in government decision making.

Commentary

Since 2016, the Commission has been reporting data on OIA compliance. Increased transparency has led to significant improvements in timeliness since 2016, despite a near doubling in volume over the same period. For the most recent reporting period 1 January 2023 to 30 June 2023, 98.2% of OIA requests were responded to within legislated timeframes. This is the highest levels of timeliness since records began. Collectively agencies completed 26,505 requests. Over the past year we have continued to collect data on a wider range of measures including the use of extensions, transfers, refusals and average time to response. The latest data shows that 7.5% of requests were subject to an extension, and the average time to response is 13.6 days. Reporting is available on the Commission’s website.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission collects and publishes Public Service workforce data annually.	Published no later than 15 December	Achieved	Achieved

Measurement approach

The Commission collects and measures Public Service workforce information annually. The reporting provides information about public service department employees, including staff numbers, pay, senior leaders, diversity and workplace wellbeing. As reporting is prepared annually, and published no later than 15 December, the measure relates to the previous year.

The Commission is measured for its action within the reporting period (compiling and publication of the report) rather than the data contained in the report that relates to the previous period.

Relevance

This measure is aligned to workforce. Regular Public Service workforce data reporting shows where progress has been made, and areas that need more focus. This allows the Public Service to identify areas of improvement in diversity and inclusion, promoting a Public Service that is reflect and engage with the communities we serve.

Commentary

The data as of 30 June 2022 was published on the Commission's website on 20 October 2022.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission recognises the contribution of public servants by coordinating annual awards and recognition events and publicising the recipients within one month of the awards	100% of recipients of Public Service medals are recognised and publicised within one month of the medal's award	100%	100%

Measurement approach

The Commission maintains a register of recipients of the New Zealand Public Service Medal. This record is updated with the date on which each recipient was presented with the award. Within one month of the medal being given to the recipient, the Commission recognises the recipient publicly, where it is appropriate to identify the individual recipients.

Relevance

This measure is aligned to culture. Specifically, the Commission develops the culture of the public service by building on key elements of Part 1 of the Public Service Act 2020 – purpose, principles, values and spirit of service. Recipients of these awards embody the spirit of service, and celebrating these people acknowledges the vision of a Public Service that reflects and engages with the communities we serve and acts constitutionally and ethically.

Commentary

In 2022, the Commissioner exercised discretion to award additional medals in recognition of the Public Service's contribution to the response to and recovery from COVID-19. Thirty-five medals were conferred on Public Service Day, 7 November 2022, by the Governor-General at Government House. Four additional medals were conferred in special ceremonies managed by agencies for those who were unable to attend the event. Award winners can be found in the front section of this 2022/23 annual report and are also published on the Commission's website.

Enabling and reviewing Public Service performance

One of the key levers that the Commission can exercise to drive our strategic intentions for the Public Service is the Commissioner’s role as employer of Public Service chief executives, including by:

- (i) appointing chief executives and reviewing their performance, including how they carry out their responsibilities and functions under the Public Service Act 2020 or another enactment
- (ii) to the extent relevant in each case, reviewing the performance of the Public Service agency that the chief executive leads or carries out some functions within.

The Public Service needs to ensure it has the leadership and capabilities necessary to be able to respond to the challenges New Zealanders face. It also has an on-going role to drive the Public Service to perform more effectively for New Zealanders and ensure it is well equipped to continue doing so in the future. Appointing and reviewing the performance of chief executives is a key mechanism for us to do this.

There are 39 Secretaries/Chief Executives (not including Deputy Commissioners, or those for whom we run the appointment process on behalf, for example the Statutory Deputy Police Commissioners). In the 2022/23 year, the Commission undertook the statutory process for 12 appointments and 10 reappointments.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission meets its statutory requirements for appointment, reappointment and transfer of Public Service chief executives	100% of appointment, reappointment and transfer of Public Service chief executives meets statutory requirements.	100%	100%

Measurement approach

The requirements the Commissioner must meet in appointing, reappointing and transferring Public Service Chief Executives are set out in the Public Service Act 2020. The Commission retains proof that it has met these requirements in a register, which identifies the statutory requirements for each appointment and the evidence that demonstrates compliance.

That evidence may include (depending on the nature of the appointment/reappointment/transfer) correspondence with Ministers and the Governor-General 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 their proof of compliance is used to indicate compliance across all appointments.

Relevance

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 the Commission’s 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.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission works with Public Service chief executives to agree individual development plans	100% of chief executives have an agreed development plan	100%	100%

Measurement approach

A current development plan must be in place for all chief executives appointed by the Commission to achieve this measure. The Commission works with Public Service chief executives to agree and finalise their development plans, as evidenced through their signing the document or committing to the content of the plan through other means. The Commission maintains a log of all development plans as they are established and maintained for all Public Service chief executives.

Relevance

This measure is aligned to system leadership. Developing chief executives and their replacements ensures a pipeline of capable, high performing people for senior leadership roles in the Public Service. Deploying capable leadership delivers better outcomes and services across the Public Service. This feeds into a highly skilled and capable Public Service delivering outcomes and services for Aotearoa New Zealand and New Zealanders.

Commentary

All permanent chief executives who started in their roles before 31 March 2023 have agreed individual development plans. One chief executive who commenced their role in April 2023 is still in the process of finalising their development plan. Two acting chief executives do not have development plans as the acting role is considered to be the main element of the development.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
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	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	New measure	100%

Measurement approach

Part 1, subpart 3, s14 of 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.

- 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.

Relevance

This measure aligns to both trust and legitimacy and supporting the Crown in its relationships with Māori under te Tiriti o Waitangi. The performance standard reflects the agreed policy intent and statutory requirements.

Commentary

All Public Service chief executives have performance expectations that include:

- supporting the Crown in its relationship with Māori under te Tiriti o Waitangi.
- developing and maintaining the capability of the public service to engage with Māori and understand Māori perspectives.
- growing a leadership team and a workforce that reflect the full diversity of Aotearoa New Zealand society, are capable of delivering services that meet the needs of all members of the public and implement and report annually on their agency's Whāinga Amorangi commitments.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
A succession plan is developed for the chief executive position of Public Service agencies	100% of chief executive positions have a succession plan	100%	100%

Measurement approach

The Commission maintains a record of roles, incumbents, expiry of the current term and potential successors for all chief executive positions appointed by the Commission.

Relevance

This measure is aligned to system leadership. Developing chief executives and their replacements ensures a pipeline of capable, high-performing people for senior leadership roles in the Public Service. Deploying capable leadership delivers better outcomes and services across the Public Service. This feeds into a Public Service delivering outcomes and services for Aotearoa New Zealand, which is well prepared to meet future challenges.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission reports the remuneration of Public Service chief executives every financial year	100% of all chief executive remuneration published	100%	100%

Measurement approach

The Commission has previously published a single annual report of chief executive expenditure. This approach did not accommodate the varied remuneration cycles of chief executives. Part way through the 2019/20 year, the Commission moved to quarterly reporting of the chief executives whose remuneration cycle renewed during the quarter. Reporting is made available on the Commission's website and can be reconciled with the list of Public Service departments.

Relevance

This measure aligns to both trust and legitimacy and culture. The monitoring and proactive publication of remuneration reports supports a culture of openness and transparency within the Public Service, which backs a Public Service that acts constitutionally and ethically.

Supporting democratic government

As a Department of the Crown, the Commission is responsible to the Minister for the Public Service in the delivery of our functions. This includes improving ways of working across agencies, being responsive on matters in the interest of government, supporting the Minister to act as a good steward of the public interest and provision of free and frank advice, including relating to the long-term implications of policies.

As part of this, we regularly advise the Minister for the Public Service and other Ministers on machinery of government policy issues to help ensure that the Public Service is organised most effectively to respond to issues and drive better outcomes for New Zealanders.

In the 2022/23 year, the Commission provided 196 reports and 120 aide memoires to Ministers. This total of 316 was an increase from the 273 briefings (138 reports and 135 aide memoires) in the previous year.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
Minister for the Public Service has satisfaction with policy advice	80%	90%	98%

Measurement approach

The Minister for Public Service is surveyed to assess satisfaction with policy advice provided during the reporting period. Policy advice papers are papers provided to the Minister for Public Service for presentation to, and endorsement by, Cabinet.

The survey covers four themes: general satisfaction, quality of policy advice, overall trust, and overall confidence. Each theme has questions scored out of 5. We use a weighted average on the result of each theme to determine the overall result for the reporting period.

Relevance

These measures are a requirement under the policy project led by the Department of Prime Minister and Cabinet (DPMC) and forms part of our commitment to accountability and transparency in the quality of policy advice to the Minister. It demonstrates our leadership of the public management system across all of the areas covered by our strategic intentions. Our leadership and policy advice supports better outcomes and services for people and the trust and confidence in the Public Service.

Commentary

We received feedback from the Minister noting that he is largely always satisfied with the policy advice received. Overall, the Minister has complete trust and confidence in the officials' he engages with and the advice that is received.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
Technical quality of policy advice papers assessed using the Policy Quality Framework	70%	75%	74%

Measurement approach

Policy advice provided by the Commission is reviewed by an internal panel in accordance with the guidance for assessment panels in the [Policy Quality Framework](#).

All panel members are experienced advisors who have used the Department of Prime Minister and Cabinet (DPMC) policy quality framework in their own work and are able to apply it to other papers. Panel members come from teams across the organisation which ensures a range of perspectives can inform the assessment. If there is a conflict of interest due to a panel members involvement in a paper they do not participate in scoring that paper as documented in the Commission’s process guidelines – Guidance: Quality of Policy Advice Assessment.

Papers are sampled in accordance with our process guidelines. This involves the panel chair receiving a long list of papers that went to the Minister, removing the highly operational papers as out of scope and then using a random sampling approach from the remaining list that is then reviewed and modified to provide for a spread of papers from across the Commission. For example, if two papers on a similar topic from the same author are sampled we randomly select one to keep and randomly sample for a replacement.

Papers are scored against the DPMC policy quality framework. See in particular p15 of this guidance note: Policy Quality Framework – A guide on panels and processes for assessing policy advice papers (dpmc.govt.nz). Papers are scored out of 5 and can have half scores. We review 32 papers across the year. The average score was 3.69 out of 5 which translates to 74%.

Relevance

This measure is a requirement under the policy project led by the DPMC. The measure forms part of our commitment to accountability and transparency in the quality of policy advice to the Minister. It demonstrates our leadership of the public management system across all of the areas covered by our strategic intentions. Our leadership and policy advice supports better outcomes and services for people and the trust and confidence in the Public Service.

Commentary

The Commission recently created its own Quality of Policy Advice Assessment Guidance to document our process. This was the first year of using that guidance for our panel process. Next year we will be establishing new targets for 2024/25 for the percentage of papers that score 3 or higher and the percent that score 4 or higher. In 2022/23, 94% of papers scored 3 or higher and 50% scored 4 or higher.

Enabling Public Service capability

The Commission works with public service leaders to develop a highly capable workforce that reflects the diversity of the society it serves and to ensure fair and equitable employment, including by promoting the good employer requirements in the Public Service Act 2020.

The Leadership Development Centre (LCD) is the primary vehicle for delivering public sector leadership development. The focus is 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 LDC currently has 73 member agencies across the wider Public Service.

Kia Toipoto is a comprehensive set of actions to help close gender, Māori, Pacific and other ethnicity 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 on the Government's expectations for employment relations in the public sector (the Government Workforce Policy Statement 2021).

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.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission through the Leadership Development Centre (LDC) strengthens leadership practices by delivering Te Putanga Leadership in Practice	80% of Te Putanga Leadership in Practice programme participants agree or strongly agree it made them effective leaders	New measure	96%

Measurement approach

Evaluations are conducted after each cohort. The Commission requests respondents provide a numeric response on a scale of 1 to 5 (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. The Commission collates responses and reports on the proportion of respondents who selected 4 or 5.

Relevance

This measure is 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 supports three or four programmes during the reporting year.

Commentary

96% of programme evaluation survey respondents agree or strongly agree the programme made them a more effective leader. This result is based on post-programme evaluation of the three programmes that ended during the 2022/23 year.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission strengthens Public Service leadership through all Public Service departments being members of the Leadership Development Centre (LDC)	100% membership of the LDC	100%	100%

Measurement approach

Public Service departments pay a membership subscription to participate on the LDC. Membership of the LDC includes all organisations defined as Public Service agencies under the Public Service Act 2020.

