



Pūrongo-ā-tau Annual Report

Mō te mutunga o te tau i te 30 o ngā rā o Pipiri 2021 For the year ended 30 June 2021

Statement of Representation

I am pleased to present the Annual Report of Te Kawa Mataaho Public Service Commission for the year ended 30 June 2021. This report comprises:

- the Annual Report of the Public Service Commissioner on the operations of the Commissioner, provided under the Public Service Act 2020
- the Annual Report of the Chief Executive on the operations of Te Kawa Mataaho 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 the Social Wellbeing Agency as a Departmental Agency of Te Kawa Mataaho Public Service Commission provided under the Public Finance Act 1989.



Peter Hughes CNZM

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

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

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Tā te Kaikōmihana tirohanga Commissioner's overview



'he mission of the Public Service is to support current and future governments to implement their policies and to deliver highquality and efficient public services that New Zealanders expect and rely on. Fundamental to this is a Public Service that acts with a spirit of service to the community.

As New Zealanders' needs and priorities change, so must the Public Service change. This annual report details the work done over the past year to improve our ability to respond and adapt to change. A common theme is learning to work even more as a single, unified Public Service rather than a series of relatively discrete agencies.

Excellent service and tangible assistance are reciprocated in the trust and confidence New Zealanders, and Government, place in us. The New Zealand Public Service is, by international standards, extremely well regarded by the public. More than anything, it is our strong record of delivery that underlies this high regard. For public servants motivated by the spirit of service, this trust and confidence is hugely significant and, in itself, rewarding.

This report further covers the work the Public Service is doing to develop a stronger common Public Service identity and to ensure high standards of conduct and behaviour. This is vital if we are to remain worthy of New Zealanders' trust and confidence.

The report also outlines the work the Public Service is doing to support the Government in its relationships with Māori. This is an example of the Public Service ensuring that we are delivering on our constitutional role and also adapting to changing expectations of how we operate now and in the future.

People are always at the heart of public services. Their skills and motivations matter. It also matters that New Zealanders see themselves reflected in the Public Service. We have been working to ensure that Public Service people are diverse, reflecting the make-up of society, and that our workplaces support this with inclusive cultures and practices. This is part of earning the trust of New Zealanders.

The enactment of the Public Service Act in August 2020 represented a milestone not just in the year but in the development of the Public Service for the future. The new statute updates and modernises the legal framework for the Public Service, makes explicit the ethical basis for our work and provides a range of new tools and leadership roles to ensure that the Service is best placed to meet the needs of New Zealanders into the future.

We report on the activities of the Public Service Fale (the Fale) located within Te Kawa Mataaho Public Service Commission (the Commission). It is a pleasure to be able to host this unit and, in this way, to give support and assistance to our Pacific neighbours and our Pacific public service colleagues.

This report shows the progress that has been made on leading change in the Public Service over the past year. It is a story of both continuity and change: continuity in the underlying direction of change towards ensuring greater trust, better services and improved outcomes for New Zealand; change in the continuing challenge of our country's COVID-19 response and recovery; and change also in the challenge of using to best effect the new tools that Parliament has given us in the Public Service Act 2020.

As Te Tumu Whakarae mō Te Kawa Mataaho | Public Service Commissioner, my job is to lead the Public Service to deliver better outcomes and services that meet the changing needs and priorities of New Zealanders. I am proud to lead a Public Service that holds this mission and purpose at the centre of everything it does, and the thousands of Public Service employees who bring a spirit of service to their work every single day.



Te whakahou i te Ratonga Tūmatanui The reform of the **Public Service**



Introduction

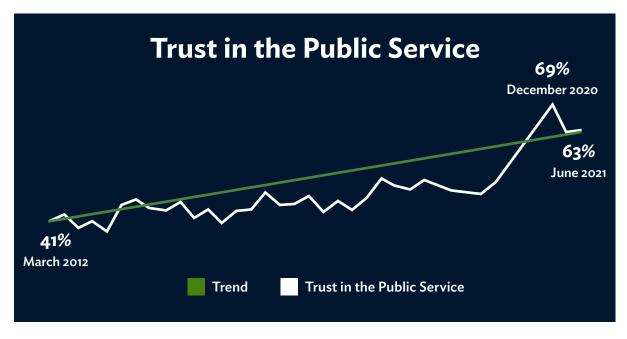
New Zealanders have high expectations of their Public Service for providing timely, easy-to-access information and services and assisting in achieving real improvements in their lives. The Public Service's record of delivering better services and outcomes underpins the very high levels of trust and confidence that New Zealanders place in it.

Data and research, including international indices, confirms this. Our Kiwis Count survey measures trust based on personal experience. The measure of overall public trust in the Public Service has risen over the last 10 years and jumped to an all-time high of 69 percent in the last quarter of 2020, with a high level of 63 percent being maintained throughout the first half of 2021. International indices report a similar story of very high levels of public trust in the government in New Zealand. The International Civil Service Effectiveness (InCiSE) Index currently ranks New Zealand second internationally for public service effectiveness. The World Economic Forum Global Competitiveness Index measure ranks New Zealand third in the world for ensuring public institutions embed strong governance principles, build long-term vision and establish trust with citizens.

This annual report outlines the Public Service's efforts over the past year to be worthy of the increased trust and confidence of New Zealanders. It is a record of our agility in responding to complex issues driven by New Zealanders' needs.

Underlying the Public Service's performance is a reform programme that has been in progress over several years. This programme has resulted in the Public Service departments learning to work more as a single unified system rather than a group of independent agencies. This reform effort has