Relevance

This measure is aligned to system leadership. 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. This supports the vision of highly skilled and capable Public Service leaders who are prepared to meet future challenges and are unified by a common mission and ethos.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission strengthens Public Service leadership by supporting career boards.	At least 90 active members across all career board cohorts	120	86

Measurement approach

The established practice is to record Career Board cohort members as ‘active’ (those ready and available for system development in the next 3 -6 months), ‘wider’ (those interested in networking and raising their visibility by attending Board sponsored events) or ‘wider development network’ (those who exemplify great practice and want to contribute to develop their peers). The active cohort is recorded in the Commission’s information systems and the size of the active cohort is reported quarterly.

At the end of the reporting period, the Commission’s information systems are analysed to confirm that there are at least 90 active members across the four Career Boards.

Relevance

Career Boards collectively focus on creating a strong, diverse and inclusive pool of senior Public Service leaders that are better prepared to lead the Public Service. The boards also promote our diversity and inclusion goal, ensuring our leadership reflects the communities we serve.

Commentary

Development Boards (previously Career Boards) recently undertook a reset to focus on leaders from under-represented groups as part of working towards a senior leadership that reflects the communities we serve. This includes reviewing their cohort lists to focus on only those who are active, and referring leaders who don’t meet the current criteria back to their agencies for support. Moving forward, Development Boards expect to be working with a smaller number of prioritised cohort members.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission strengthens Public Service leadership by promoting attendance at the Public Service Leaders' Summit	At least 500 Public Service leaders invited to the annual Public Service Leaders Summit	1,244	1,115

Measurement approach

The annual Public Service Leaders Summit is arranged by the Commission, with attendees recorded up to the day of the summit. At least 500 senior leaders from Te Pae Turuki | Public Service Leaders Group (PSLG) are invited to attend the event (this excludes chief executives who are part of the Public Service Leadership Team).

Relevance

The Public Service Leaders Summit brings together leaders from across the Public Service to promote the vision, strategy and culture of the Public Service and define how this will deliver better outcomes and services for Aotearoa New Zealand and New Zealanders.

Commentary

Eligibility for PSLG is based on roles. The number of roles in PSLG fluctuates. At the time of the summit (held in May 2023), the total number of leaders invited was 1,115, more than double the performance measure requirement. Over 600 attendees joined the summit via Zoom to hear speeches from the Prime Minister and Minister for the Public Service, with 27 groups of leaders watching the event together.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission provides services, support, and resources through the Pay Equity centre of excellence (Pay Equity Taskforce)	80%	New measure	96%

Measurement approach

This measure rates the quality of services, support and resources received by external stakeholders in the last 12 months from 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 nine questions seeking feedback on the performance of the Pay Equity Taskforce over the period March 2022 to March 2023. Respondents select from a range of options (excellent, very good, good, fair, poor). The Commission collates the responses and reports on the proportion of respondents who have selected very good or excellent.

Relevance

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 other ethnicity pay gaps. This measure supports the Public Service closing pay gaps and progressing pay equity. It is an important driver to ensure the Public Service reflects the communities we serve. Increased diversity and inclusion help the Public Service deliver better outcomes and services and strengthens public trust and legitimacy.

Each agency's pay gaps action plan is published on their respective website, and this can be reconciled with the list of Public Service agencies and entities. The Commission publishes trends and progress toward closing gender, Māori, Pacific and other ethnicity pay gaps through its workforce data on the Commission's website and its annual report.

Commentary

The score exceeded expectations as the team have performed very well in what has been a complex and fast-moving environment. Stakeholders have consistently reported on the team's solution focus, high degree of professionalism, integrity and expertise. These factors have contributed to the high rating.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
The Commission develops workforce guidance to support agencies and entities to implement Kia Toipoto Public Service Pay Gaps Action Plan 2021–24 (Kia Toipoto)	Achieved	Achieved	Achieved

Measurement approach

This measure demonstrates how workforce guidance is developed to support agencies and entities implement Kia Toipoto.

Te Whakapiri, a cross-Agency working group identifies and agrees the need for workforce guidance as part of their review of the Kia Toipoto work programme.

A subgroup is formed from Te Whakapiri to develop the guidance and throughout the drafting of the guidance, Te Whakapiri receive regular reporting on the status of the guidance. Workforce guidance is approved by Te Whakapiri and signed off for release to publish by the Deputy Commissioner, Workforce, Employment and Equity (the Commission) and by the National Secretary of the Public Service Association.

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. Refer to the performance measure above for what the Commission is trying to achieve.

Performance measures	Performance Standard	2021/2022 Result	2022/2023 Result
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	100% of departments publish by 31 December	97%	100%

Measurement approach

This target is applicable to all Public Service departments and agencies listed on the Commission website.

Refer to the performance measure above for what the Commission is trying to achieve.

Notes to Statement of Performance reporting

As at 30 June 2023

Reporting entity

The statement of performance of the Public Service Commission (the Commission) is for the year ending 30 June 2023. It outlines the delivery of our products and services that support the Commission's leadership role and influence across the Public Service during the reporting period 2022/23.

The Commission's purpose is to lead and provide oversight of the public sector to this end. We ensure the Public Service carries out its purpose, acts with a spirit of service and builds public trust and confidence. We take a position when required; we back public servants and we protect the integrity of the Public Service – we lead; we serve.

We use our performance framework to help us report on our progress against our strategic intentions. The framework acknowledges our responsibility for delivering products and services that support our leadership role and influence across the Public Service. The diagram Tā Tātou Ratonga Tūmatanui Public Service we are building together on page 78 outlines our performance framework, summarising our strategic intentions and illustrating how we use our framework to communicate our progress at every level.

The Commission's performance information is contained within the statement of performance reporting section of the annual report. All of our performance measures have been selected to align with our outputs in accordance with the service performance reporting standard, meaning they are relevant, material, reliable, understandable, and comparable. The performance measures for our outputs (products and services) are included on pages 79-97.

Statement of compliance

The statement of performance of the Commission has been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practices (NZ GAAP), Treasury Instructions and Treasury Circulars. The performance information complies with PBE accounting standards as appropriate for Tier 1 entities.

Te Kawa Mataaho Public Service Commission – Capital Expenditure PLA

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

2022 Actual \$000		2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
369	Property, plant and equipment	292	100	360	540
215	Intangibles	707	-	834	-
514	Total appropriation	999	100	1,194	540

Section 24(1) of the Public Finance Act 1989 allows the Commission to purchase assets to the extent its working capital allows. This allows the Commission to exceed the budget, provided it has the working capital to do so.

The majority of 2022/23 capital expenditure was due to the:

- replacement of computer equipment
- data transformation project
- digital platform project.

Toi Hau Tāngata

Social Wellbeing Agency Statement of Performance for the year ended 30 June 2023

Supporting implementation of a social wellbeing approach

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.

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.

What does this appropriation intend to achieve?

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

2022 Actual \$000		2023 Actual \$000	2023 Budget \$000	2023 Supp Estimates \$000	2024 Budget \$000
6,843	Total Expenses	7,164	6,758	7,181	6,758
7,258	Revenue Crown	7,181	6,758	7,181	6,758
8	Revenue Department	0	0	0	0
7,266	Total Revenue	7,181	6,758	7,181	6,758

Assessment of performance

	Target 2022/2023	Actual 2021/2022	Actual 2022/2023
The satisfaction rating given by the Minister for the quality and timeliness of advice.	At least 70%	91%	100%
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	94%	100%

Measurement approach

- The information collected is consistent with the reporting requirements for the output expense budget standards, as set out in Vote Public Service 2022/23, although it differs slightly from the guideline used to capture ministerial feedback provided by DPMC.
- These two measures have been selected as the most effective ways

to capture the provision of cross-system advice and support and focus on delivery and the quality of advice provided.

- The Agency's work programme and organisational priorities are set out in the annual business plan and agreed with the Minister. The percentage of key deliverables target was amended from 85 percent to 70 percent with agreement from the Minister from 2020/21.

Ngā tauākī pāhao

Appropriation statements

Statement of Budgeted and Actual Departmental and Non-Departmental Expenses and Capital Expenditure Incurred Against Appropriation

For the year ended 30 June 2023

	2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000	Location of End-of-year performance information
The Commission					
Departmental Capital Expenditure					
The Commission -Capital Expenditure under Permanent Legislative Authority	999	100	1,194	540	The Commission Annual Report
Non-departmental Other Expenses					
Open Government Partnership	200	200	200	200	Exempt
Remuneration and Related Employment Costs of Chief Executives	18,275	18,199	18,621	18,617	
Total Non-departmental Other Expenses	18,475	18,399	18,821	18,827	
Departmental Output Expenses					
Leadership of Public Management System	43,621	41,399	46,606	36,400	The Commission Annual Report
Social Wellbeing Agency					
Departmental Output Expenses					
Supporting Implementation of a Social Wellbeing Approach	7,164	6,758	7,181	6,758	The Commission Annual Report
Total Annual and permanent appropriations for the Commission and SWA	70,259	66,656	73,416	62,075	

Reconciliation of Appropriations to Comprehensive Revenue and Expenses

	Leadership of Public Management System	Supporting Implementation of a Social Wellbeing Approach	Comprehensive Revenue / Expenses
Revenue Crown	32,248	7,181	39,429
Revenue Department and Other	11,752	-	11,752
Eliminations of inter-entity transactions	(244)	-	(244)
Total Revenue after Eliminations	43,756	7,181	50,937
Expenses	43,621	7,164	50,785
Eliminations of inter-entity transactions	(142)	(102)	(244)
Expenses after eliminations	43,479	7,062	50,541

Statement of Departmental and Non-departmental Expenses and Capital Expenditure Incurred Without, or in Excess of, Appropriation or Other Authority for the year ended 30 June 2023

The Commission has not incurred any departmental and non-departmental expenses or capital expenditure without, or in excess of appropriation, or other authority (2021/22: Nil).

Statement of Departmental Capital Injections for the year ended 30 June 2023

2022 Actual capital injections \$000	2023 Actual capital injections \$000	2023 Appropriation \$000
- Capital injection	328	328

Statement of Departmental Capital Injections Without, or in Excess of, Authority for the year ended 30 June 2023

The Commission has not received any capital injections during the year without, or in excess of, authority (2021/22: Nil)

Tauākī Pūtea me ngā Āpiti Pūtea

Departmental Financial Statements

(for the year ended 30 June 2023)

The financial statements record the revenue, expenses, assets, liabilities, commitments, contingent liabilities and contingent assets the Commission and the Social Wellbeing Agency manages.

Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2023

2022 Actual \$000		Notes	2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
Revenue						
40,185	Revenue Crown	2	39,429	38,458	39,429	37,843
11,465	Revenue other	2	11,508	9,699	14,358	9,315
51,650	Total revenue		50,937	48,157	53,787	47,158
Expenditure						
34,580	Personnel costs	3	37,679	36,659	38,106	35,977
223	Capital charge	4	221	230	221	221
775	Depreciation and amortisation expense	6	817	860	759	768
10,499	Other operating expenses	5	11,824	10,408	14,701	10,192
46,077	Total expenditure		50,541	48,157	53,787	47,158
5,573	Net surplus/(deficit)		396	-	-	-
	Other comprehensive revenue					
	<i>Item that will not be reclassified to net surplus/(deficit)</i>					
-	Gain on artworks revaluations	13	146	-	-	-
5,573	Total comprehensive revenue		542	-	-	-

Explanations of major variances against budget are detailed in note 17.

The accompanying accounting policies and notes form part of these financial statements.

Statement of Financial Position

As at 30 June 2023

2022 Actual \$000		Notes	2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
Assets						
Current Assets						
17,906	Cash and cash equivalents		13,305	13,482	12,564	12,792
3,028	Debtor Crown		3,028	3,028	3,028	3,028
2,728	Debtors and other receivables	7	2,655	4,022	2,728	2,728
25	Prepayments		37	17	25	25
23,687	Total current assets		19,025	20,549	18,345	18,573
Non-current assets						
1,354	Property plant and equipment	6	1,050	800	1,029	1,055
272	Intangible assets	6	904	346	1,032	778
1,626	Total non-current assets		1,954	1,146	2,061	1,833
25,313	Total assets		20,979	21,695	20,406	20,406
Liabilities						
Current Liabilities						
3,469	Creditors and other payables	8(a)	3,836	6,406	3,469	3,469
6,487	Revenue - advance	8(b)	5,769	6,532	6,487	6,487
5,235	Return of operating surplus	14	-	-	-	-
208	Provisions	10	223	245	208	208
2,833	Employee entitlements	9	3,035	1,943	2,833	2,833
18,232	Total current liabilities		12,863	15,126	12,997	12,997
Non-current Liabilities						
228	Provisions	10	228	119	228	228
54	Employee entitlements	9	219	94	54	54
282	Total non-current liabilities		447	213	282	282
18,514	Total liabilities		13,310	15,339	13,279	13,279
6,799	Net assets		7,669	6,356	7,127	7,127
Equity						
5,761	Taxpayers' fund	13	5,742	6,260	7,031	7,031
942	Memorandum accounts	13	1,685	-	-	-
96	Artwork revaluation reserves	13	242	96	96	96
6,799	Total equity		7,669	6,356	7,127	7,127

Explanations of major variances against budget are detailed in note 17.

The accompanying accounting policies and notes form part of these financial statements.

Statement of Changes in Equity

For the year ended 30 June 2023

2022 Actual \$000	Notes	2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
6,601	Balance as at 1 July	6,799	6,356	6,799	7,127
	Comprehensive revenue/ (expense)				
5,573	Net surplus/(deficit) for the year	542	-	-	-
-	Capital contribution	13	328	-	328
215	Retention of surplus	-	-	-	-
(355)	Capital withdrawal	-	-	-	-
(5,235)	Return of operating surplus to the crown	14	-	-	-
6,799	Balance as at 30 June	7,669	6,356	7,127	7,127

Explanations of major variances against budget are detailed in note 17.

The accompanying accounting policies and notes form part of these financial statements.

Statement of Cash Flows

For the year ended 30 June 2023

2022 Actual \$000		Notes	2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
Cash flows from operating activities						
40,185	Receipts from Crown		39,429	38,458	39,429	37,843
12,714	Receipts from other revenue		10,863	9,699	14,358	9,315
(11,762)	Payments to suppliers		(11,507)	(9,828)	(14,815)	(7,308)
(33,659)	Payments to employees		(37,227)	(36,539)	(37,992)	(38,861)
(223)	Payments for capital charge		(221)	(230)	(221)	(221)
(151)	Goods and services tax (net)		(32)	-	-	-
7,104	Net cash flows from operating activities	11	1,305	1,560	759	768
Cash flows from investing activities						
(369)	Purchase of property, plant and equipment		(292)	-	(360)	(540)
(215)	Purchase of intangible assets		(707)	-	(834)	-
(584)	Net cash flows from investing activities		(999)	-	(1,194)	(540)
Cash flows from financing activities						
(1,285)	Repayment of operating surplus		(5,235)	-	(5,235)	(790)
(355)	Capital (withdrawal)/injection		328	-	328	-
(1,640)	Net cash flows from financing activities		(4,907)	-	(4,907)	(790)
4,880	Net (decrease)/increase in cash		(4,601)	1,560	(5,342)	(562)
13,026	Cash at the beginning of the year		17,906	11,922	17,906	13,354
17,906	Cash at the end of the year		13,305	13,482	12,564	12,792

Explanations of major variances against budget are detailed in note 17.

The accompanying accounting policies and notes form part of these financial statements.

Statement of Commitments

As at 30 June 2023

2022 Actual* \$000		2023 Actual \$000
Non-cancellable operating lease commitments		
1,513	Not later than one year	1,076
1,332	Later than one year and not later than 5 years	256
-	- 5 or more years	-
2,845	Total non-cancellable operating lease commitments	1,332
2,845	Total Commitments	1,332

The non-cancellable operating property leases for both the Commission and the Social Wellbeing Agency have varying terms, escalation clauses and renewal rights. There are no restrictions placed on either agency by any of its leasing arrangements. The amounts disclosed as future commitments are based on current lease payments. There were no capital commitments in 2022/23 or 2021/22.

*Prior year comparative has been restated for comparability with this year's figure. During 2022/23, the lease term was renegotiated with a new expiry of February 2025 (previously May 2029).



Statement of Contingent Liabilities and Contingent Assets

As at 30 June 2023

Unquantifiable Contingent Liabilities and Assets

There have been personal grievances raised by an employee against the Commission which relate to a current employment process. The Commission disputes the claims relating to these grievances. Disclosure of further information may prejudice the Commission's position. There were no unquantifiable contingent assets. (2022: There were no unquantifiable contingent liabilities and assets).

Quantifiable Contingent Liabilities and Assets

There are no quantifiable contingent liabilities and assets as at 30 June 2023 (2022: There was one quantifiable contingent liability).

The accompanying accounting policies and notes form part of these financial statements.

Notes to the Departmental Financial Statements and Non-departmental Schedules

As at 30 June 2023

1. Statement of accounting policies

Reporting entity

The Commission is a New Zealand government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Commission's operations includes the Public Finance Act 1989 (PFA), and the Public Service Act 2020.

The Social Wellbeing Agency is a departmental agency as defined by section 2 of the Public Finance Act 1989, which is hosted within the Commission, unless explicitly stated references to the Commission covers both the Commission and the Social Wellbeing Agency.

In addition, the Commission has reported separately, in the Non-departmental Schedules, financial information on public funds managed by the Commission on behalf of the Crown.

The primary objective of the Commission is to provide services to the public rather than making a financial return. Accordingly, the Commission is designated as a Public Benefit Entity (PBE) for financial reporting purposes.

The Financial Statements of the Commission are for the year ended 30 June 2023. The Forecast Financial Statements are for the year ending 30 June 2024. These Financial Statements were authorised for issue by the Chief Executive on 29 September 2023.

The financial statements of the Commission for the year ended 30 June 2023 are consolidated financial statements including both the Commission and the Social Wellbeing

Agency. They are shown as Group in this annual report.

The Departmental Financial Statements and the financial information reported in the Non-departmental Schedules are consolidated into the Financial Statements of the Government and, therefore, readers of these schedules should also refer to the Financial Statements of the Government for the year ended 30 June 2023.

Statement of compliance

The Departmental Financial Statements, non-departmental schedules and unaudited Departmental Forecast Financial Statements of the Commission have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practices (NZ GAAP), Treasury Instructions and Treasury Circulars. These Financial Statements comply with PBE accounting standards as appropriate for Tier 1 entities. These Financial Statements have been prepared in accordance with Tier 1 NZ PBE accounting standards. Measurement and recognition rules applied in the preparation of the Non-departmental Supplementary Financial Schedules are consistent with NZ GAAP and Crown accounting policies and are detailed in the Financial Statements of the Government.

Basis of preparation

The Departmental Financial Statements and Non-departmental Schedules have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Measurement base

The Departmental Financial Statements and Non-departmental Schedules have been prepared on a historical cost basis with the exception of Artwork which is revalued every five years.

Functional and presentation currency

The Departmental Financial Statements and Non-departmental Schedules are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000), other than the related party transaction disclosures in Note 15. The related party transaction disclosures are rounded to the nearest dollar. The functional currency of the Commission is New Zealand dollars.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with banks.

Income tax

The Commission is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Goods and services tax

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

New or amended standards and interpretations

PBE FRS 48 Service Performance Reporting

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early adoption permitted. As a result of adopting the new standard additional information has been disclosed on those judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information.

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. The Commission has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.

Changes in accounting policies

There have been no other changes in the Commission's accounting policies since the date of the last audited financial statements.

Standards issued and not yet effective and not early adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to the Commission are:

2022 Omnibus Amendment to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self-constructed

investment property could begin before the construction is completed.

- **PBE IPSAS 17 Property, Plant and Equipment:** The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- **PBE IPSAS 30 Financial Instruments: Disclosures:** The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- **PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets:** The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

Budget and forecast figures

Basis of the budget and forecast figures

The 2022/23 budget figures are for the year ended 30 June 2023 and were published in the 2021/22 annual report. They are consistent with the Commission's best estimate financial forecast information submitted to the Treasury for the Budget Economic and Fiscal Update (BEFU) for the year ending 2022/23.

The 2023/24 forecast figures are for the year ending 30 June 2023, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2023/24.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial

information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2024 forecast figures have been prepared in accordance with and comply with PBE FRS 42 Prospective Financial Statements.

The forecast financial statements were approved for issue by the Chief Executive on 05 April 2023. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Although the Commission regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2024 will not be published.

Significant assumptions used in preparing the forecast financial information

The forecast figures contained in these financial statements reflect the Commission's purpose and activities and are based on a number of assumptions on what might occur during the 2023/24 year. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 5 April 2023, were as follows:

- the Commission's activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities
- personnel costs were based on current wages and salary costs, adjusted for anticipated remuneration changes
- operating costs were based on historical experience and other factors that are believed to be reasonable

in the circumstances and are the Commission's best estimate of future costs that will be incurred

- inclusion of Social Wellbeing Agency.

The actual financial results achieved for 30 June 2024 are likely to vary from the forecast information presented, and the variations might be material. Since the approval of the forecasts, there is no significant change or event that would have a material effect on the forecasts.

Statement of cost allocation policies for Departmental Financial Statements

The Commission has determined the cost of outputs and categories using the following cost allocation system:

- direct costs are expenses incurred from activities in producing outputs. These costs are charged directly to the related appropriations
- indirect costs are expenses incurred by corporate services functions that cannot be identified with a specific output. Indirect costs are allocated to each appropriation based on full-time equivalent personnel.

There have been no changes in the Commission's general cost accounting policies since the date of the last audited Financial Statements.

Critical accounting estimates and assumptions

There are no critical accounting estimates and assumptions made in preparing these Financial Statements.

Capital management

The Commission manages its revenues, expenses, assets, liabilities, and general financial dealings prudently.

Its equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and compliance with the government budget processes, Treasury Instructions, and the PFA.

2. Revenue

Revenue Crown

Revenue from the Crown is measured based on the Commission's funding entitlement for the reporting period as reported in the Departmental Financial Statements.

The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year.

The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date. There are no conditions attached to the funding from the Crown. However, the Commission can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Other revenue

Agency Capability Reviews

Revenue from reviews is recognised based on percentage completed.

LDC Levies and LDC courses

Revenue from Levies for the Leadership Development Centre (LDC) and courses are recognised as revenue on a straight line basis over life of each course.

Recovery of rental costs and secondments

Recovery of rental costs and secondments from participating agencies is recognised as revenue on a straight line basis.

Public Service Fare contribution revenue

Revenue from Public Service Fare contribution is recognised as revenue when the obligation to pay the expenses is incurred.

Clerical and administration pay equity claim team delivery revenue

Revenue from Clerical and Administration Pay Equity Claim team delivery is recognised as revenue when the obligation to pay the expenses is incurred.

Employee Led Networks levies

Revenue from levies for the Employee Led Networks programme is recognised as revenue on a straight line basis.

Breakdown of other revenue and further information

2022 Actual \$000		2023 Actual \$000
2,413	LDC Levies	2,625
1,055	LDC Course and other revenue	1,220
2,944	Public Service Fale contribution revenue	3,510
1,784	Clerical and administration pay equity claim team and delivery revenue	1,365
692	Employee Led Networks levies	848
830	Gardiner Centre for Children - Agency Contribution	-
1,747	Other revenue (including recoveries)	1,940
11,465	Total other and departmental revenue	11,508

3. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

Superannuation schemes

Defined contribution schemes

Employee contributions to defined contribution plans such as the State Sector Retirement Savings Scheme, KiwiSaver, and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

Note that the Commission may make contributions to other defined contribution plans which employees may be members of, including defined benefit plans that are accounted for as a defined contribution plan.

Defined benefit scheme

The Commission makes contributions to the Defined Benefit Plan (DBP) Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multiemployer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus or deficit in the plan will affect future contributions by individual employers, as there is no prescribed basis for allocation.

The scheme is therefore accounted for as a defined contribution scheme.

2022 Actual \$000		2023 Actual \$000
31,591	Salaries and wages	34,601
273	Staff training and development	373
1,022	Superannuation contributions to defined contribution plans	1,092
605	Increase/(decrease) in employee entitlements	843
13	Redundancy	-
1,076	Other	770
34,580	Total personnel costs	37,679

4. Capital charge

Accounting policy

The capital charge is recognised as an expense in the financial year to which the charge relates.

The Commission pays a capital charge to the Crown based on its equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2023 was 5% (2022: 5%).

5. Other operating expenses

2022 Actual \$000		2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
1,535	Consultancy	1,622	1,525	4,214	1,556
533	Chief executives' recruitment costs	873	450	770	450
106	Legal fees	165	164	396	155
144	Fees to Audit New Zealand for audit of financial statements - the Commission	156	120	124	168
1,271	Rental and operating lease costs	1,517	1,271	1,537	1,537
338	Other occupancy costs	245	218	253	256
2,441	IT and communication costs	2,460	2,136	2,565	2,053
113	Travel	369	483	565	565
96	Loss on disposal of property, plant and equipment	-	-	-	-
121	Sponsorship	102	67	67	68
302	Contractor fees for SWA	362	735	605	605
362	Costs paid to the Treasury for CASS	356	356	356	369
8	LDC Fellowships	1	-	-	-
3,129	Other operating costs	3,596	2,883	3,249	2,410
10,499	Total operating costs	11,824	10,408	14,701	10,192

6. Property, plant & equipment / intangible assets

Accounting policy

Property, plant and equipment is measured at cost, less accumulated depreciation and impairment losses, except for Artwork which is revalued to fair values every five years by a registered artwork valuer, subject to regular assessment of market movements to ensure they do not differ materially from fair value. The latest revaluation was performed as at 30 June 2023.

Intangible assets are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. Direct costs include software acquisition and

customisation costs by consultants or staff. Staff training costs are recognised as an expense when incurred. Intangible assets with finite lives are subsequently recorded at cost, less any amortisation and impairment losses. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when an asset is available for use and ceases at the date that an asset is de-recognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Revenue and Expenses.

The useful lives of all classes of assets have been estimated as follows:

Asset type	Usual life	Depreciation/ Amortisation Rate	Method
Computer equipment	3-5 years	20%-33.33%	Straight line
Office equipment	4-5 years	20%-25%	Straight line
Leasehold improvements	Until lease expires	As calculated by lease expiry date	Straight line
Works of art	N/A	N/A	N/A
Furniture and fittings	3-5 years	20%-33.33%	Straight line
Intangible	3-5 years	20%-33.33%	Straight line

Property, Plant and Equipment

	Computer Equipment \$000	Office Equipment \$000	Leasehold Improvements \$000	Works of Art \$000	Furniture and Fittings \$000	Total \$000
Cost						
Balance at 1 July 2021	888	136	966	126	998	3,114
Additions	323	-	29	-	17	369
Disposals/transfers	(281)	-	-	-	-	(281)
Revaluation increase	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
Balance at 1 July 2022	930	136	995	126	1,015	3,202
Additions	292	-	-	-	-	292
Disposals/transfers	-	(22)	-	-	-	(22)
Revaluation increase	-	-	-	146	-	146
Other Movements	-	-	-	-	-	-
Balance at 30 June 2023	1,222	114	995	272	1,015	3,618
Accumulated depreciation and impairment losses						
Balance at 1 July 2021	374	88	435	-	450	1,347
Depreciation expense	273	20	194	-	199	686
Elimination on disposal	(185)	-	-	-	-	(185)
Balance at 1 July 2022	462	108	629	-	649	1,848
Depreciation expense	342	20	236	-	144	742
Elimination on disposal	-	(22)	-	-	-	(22)
Balance at 30 June 2023	804	106	865	-	793	2,568
Carrying amounts						
As at 1 July 2021	514	48	531	126	548	1,767
As at 1 July 2022	468	28	366	126	366	1,354
As at 30 June 2023	418	8	130	272	222	1,050

Intangible Assets

	Intangible Assets \$000	Work in Progress \$000	Total \$000
Cost			
Balance at 1 July 2021	584	52	636
Additions	-	215	215
Disposals/transfers	-	-	-
Revaluation increase	-	-	-
Other Movements	-	-	-
Balance at 1 July 2022	584	267	851
Additions	302	405	707
Disposals/transfers	(50)	(267)	(317)
Revaluation increase	-	-	-
Other Movements	-	-	-
Balance at 30 June 2023	836	405	1,241
Accumulated depreciation and impairment losses			
Balance at 1 July 2021	490	-	490
Depreciation expense	89	-	89
Elimination on disposal	-	-	-
Balance at 1 July 2022	579	-	579
Depreciation expense	75	-	75
Elimination on disposal	(317)	-	(317)
Balance at 30 June 2023	337	-	337
Carrying amounts			
As at 1 July 2021	94	52	146
As at 1 July 2022	5	267	272
As at 30 June 2023	499	405	904

7. Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Commission applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables have been assessed on a collective basis as they possess shared credit risk characteristics. They have been grouped based on the days past due.

Short-term receivables are written off when there is no reasonable expectations of recovery. Indicators that there is no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Ageing of debtors and other receivables

2022 Actual \$000		2023 Actual \$000
2,528	Current	2,550
5	Past due 31-60 days	6
123	Past due 61-90 days	-
72	Past due over 91 days not impaired	99
2,728	Total	2,655

8(a). Creditors and other payables

Accounting policy

Creditors and other payables are recorded at their face value.

2022 Actual \$000		2023 Actual \$000
Payables under exchange transactions		
1,272	Trade Creditors	968
1,286	Accrued Expenses	1,539
<i>2,558</i>	<i>Total Payables under exchange transactions</i>	<i>2,507</i>
Payables under non-exchange transactions		
911	Taxes Payable	1,329
<i>911</i>	<i>Total Payables under non-exchange transactions</i>	<i>1,329</i>
3,469	Total Trade Payables and Other Payables	3,836

8(b). Revenue in Advance

Accounting policy

Revenue in advance is recognised where amounts billed are in excess of the amounts recognised as revenue.

2022 Actual \$000		2023 Actual \$000
2,983	LDC Levies and Courses	2,712
1,359	Public Service Fale contribution revenue	1,036
961	Clerical and administration pay equit claim team and delivery revenue	864
739	Employee Led Networks levies	540
102	Organisation for Economic Co-operation and Development (OECD) contribution revenue	59
284	Department of Internal Affairs - Innovation Fund	247
59	Other revenue	311
6,487	Total Revenue in Advance	5,769

9. Employee Entitlements (Departmental)

2022 Actual \$000		2023 Actual \$000
Current liabilities		
815	Accrued salaries and performance pay	944
1,783	Annual leave	1,924
40	Sick leave	43
195	Retirement and long service leave	124
2,833	Total current portion	3,035
Non-current liabilities		
54	Long service leave	219
54	Total non-current portion	219
2,887	Total employee entitlements	3,254

Presentation of employee entitlements

Sick leave, annual leave, vested long service leave, and non-vested long service leave and retirement leave expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability

Retirement and Long Service Leave

The present value of the retirement and long service leave obligations depends on a number of factors that are determined on an actuarial basis using some assumptions. Two key assumptions used in calculating this liability include the discount rate (year 1: 5.430%; year 2: 4.850%; year 3+ : 4.300%) and the salary-inflation factor (year 1: 5.700%; year 2+: 5.000%). Any changes in these assumptions will impact on the carrying amount of the liability. In determining the appropriate discount rate, the Commission adopts the central table of risk-free discount rates and Consumer Price Index (CPI) assumptions provided by the Treasury.

10. Provisions

The Commission is required at the expiry of the lease term in the Reserve Bank on 28 February 2024 to make good the premises. \$0.228 million has been provided for this.

	Lease Make Good \$000	LDC Fellowships \$000	Ria McBride Award \$000	Total \$000
Open balance at 1 July 2022	228	144	64	436
Additional provisions made	-	-	15	15
Provisions released	-	-	-	-
Closing balance at 30 June 2023	228	144	79	451

11. Reconciliation of Net Surplus to Net Cash Flows from Operating Activities

2022 Actual \$000		2023 Actual \$000
5,573	Net Surplus(Deficit)	396
	Add/(Less) Non-Cash Items	
775	Depreciation and amortisation	817
775	Total Non-Cash Items	817
	Add/(Less) Working Capital Movement	
1,320	(Increase)/Decrease in Receivables and Prepayments	61
(1,431)	Increase/(Decrease) in Creditors and Other Payables	(319)
(151)	Increase/(Decrease) in GST	(32)
72	Increase/(Decrease) in Provisions	15
890	Increase/(Decrease) in Employee Entitlements	202
700	Total Net Movement in Working Capital Items	(73)
(40)	Add/(Less) Movements in Non-current Liabilities	165
	Add/(Less) Items Classified as Investing or Financing Activities	
96	(Gain)/Losses on Disposal of Property, Plant and Equipment	-
7,104	Net Cash Flows from Operating Activities	1,305

12. Summary Analysis of the Commission and the Social Wellbeing Agency

Revenue and Expenses	The Commission Actual 2023 \$000	SWA Actual 2023 \$000	Total Actual 2023 \$000
Revenue			
Revenue Crown	32,248	7,181	39,429
Revenue other	11,752	-	11,752
Total Revenue (before inter-agency eliminations)	44,000	7,181	51,181
Elimination of inter-entity transactions	(244)	-	(244)
Total Revenue	43,756	7,181	50,937
Expenditure			
Personnel costs	32,290	5,389	37,679
Capital charge	221	-	221
Depreciation and amortisation	817	-	817
Other operating	10,293	1,775	12,068
Total Expenses (before inter-agency eliminations)	43,621	7,164	50,785
Elimination of inter-entity transactions	(244)	-	(244)
Total Expenses	43,377	7,164	50,541
Net Surplus	379	17	396

Assets and Liabilities	The Commission Actual 2023 \$000	SWA Actual 2023 \$000	Total Actual 2023 \$000
Current assets	17,524	1,501	19,025
Non-current assets	1,954	-	1,954
Current liabilities	11,362	1,501	12,863
Non-current liabilities	447	-	447
Net Assets	7,669	-	7,669
Total Equity	7,669	-	7,669

13. Equity

Accounting Policy

Equity is the Crown's investment in the Commission and is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified as taxpayers' funds, memorandum accounts, and artwork revaluation reserves.

Memorandum accounts

Memorandum accounts reflect the cumulative surplus or deficit on those departmental services provided that are intended to be fully cost recovered from third parties through fees, levies, or charges. The balance of each memorandum account is expected to trend toward zero over time.

Artwork revaluation reserves

These reserves relate to the revaluation of artwork to fair value.

Breakdown of equity and further information

2022 Actual \$000		2023 Actual \$000
	Taxpayers' funds	
5,901	Balance as at 1 July	5,761
5,573	Surplus	396
-	- Capital injections	-
215	Retention of surplus	-
(355)	Capital withdrawal	-
(338)	Retention of memorandum account net (surplus)/deficit for the year	(415)
(5,235)	Return of operating surplus to the Crown	-
5,761	Balance as at 30 June	5,742
	Artwork revaluation reserves	
96	Balance as at 1 July	96
-	- Revaluation gains	146
96	Balance as at 30 June	242
	Memorandum accounts	
604	Balance as at 1 July	942
-	- Capital injection	328
338	Net memorandum account surpluses/(deficits) for the year	415
942	Balance as at 30 June	1,685
6,799	Total equity	7,669

Breakdown of memorandum accounts and further information

2022 Actual \$000		2023 Actual \$000
Leadership Development Centre memorandum account		
604	Balance as at 1 July	942
3,468	Revenue	3,845
(3,130)	Expenses	(3,533)
338	Surplus/(deficit) for the year	312
942	Balance as at 30 June	1,254

2022 Actual \$000		2023 Actual \$000
Employee Led Networks memorandum account		
-	Balance as at 1 July	-
-	Capital injection	328
-	Revenue	848
-	Expenses	(745)
-	Surplus/(deficit) for the year	103
-	Balance as at 30 June	431

These memorandum accounts summarise financial information relating to the accumulated surpluses and deficits incurred in the provision of statutory information and performance of accountability reviews by the Ministry to third parties on a full cost recovery basis.

The balance of each memorandum account is expected to trend toward zero over a reasonable period of time, with interim deficits being met either from cash from the Commission's statement of financial position or by seeking approval for a capital injection from the Crown. Capital injections will be repaid to the Crown by way of cash payments throughout the memorandum account cycle.

In 2022/23 the Commission administered 2 memorandum accounts. (2021/22: 1)

The overall memorandum account balance at 30 June 2023 is \$1.685 million. The balance increased in 2022/23 by \$0.415 million (\$0.312 million from the Leadership Development Centre (LDC) memorandum account and \$0.103 million from the Employee-led Networks memorandum account). The forecast for LDC is for expenditure to exceed revenue over 2023/24 and 2024/25. As a result, the memorandum account balance is expected to come down over this period.

14. Return of operating surplus

The Commission's obligation to return a portion of its operating surplus in accordance with the Public Finance Act 1989 is recognised at face value as it is required to be paid by 31 October of each year, per Treasury Instructions.

2022 Actual \$000		Notes	2023 Actual \$000
5,573	Net (deficit)/surplus		542
	<i>Add back:</i>		
	- Artwork revaluation losses/(gains) recognised in surplus/deficit		(146)
(338)	Net operating deficit/(surplus) in memorandum accounts	13	(415)
	- Net operating deficit in other operating activities		19
5,235	Return of operating surplus to the Crown		-

15. Related party transactions

All related party transactions have been entered into on an arms' length basis. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

The Commission is a wholly-owned entity of the Crown. The Government significantly influences the roles of the Commission as well as being its major source of revenue.

In conducting its activities the Commission is required to pay various taxes and levies (such as GST, FBT, PAYE and ACC levies) to the Crown and entities related to the Crown. The payment of these taxes and levies, other than income tax, is based on the standard terms and conditions that apply to all tax and levy payers.

Key management personnel

The Commission Actual 2022 \$000	Social Wellbeing Agency Actual 2022 \$000		The Commission Actual 2023 \$000	Social Wellbeing Agency Actual 2023 \$000
Leadership Team, including the Public Service Commissioner				
4,189	977	Remuneration	4,290	1,085
10.54	3.70	Full-time equivalent staff	10.72	3.81

The above key management personnel compensation excludes the remuneration and other benefits the Minister for the Public Service receives. The Minister's remuneration and other benefits are not received only for his role as a member of key management personnel of the Commission. The Minister's remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, and not paid by the Commission.

Related party transactions involving key management personnel (or their close family members)

There were no related party transactions involving key management personnel or their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2022: Nil).

16. Events after balance date

There have been no significant events subsequent to balance date that require adjustment to the Financial Statements or disclosure.

17. Explanation of major variances against budget

The following major budget variations occurred between the 2022/23 Actuals and the 2022/23 Original (Mains) Budget.

Statement of Comprehensive Revenue and Expense

Revenue

Revenue Crown was higher than originally budgeted due to an expense transfer of \$0.120 million into 2022/23 for delayed chief executive recruitment and funding of \$0.428 million received in Budget 2022/23 to support the implementation of the Public Sector Pay Adjustment (PSPA).

Revenue other was higher than originally budgeted due to an increase in revenue of \$4.659 million from other departments. The largest contributions were the Clerical and Administration Pay Equity Claims team, the Public Service Fale, and the Leadership Development Centre. These are both functions of the Commission which are funded by other departments. The other significant contribution was staff on secondment (where the Commission continues to pay staff costs and receives revenue from the secondment agency to cover it).

Expenditure

Personnel costs were higher than budgeted mainly due to the Public Sector Pay Adjustment (PSPA) and additional staff working in the Clerical and Administration Pay Equity Claims team (who were funded through other departments).

Statement of Financial Position, Cashflow and Changes in Equity

Variances in the Statement of Position and Statement of Cashflow are largely due to timing differences between when the goods or services were delivered and when the cash changed hands.

Variances in the Statement of Changes in Equity result from the surpluses made in the Leadership Development Centre and Employee-led Networks memorandum accounts.

18. Financial Instruments

The carrying amounts of financial assets and liabilities in each of the PBE IPSAS 41 financial instrument category are:

2022 Actual \$000		2023 Actual \$000
Financial assets measured at amortised cost		
17,906	Cash and cash equivalents	13,305
5,756	Receivables (excluding taxes receivable)	5,683
23,662	Total financial assets measured at amortised cost	18,988
Financial liabilities measured at amortised cost		
2,558	Payables (excluding income in advance and taxes payable)	2,507
2,558	Total financial liabilities measured at amortised cost	2,507

Non-departmental Schedules (for the year ended 30 June 2023)

The Non-departmental Schedules record the revenue, expenses, assets, liabilities, commitments, contingent liabilities and contingent asset that the Commission and the Social Wellbeing Agency manages on behalf of the Crown.

Schedule of Non-departmental Expenses

For the year ended 30 June 2023

The Schedule of Non-departmental Revenue and Receipts summarises Non-departmental revenues and receipts that the Commission and the Social Wellbeing Agency administers on behalf of the Crown.

2022 Actual \$000		2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
18,283	Remuneration and related employment costs of chief executives	18,274	18,199	18,821	18,817
	<i>Consists of:</i>				
18,231	Remuneration and leave costs	18,223	17,999	18,421	18,417
52	Training and development	51	100	100	100
-	Relocation costs	-	100	100	100
200	Open Government Partnership	200	200	200	200
11	GST Input expense	6	-	-	-
18,494	Total non-departmental expenses	18,480	18,399	18,821	18,817

The accompanying accounting policies and notes form part of these Financial Statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Explanation of significant variance against budget are provided in Note 2.

Schedule of Non-departmental Revenue and Receipts

For the year ended 30 June 2023

The Schedule of Non-departmental Revenue and Receipts summarises Non-departmental revenues and receipts that the Commission and SWA administers on behalf of the Crown.

2022 Actual \$000		2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
17,712	Reimbursement of chief executives'	16,886	18,250	18,672	18,668
17,712	Total non-departmental revenue	16,886	18,250	18,672	18,668

The accompanying accounting policies and notes form part of these Financial Statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Explanation of significant variance against budget are provided in Note 2.

Schedule of Non-departmental Assets

As of 30 June 2023

2022 Actual \$000		2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
12,804	Cash	13,798	11,293	12,804	12,804
209	Prepayment	-	-	-	-
48	Debtors and other receivables	281	-	-	-
13,061	Total non-departmental assets	14,079	11,293	12,804	12,804

The accompanying accounting policies and notes form part of these Financial Statements.

For a full understanding of the Crown's financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Explanation of significant variance against budget are provided in Note 2.

Schedule of Non-departmental Liabilities

As of 30 June 2023

2022 Actual \$000		2023 Actual \$000	2023 Budget \$000	2023 Supps \$000	2024 Forecast \$000
294	Creditors and other payables	61	28	294	294
	Current liabilities – employee entitlements				
325	Salaries and wages	853	268	68	68
1,864	Annual leave	1,971	1,516	1,864	1,864
2,189	Total current liabilities – employee entitlements	2,824	1,784	1,932	1,932
	Long-term liabilities				
768	Retirement leave	835	735	768	768
2,957	Total current and long-term provision for employee entitlements	3,659	2,519	2,700	2,700
3,251	Total non-departmental liabilities	3,720	2,547	2,994	2,994

The accompanying accounting policies and notes form part of these Financial Statements.

For a full understanding of the Crown’s financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Explanation of significant variances against budget are provided in Note 2.

Schedule of Non-departmental Commitments

As of 30 June 2023

There are no non-departmental commitments as at 30 June 2023 (2022: Nil).

Schedule of Non-departmental Contingent Liabilities and Contingent Assets

There are no non-departmental contingent liabilities and contingent assets as at 30 June 2023 (2022: Nil).

For a full understanding of the Crown’s financial position and the results of its operations for the year, refer to the consolidated Financial Statements of the Government for the year ended 30 June 2023.

Notes to the Non-Departmental Statements and Schedules (for the year ended 30 June 2023)

1. Statement of Accounting Policies

Reporting Entity

These non-departmental statements and schedules present financial information on public funds managed by the Commission on behalf of the Crown.

These non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2023. For a full understanding of the Crown's financial position, results of operations, and cash flows for the year, refer to the Financial Statements of the Government for the year ended 30 June 2023.

Basis of Preparation

The non-departmental statements and schedules have been prepared in accordance with the accounting policies of the consolidated Financial Statements of the Government, Treasury Instructions, and Treasury Circulars.

Presentation currency and rounding

The non-departmental statements and schedules are presented in New Zealand dollars (NZ dollars) and all values are rounded to the nearest thousand dollars (\$000).

Summary of significant accounting policies

Significant accounting policies are included in the notes to the departmental financial statements and non-departmental schedules on pages 109 to 112 of this report.

2. Explanation of major variances against budget

Schedule of revenue and schedule of expenses

The variance in current year actuals and budget is due to government decisions around the establishment of one new agency. The budget in both schedules includes a contingency component to allow for unplanned expenditure and revenue relating to chief executives. This explains the decrease in both revenue and expenditure, as any increase in chief executive expenditure would generate a commensurate increase in revenue as the costs are recovered from the relevant agency.

Schedule of assets and schedule of liabilities

The variance in the schedule of assets results from the budget for cash. This assumed a higher level of expenditure as budgeted for in the schedule of Non-departmental expenses. The underspent in expenses compared to supplementary estimates is the main contribution to the increase in the bank balance.

The variance in the schedule of liabilities results from underbudgeted current and long-term provision for employee entitlements.

Pūrongo-ā-tau Annual Report

2022 - 2023

**SOCIAL
WELLBEING
AGENCY**



TOI HAU
TĀNGA

Te Kāwanatanga o Aotearoa
New Zealand Government

He kōrero nā te Tumu Whakahaere

From the Chief Executive



“Mā te rongō, ka mōhio. Mā te mōhio, ka mārāma. Mā te mārāma, ka mātau. Mā te mātau, ka ora.”

Through perception comes awareness, through awareness comes understanding, through understanding comes knowledge, and through knowledge comes wellbeing.

Tēnā koutou katoa,

I am pleased to share where we have made a difference to the lives of New Zealanders by providing the social sector with data, evidence, and insights to inform decision-making.

We have enhanced the evidence used across many issues important to the wellbeing of New Zealand and priorities of the Government. This has included the wellbeing of older New Zealanders, education outcomes for some of our most vulnerable, addressing youth crime, social impacts of adverse weather events, and measuring collective efforts to reduce family violence. We partnered with other social sector agencies, adding our analytical expertise to ensure decision-makers had the best, and right, information to inform their decisions.

To respond to the social impacts of adverse weather events, we launched a Community Insights Explorer. This provides New Zealanders with demographic information about communities and is being used by decision-makers to identify the social impacts of recovery planning. The tool utilised the data analytics platform we developed to support agencies monitor and identify the impacts and difference the public service is making. Working with partner agencies, we have also applied many advanced analytical techniques to policy problems. These help to go beyond descriptive data and provide insights on the drivers of complex social issues, what works to improve outcomes, and opportunities for future action.

We achieved these deliverables within our budget through a well-thought-out work programme, maximising the resources and talent we have, and utilising our areas of expertise.

Next year we hope to embed the data and analytics platform as an essential monitoring and impacts tool for smaller agencies, enhance our expertise in evaluating what works, and develop our analytical skills even further. This will help to ensure that policies and service delivery that impact New Zealanders are effective and work.

Thank you to our partners, social sector agencies, and to our staff for their contributions towards our achievements over the past year.

Ngā mihi nui,

A handwritten signature in black ink that reads "Renee Graham".

Renee Graham
Chief Executive, Te Tumu Whakarae
Social Wellbeing Agency, Toi Hau Tāngata
29 September 2023

Ā mātou mahi What we do

We are the advanced data, analytics, and insights agency for the social sector. We provide independent, evidence-based advice on enduring, topical, and important social issues for Aotearoa New Zealand. We work closely with social sector decision-makers including Ministers and the Social Wellbeing Board of social sector chief executives. Our role is to make it easier for the social system to understand, decide on and do more of what really works, for better lives.

Our vision is that people, whānau and communities live the lives to which they aspire.

To achieve that vision, we have two purposes: to deliver cross-social system advice, and to create tools, insights and practices for government.

Our highlights

During 2022/23 we provided analysis and advice on Government priorities. Below are our highlights, grouped under our purposes.

Cross-social system advice

- advice on children and young people with high support needs to provide insights on preventing youth crime
- statistical analysis on the experiences and outcomes of young people in Alternative Education, informing an Education Review Office-led evaluation
- research on a Te Ao Māori perspective of the first 1000 days of a child's life
- delivery of a proof of concept for regional data for the Regional Public Service Office
- working with the Te Puna Aonui on a draft outcomes and measurement framework and a research and evaluation plan for Te Aorerekura

- three reports on debt to Government: analysis of those with children who have debt to government, the persistence of debt, and the breakdown of private and public debt
- analysis to the Ministry of Education on learners with the highest needs and additional analysis to Oranga Tamariki on learners within scope of the Oranga Tamariki Action Plan.

Providing tools, insights and advice

- production of the Community Insights Explorer, showing social and demographic information down to a community level, combined with mapping of land data
- in partnership with Te Puni Kōkiri, continuing to govern our data and analytics platform.
- onboarding the Aroturuki Tamariki Independent Children's Monitor and Te Puna Aonui to our data and analytics platform to enable evidence-based decisions
- production of insights into the lives of older New Zealanders, in partnership with the Ministry of Social Development and the Ministry of Health
- guidance on the disability indicator which can be used to explore outcomes of disabled people, in partnership with Whaikaha
- hosting a data symposium to discuss how we use data as a national asset.

More information on each of these is in the following achievements section.

Ngā hua me ngā ratonga Our achievements

Delivering cross-sector advice

We delivered cross-agency advice partnering with others and using our expertise and analysis to understand more about complex social issues.

Insights on youth crime and engagement

We worked with social sector partners to advise on youth crime and engagement. We helped to understand the characteristics of young people who offend and created a regional breakdown of young people with high support needs. Through this work, we also advised on what works for prevention, community programmes and individual and family prevention approaches. We also co-ordinated cross-agency activity to support the Youth Crime Ministerial Sub-Group.

Statistical analysis of Alternative Education learner outcomes

We conducted a statistical evaluation of the experiences and outcomes of young people who have attended Alternative Education using the Integrated Data Infrastructure (IDI). This analysis was part of the Education Review Office's broader evaluation into how well the education system is supporting young people in Alternative Education. Our report showed that, when compared to similarly disadvantaged young people, those in Alternative Education are

much less likely to achieve educational outcomes and are more likely to have other poor life outcomes. We continue to work with the Education Review Office and the Ministry of Education on future work on the Alternative Education model.

Te Ao Māori perspective of what works in the first 1000 days

We published research on a Te Ao Māori perspective of the first 1000 days from Māori researchers from the University of Waikato and the University of Auckland to support implementation of the Child and Youth Wellbeing Strategy. This research examined the strength of the existing evidence and identified evidence gaps in relation to the wellbeing of māmā hapū, pēpi, tamariki and whānau.

Improving regional access to data to support decision-making

We worked with the Ministry of Social Development to deliver a proof of concept for a regional data dashboard using our data and analytics platform. This was to support Regional Public Service Commissioners to have timely data to support regional priority planning and achieve positive outcomes with communities. This proof of concept was well-received, and we continue to work with the Regional Public Service Office on the development of regular dashboard reporting. Our work on regional data informed our approach to the Community Insights Explorer.

Developing the learning and monitoring approach for Te Aorerekura

We have progressed the development of the learning and monitoring approach for Te Aorerekura – the National Strategy to Eliminate Family Violence and Sexual Violence. Working with Te Puna Aonui (the joint venture business unit), we supported two actions from the first Action Plan:

- Action 38: Continuously develop and improve the learning system through the collection of evidence and voices. This action supports government and communities to work together to build a collaborative learning system.
- Action 39: Work together to finalise a measurement framework. This action is how government can work with communities to build a measurement framework including actions to eliminate family violence and sexual violence.

We engaged with communities, sector representatives, and academic experts to develop a draft outcomes and measurement framework. This framework provides the foundations for a learning system and describes what changes are expected over the life of the 25-year strategy and how progress towards these changes will be measured. Multiple agencies contribute to the monitoring and learning needed to achieve the changes described in Te Aorerekura, and we provided Te Puna Aonui with advice about how to navigate the complex data environments of different sectors.

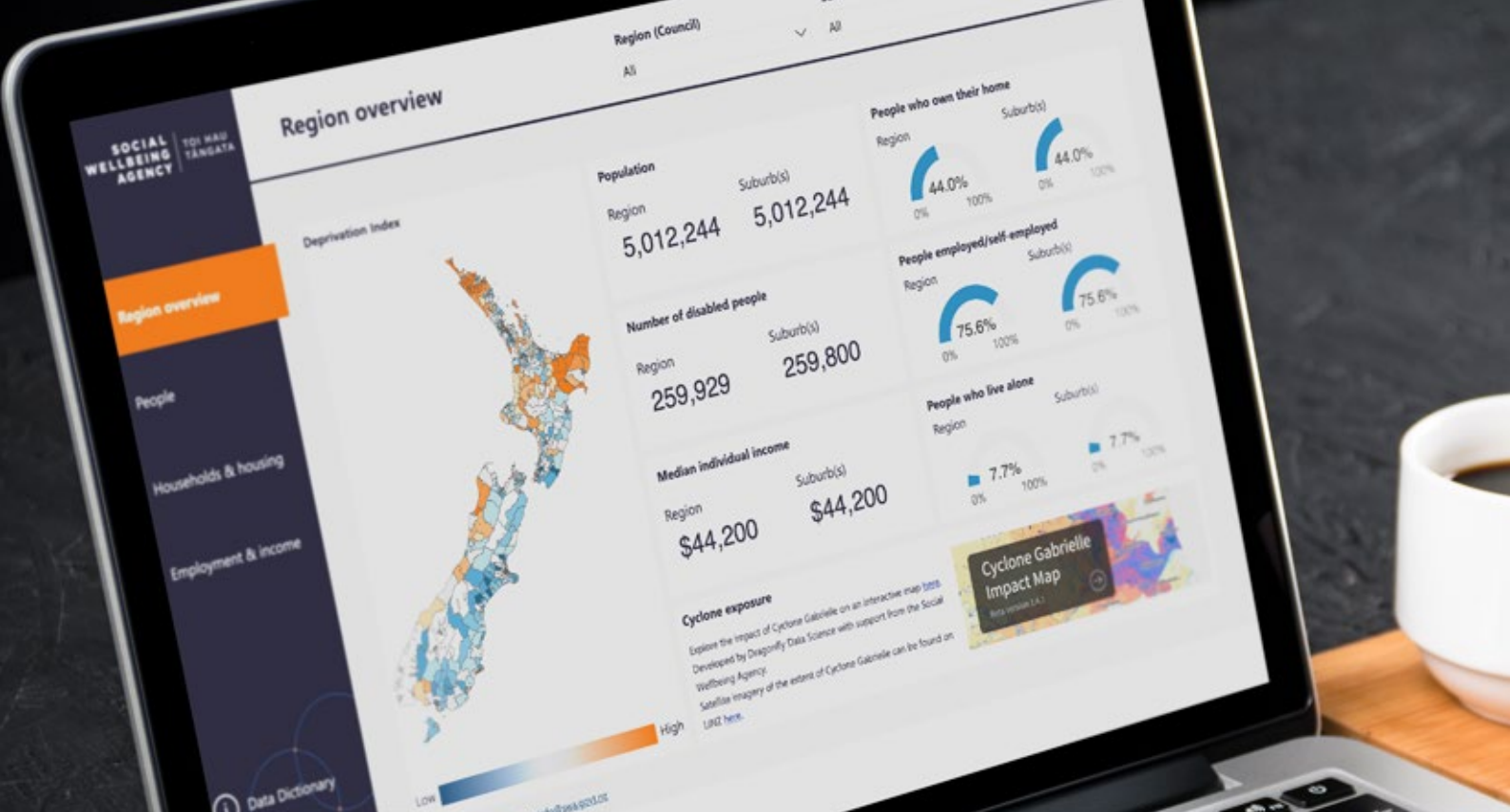
We also developed a plan for research and evaluation, to be implemented by Te Puna Aonui. Through more coordinated system-wide learning, Te Puna Aonui will support the building of the evidence to continuously improve Te Aorerekura and ensure community voices are heard in the iteration and prioritisation of research and evaluation activities.

Investigating the impact of government debt on wellbeing

Supporting our earlier research on debt to government, we published three reports which examined debt persistence, links between public and private debt, and the number of people with debt who have children. These revealed debt to government is a major issue for people on low incomes, those receiving government support, those with debt to multiple agencies, and non-residents. Parents make up more than half of those who owe debt to government. More than 85 percent of those who owe debt to government have owed debt for at least one year and more than 45 percent have done so for at least four years. The reports showed a clear interaction between public and private debt, and have informed the cross-government work, led by Inland Revenue, on managing debt to government.

Analysis of learners with highest needs

We provided analysis of information from the IDI looking at needs and support within and outside the education system to the Ministry of Education's Highest Needs Review. We identified learners with highest need and support within the education system, as well as those with identified needs outside of the education system. This analysis identified a group of learners who may not be getting the additional learning supports they need. Following this work, Oranga Tamariki commissioned us to undertake further analysis of the same needs and supports, with a focus on the populations within the scope of the Oranga Tamariki Action Plan. This will support actions across the Highest Needs Review and the Oranga Tamariki Action Plan.



Creation of tools, insights and practices

We created tools, insights and practices to support the data and analytics community across government.

Community Insights Explorer

The need to have social and demographic data about communities increased following the adverse weather events that impacted communities across the North Island in early 2023. To support communities as they recover, we developed a data explorer to bring information together for decision-makers. We partnered with Dragonfly Data Science to understand from satellite data the impact of Cyclone Gabrielle on the East Coast.

This was the first time that social and demographic data and spatial data have been combined in Aotearoa New Zealand, and it will be useful for responding to future adverse weather events. Feedback on the tool has been positive, with stakeholders saying they are using it to learn more about the characteristics of their communities.

Delivering a data and analytics platform

In partnership with Te Puni Kōkiri we continued to develop our data and analytics platform. This year, we also onboarded other agencies to the platform to enable evidence-based decision making.

The platform has been populated with a range of regional and subregional wellbeing indicators that can be re-used and leveraged across the sector. The data is sourced from a range of areas to create a standardised data repository for richer insights in a way that has not been possible in the past.

To support the regions and the Social Wellbeing Board, we will be providing more regional dashboards and data products. We have also onboarded Aroturuki Tamariki Independent Children's Monitor and Te Puna Aonui to the platform. These agencies will benefit from the regional data we are developing, and they will contribute to the social sector data, as and when appropriate.

Understanding characteristics of our older population

To support actions under the Government's Better Later Life Strategy Action Plan 2021-2024, the Ministry for Social Development partnered with the Social Wellbeing Agency and the Ministry of Health to understand the size, scale, and characteristics of older people experiencing vulnerability in health, housing, finance, social connection, and access. Data from the IDI was analysed to learn more about the experiences of New Zealanders, aged 65 years or older, across these domains. The report showed that many older people are doing well by the selected indicators; however, experiences of multiple disadvantage are common. It also showed the varied experiences of vulnerability in older people are consistent with the inequitable experiences and outcomes of Māori and Pacific peoples across their life course.

Disability indicator for use by the public service

We worked with experts in disabled people's organisations and in government to create a new proxy indicator based on government administrative data that can be used to undertake research and explore outcomes of disabled people. This report summarised the work to create an indicator that identifies people who are likely to be disabled. It is part of the Disability Data and Evidence Working Group, chaired by Whaikaha, which is working on ways to improve the collection of data and statistics on disabled people. We continue to encourage public service agencies to use the indicator.

Focus on data as a national asset at symposium

In March 2023 approximately two hundred people attended the Our Data Sources as a Strategic National Asset symposium, which had a focus on how data and analytics can support the decisions we face as societies.

Local and international experts presented on the use of population data, artificial intelligence, advanced analytics, data ethics, Māori data sovereignty, and alignment with the Government Data Strategy and Roadmap.

The symposium was hosted in partnership with Rourou Tātaritanga Informatics for Social Services and Wellbeing, Victoria University of Wellington and the University of Auckland and has led to further cross-agency work on data systems and governance.

Developing tools to lift the capability of the IDI community

We produce analytical tools and reusable codes for researchers who have access to Stats NZ's IDI. This aims to lift the analytic capacity and capability of the IDI community and to transparently share our work. We published new tools to enable researchers to check their own research outputs from the IDI, including tools to summarise and confidentialise outputs. These tools help researchers ensure their outputs are high quality and support an efficient and timely checking service. The tools sit on our website alongside existing resources such as the Dataset Assembly Tool and the IDI exemplar projects. We also continued to share and publish the codes for all our indicators and definitions on our public GitHub website for researchers to reuse.

Ko wai mātou

Our people

He tāngata, he tāngata, he tāngata

Our people strategy Tāngata supports our organisational strategy and builds on our workplace culture, where everyone is valued, respected, and can bring their whole selves to work. Tāngata has our people at our centre because we know that investing in them helps us to successfully work on challenging social-sector problems to improve people's lives.

Tāngata focuses on building an environment that enables, supports, and invests in our people's development and performance for high-performing culture. We want to be known as an employer that grows talent and as a great place to work.

Tāngata focuses on:

- high performing culture - creating a culture where people are engaged, productive and proud of the work we deliver
- workforce capability – identifying skills and capability for future success
- growing Māori capability – expanding the place of Māoritanga in our agency
- diversity and inclusion – seeking, valuing and utilising diverse and inclusive thinking, people and behaviours.



Our values

Our values, developed by our people, focus our efforts, and are used internally and externally to guide us.



TĀNGATA

We're about people

People will do better, sooner and for longer when the social system works in partnership, acting on better evidence to develop and deliver services.



MANAWA MĀUI

We are a catalyst for change

We challenge the status quo constructively and seek better ways of doing things. We help create change to improve lives through different approaches.



TAUNAKITANGA

We influence through evidence

We use evidence to influence positive change for New Zealanders.



PUARETANGA

We're transparent by nature

We will share what we're doing, how we're doing it, and what we learn.

Te Aho Kura – Māori Cultural Capability Plan 2021–2023

Te Aho Kura is our bespoke Māori Cultural Capability Plan introduced in response to the State Sector Act Reform: Te Ao Tūmatanui – strengthening the Māori/Crown relationship.

Te Aho Kura aims to weave its three core values: Mātauranga (cultural knowledge and skills), Manaakitanga (empathy and understanding), and Mahitahitanga (effective partnership) throughout the entire agency. Te Aho Kura aims to help build our internal cultural capability so that we may better position ourselves to support Māori wellbeing outcomes.

Te Aho Kura continues to build on our previous works around cultural capability and the Whāinga Amorangi program set out by Te Arawhiti. Over the past 12 months, we have achieved the following:

- **Te Reo Māori**
 - held weekly beginner te reo sessions to learn proper pronunciation, simple vernacular, basic grammar, a basic introduction, and two new karakia
 - held weekly waiata sessions and learnt five new waiata as an agency.
- **Te Tiriti o Waitangi/NZ History**
 - held an agency-wide *Wall Walk* workshop to get a better understanding on the history of Māori-Crown relations.
- **Tikanga/Kawa**
 - celebrated/commemorated key events and days of importance such as Te Wiki o Te Reo Māori, Parihaka Remembrance Day, Te Matatini, and Matariki
 - updated our Whakatau (welcoming) policy and process

- updated our recruitment policy to align to our Tiriti obligations.
- **Engaging with Māori**
 - initial introductory meetings with Te Nehenehenui Trust (Ngāti Maniapoto Post Settlement Governance Entity) and Te Hiku ō te Ika Iwi Development Trust to discuss mutual project ideas.

Work to refresh Te Aho Kura for 2023–2026 is being led by the Māori Advisory Team and is set to be launched in October 2023.

Building our capability

Performing together through Ngā Tahī

Ngā Tahī means ‘together’ or ‘as one’, acknowledging that we grow together, individuals, managers, teams and the organisation alike. Ngā Tahī, our performance framework, was developed in consultation with all our people, and it focuses on supporting them to do their best, as our success relies on their performance and capability. Ngā Tahī takes a conversation-driven approach. It focuses on regular and meaningful conversations between people and their managers to drive performance and development. We specifically focus on three areas: Contribution, Behaviour and Leadership, and Capability.

Supporting data science and analytics talent

To support the visibility and profile of women in data science, we sponsored and presented at the Women in Data Science New Zealand 2023 Conference. We also continued to contribute to the Analytics and Research in Government programme which supports interns and graduates into data science roles across the public service.



Left: Craig Wright, Principal Data Scientist, with Alistair Mason, Director, Office of the Chief Executive. Right: Sarah O’Grady (Social Wellbeing Agency), Lorena Talagi (Rainbow Tick) and Renee Graham (Social Wellbeing Agency).

Building policy capability

A key part of our strategy is building our policy capability. During the year, we recruited policy experts to our Policy and Insights Team. Having a fully resourced policy team builds on our existing research and insights skills and will strengthen our ability to deliver cross-social system advice.

Public Service Commissioner’s Commendation

In 2022 Principal Data Scientist Craig Wright was awarded a Public Service Commissioner’s Commendation for Excellence, in recognition of his analytical work across the public service. Craig uses data, knowledge and insights to lead to changes that improve people’s lives.

Our Diversity and Inclusion programme

Our Papa Pounamu priority commitments

Our values and people strategy are essential to meeting our Papa Pounamu commitments. Papa Pounamu aims to bring together diversity and inclusion practices across the public service and to support public service chief executives to meet their diversity and inclusion obligations and goals.

The focus areas are:

- strengthening cultural competency
- supporting and engaging with employee-led networks
- addressing bias and discrimination
- building inclusive leadership
- building relationships in our workplace.



Penny Mok and Verity Warn (Social Wellbeing Agency) with Nikki Wilkinson (Dragonfly Data Science) at the Women in Data Science New Zealand 2023 Conference.

Cultural competency

We're growing our cultural competency through our Māori cultural capability programme – Te Aho Kura. Te Aho Kura refers to 'The Sacred Thread' or 'The Special Thread', combining the meanings of both te aho tapu (the first and main thread of the korowai) and kura (the traditional, sacred colour red). Te Aho Kura ensures we are complying with the requirements set out under the Whāinga Amorangi (Māori Crown relations capability) framework, and the Māihi Karauna (Crown's Māori language revitalisation) strategy.

To strengthen our broader cultural competency, the intercultural capability e-learning modules developed by the Ministry for Ethnic Communities are included in our induction material and are available on our intranet.

Supporting and engaging with employee-led networks

We encourage and support employee-led networks, and this is formalised in our Wellbeing Policy. As a small agency, we

partner with other agencies to support our staff through employee-led networks, including those for women, Māori, Pacific peoples and Rainbow communities. We currently have representatives attending the Cross-Agency Rainbow Network and the Government Women's Network.

Rainbow Tick

In 2022 we received our certification for the Rainbow Tick. This followed an assessment of our processes to ensure we have a supporting workplace for members of the Rainbow community. We will have annual assessments to ensure ongoing certification with the Rainbow Tick.

Addressing bias and discrimination

We are working to reduce bias from our workplace. We reviewed our unconscious bias training provider to ensure the training is engaging and fit-for-purpose. As at 30 June 2023, 80 percent of people leaders have completed unconscious bias training. We use processes to identify and mitigate bias when reviewing human resources policies and practices. We



The Social Wellbeing Agency team celebrating Pink Shirt Day.

have developed a bias minimisation toolkit which decision-makers use during recruitment and remuneration processes to reduce bias.

Building inclusive leadership

Our leaders ensure the people they work with are valued and respected. This year we held workshops for our people leaders, and our people, on understanding LBGTQIA+ inclusion. Eighty percent of our people leaders have participated in inclusive leadership training. Seventy-nine percent of staff responding to our Kōrero Mai survey agreed with the statement “I feel that I can bring my whole self to work each day”. Eighty-one percent of staff agreed with the statement “My values and cultural beliefs are respected at our agency”.

Building relationships in our workplace

We want to build positive and inclusive relationships in our agency. Our performance framework, Ngā Tahī focuses on regular and meaningful conversations between people and their managers.

We engage with our people and build relationships in a variety of ways. We meet weekly as an agency to communicate, share what we are doing, and acknowledge achievements. Leaders meet quarterly to build connections and plan. We hold an annual all staff hui which is an invaluable opportunity for us to engage in whakawhanaungatanga with each other.

Kia Toipoto

We are committed to closing pay gaps, particularly gender and ethnic pay gaps. With our people we developed a robust action plan in November 2022 to support this.

This year we published our Kia Toipoto action plan, which focuses on actions to close pay gaps, particularly gender, Māori, Pacific, and other ethnic pay gaps.

As a small agency, we do not meet the threshold to report on pay gaps, in accordance with the guidance from Stats NZ on measuring organisational pay gaps. During the development of our pay gap action plan, we used other information as trends, such as our workforce profile,

people data and recruitment statistics, to measure impact. Overall, our information told us that we are making good progress. Our [pay gap action plan](#) is available at swa.govt.nz/publications/Social-wellbeing-agency-kia-toipoto-action-plan

Reflecting Aotearoa in our workforce

We are committed to building a workforce that reflects the growing diversity of Aotearoa New Zealand. During 2022/23 our diversity and inclusion working group Tātou has been implementing our diversity and inclusion strategic plan and reviewing our next steps.

Tātou envisions our agency:

- having a workforce that reflects Aotearoa New Zealand
- being a safe place where individual ideas, background and cultures are valued
- having an inclusive culture, free from bullying and harassment, and where bias is understood and minimised.

The achievement of the Rainbow Tick supports Tātou's aim to create a safe and supportive work environment for our people who are members of the Rainbow community. Tātou holds events to educate and celebrate aspects of diversity to build an inclusive culture. This year, events included learning about Matariki and Parihaka, celebrating Te Wiki o Te Reo Māori, celebrating Pink Shirt Day, mental health awareness week and Diwali.

Our people by numbers

Employee engagement

from the 2023 Social Wellbeing Agency Kōrero Mai survey (run from 23 June 2023 to 6 July 2023).

Valuing diversity

83% of staff agree “SWA values diversity”

Inclusive culture

81% of staff agree “My values and cultural beliefs are respected at our agency”

Work-life balance

82% of staff agree “I feel I am able to balance my work and private life”

85% of staff agree “SWA’s culture is supportive of flexible working”

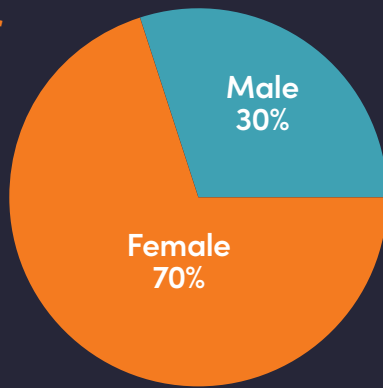
Staff numbers

37 permanent and fixed-term staff as at 30 June 2023.

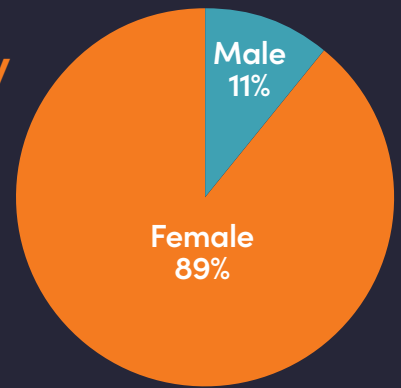
Our demographic profile has changed slightly from last year. Our workforce has a similar percentage of males and females, whereas the percentage of female people leaders has increased. The ethnicity of our workforce has changed slightly with a small decrease in the percentage of Māori staff, and a small increase in the number of Pacific and Middle Eastern/Latin American/African (MELAA) staff. The number of staff with a disability decreased from last year. We continue to encourage staff to include demographic information, including disability, in their HR profile.



Gender



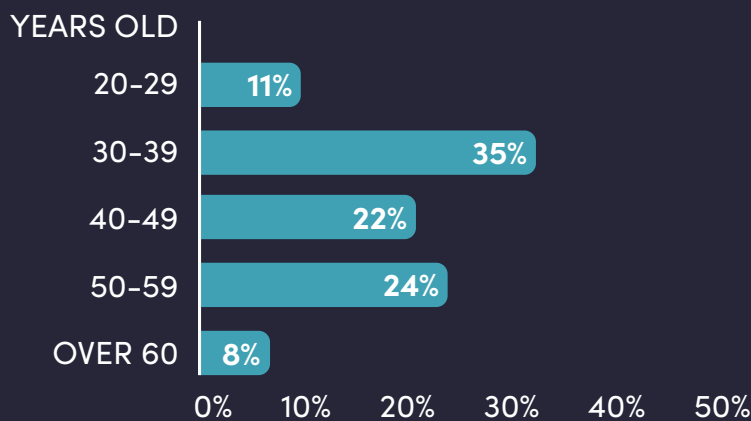
People leaders by gender



Ethnicity



Age breakdown of staff



Average age

42.7
years

*We have not reported percentages that are low to protect our people's privacy.



Health, safety and wellbeing

As a small office-based agency with no public-facing staff, we are a relatively low-risk health and safety environment. We have an active Health and Safety Committee that meets every six weeks to consider a range of health and safety issues that matter to our people, including staff wellbeing and mental health.

We support our people to have a meaningful work-life balance, to proactively look after their physical and mental wellbeing, to increase their sense of belonging through employee-led networks, and to seek professional support through our employee assistance programme.

Carbon neutral Government programme reporting

Our 2022/23 carbon emissions (refer to Table 1) have gone through a verification audit in September 2023. The Social Wellbeing Agency's base year for carbon emissions reporting is 2019/20. The total emissions for the base year were 101,921 kg CO₂.

2022/23 performance

The following table and graph summarises the Social Wellbeing Agency's CNGP performance for 2022/23.

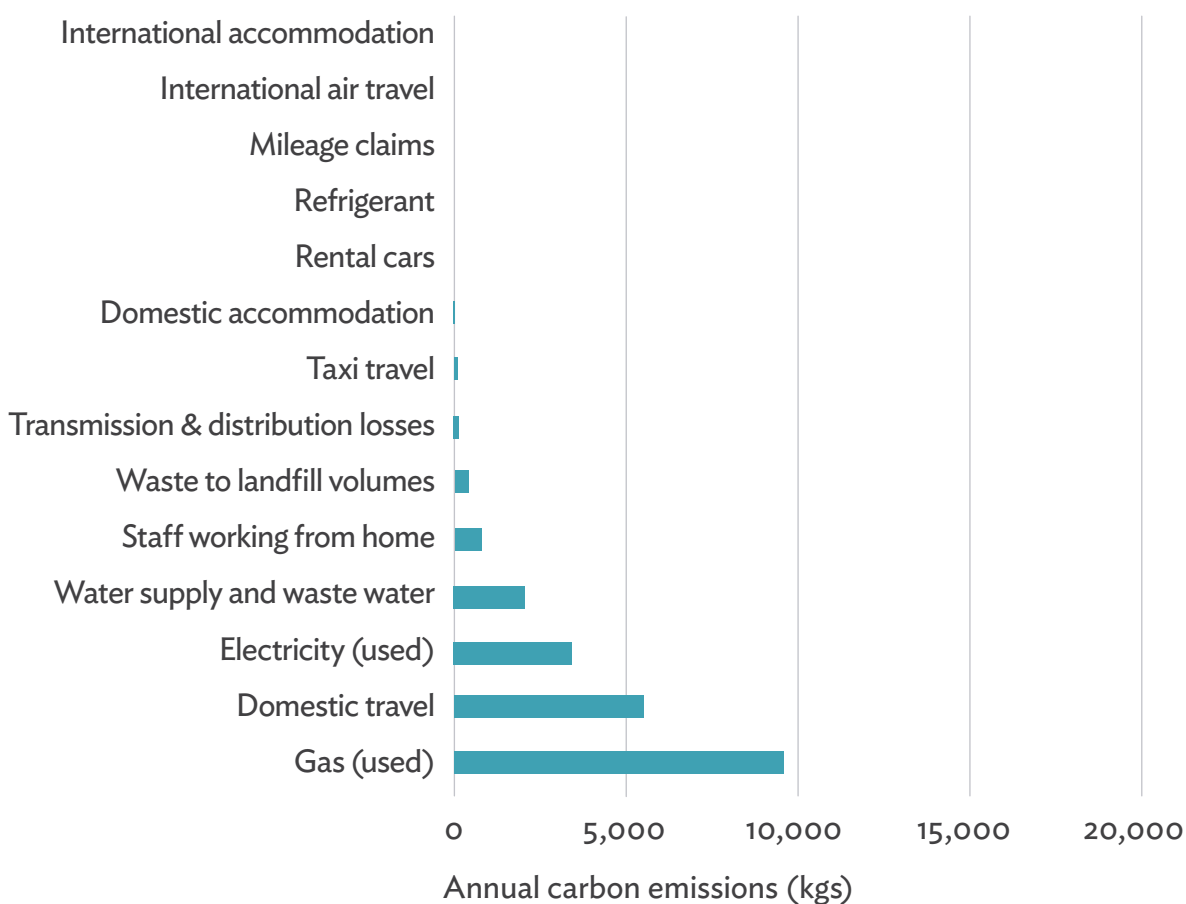
A number of emission sources were not included in the table for the following reasons:

- fleet vehicles: The Social Wellbeing Agency does not manage any fleet vehicles
- staff commute: This is excluded as it is not a mandatory scope 3 emissions source
- working from home: This is excluded as it is not a mandatory scope 3 emissions source
- freight: Due to our operations and location, our mean emissions are insignificant and as a result, data collection is impractical.

Table 1: Emissions profile broken down by source, category, scope, and total annual emissions (tCO₂-e)

Emissions source	Category	Scope	Annual Carbon Emissions (kgs)
Refrigerant		1	0.20
Electricity used	2	2	3,239
Gas used	1	1	9,619
Mileage claims	3	3	0
Taxi travel	3	3	102
Rental cars	3	3	137.5
Domestic air travel	3	3	5,148
International air travel	3	3	0
Domestic accommodation emissions	3	3	66
International accommodation emissions	3	3	0
Staff working from home	3	3	733
Water supply and wastewater	4	3	2,137
Transmission and distribution losses	4	3	297
Waste to landfill volumes	4	3	466
Total			21,943

Graph 1: Emissions profile by sources



Emission intensity by FTE and expenditure

During 2022/23, we had an average full-time equivalent of 34.25 staff (FTEs), and an average headcount of 34. This equates to 930 kilograms of carbon per FTE for the year. With expenditure for the year of \$7.181 million, our emissions intensity for the year was 6.68 tonnes of carbon per million dollars of expenditure.

Table 2: KPIs for FTEs and expenditure by financial year

KPI	2019/2020	2020/2021	2021/2022	2022/2023
FTEs (average)		35.3	32.6	33.4
Expenditure (\$m)	13,625,000	10,927,000	7,266,000	7,181,000
Emissions intensity				
Total gross emissions per FTE in tCO ₂ -e	-	-	0.57	0.93
Total gross emissions per million dollars in tCO ₂ -e	-	-	4.14	6.68

Our reduction targets update

Our carbon emissions reduction plan was published in September 2022. Due to our small size, both in staff numbers and physical location, we have taken a pragmatic approach to achieving our emissions targets. As a result, we have set a target of a 42% reduction by 2030 against our base year emissions. Achieving this will not be easy, as gains or losses may be affected by minor changes, such as staffing levels, building fit-outs, or any possible one-off events, such as another pandemic or a natural disaster.

To reach our goal and mitigate any potential risks, we are working on a range of practical measures to achieve the required reduction. These are primarily behavioural and operational interventions for the areas we can directly influence, for example, travel, energy use, and waste management.

For 2022/23, we are tracking at a 21.53 percent decrease against our base year. However, there was an increase in the gross emissions per FTE of tCO₂-e over the period. This was likely due to staff returning to the office following

periods of lockdown. This resulted in an increase in overall energy consumption (gas and electricity) compared to earlier years when COVID-19 lockdowns and illness reduced the number of staff in the building.

Ongoing monitoring through the CNGP will support efforts to reduce energy consumption and aid efforts to meet both the 2025 and 2030 emission targets. Gross emissions reduction targets remain at the following levels:

- 2025 target: Gross emissions (all Categories) to be no more than 2,063 tCO₂ -e, or a 21% reduction in gross emissions (all Categories) compared to base year FY19/20
- 2030 target: Gross emissions (all Categories) to be no more than 1,514 tCO₂ -e, or a 42% reduction in gross emissions (all Categories) compared to base year FY19/20

At current levels, we will meet 2025 emission targets.

Statement of Responsibility

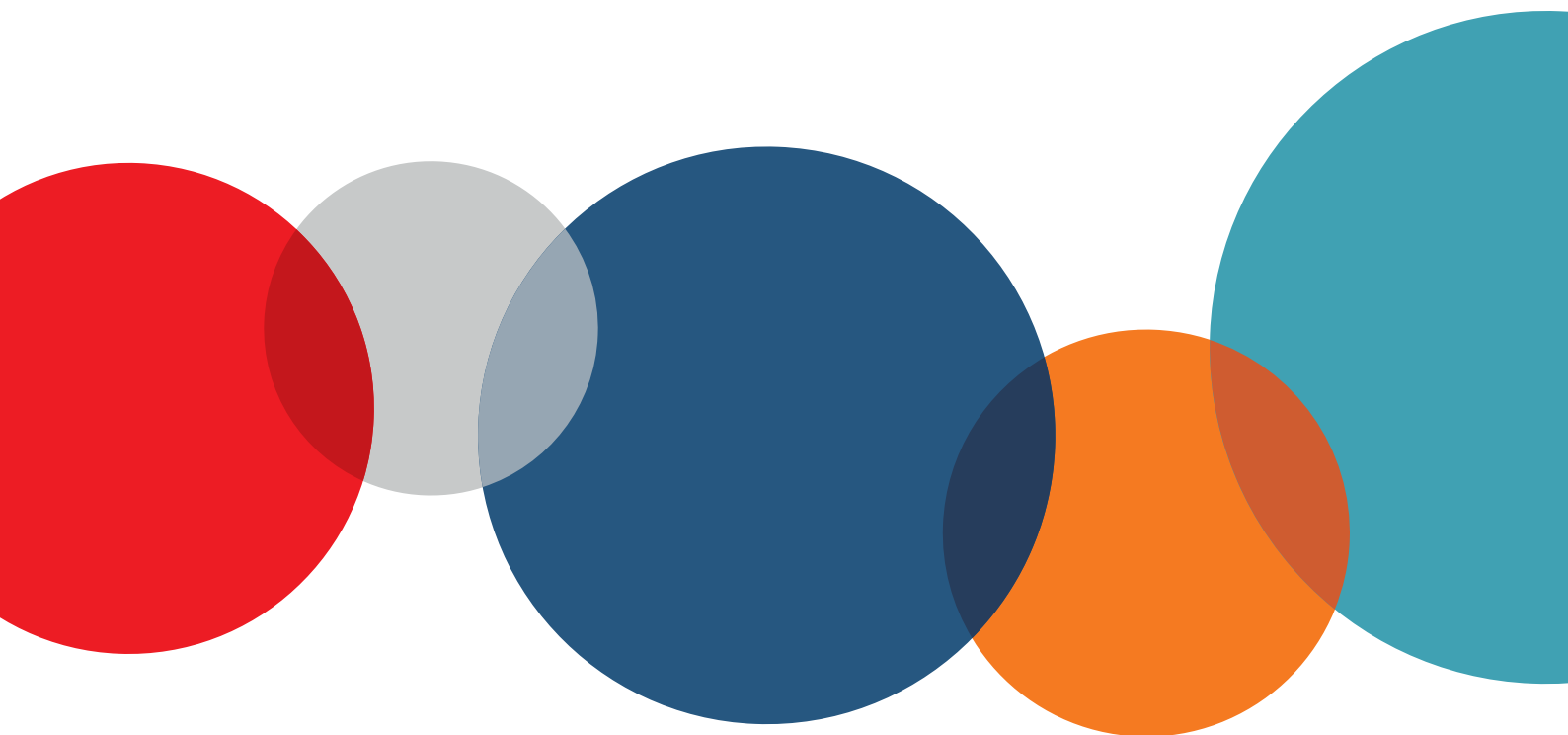
I am responsible, as Chief Executive of the Social Wellbeing Agency, for the accuracy of any end-of-year performance information prepared by the Agency, whether or not that information is included in the Annual Report.

In my opinion, the annual report fairly reflects the operations, progress and organisational health and capability of the Social Wellbeing Agency.



Renee Graham
Chief Executive, Te Tumu Whakarae
Social Wellbeing Agency, Toi Hau Tāngata

29 September 2023





Te Kāwanatanga o Aotearoa
New Zealand Government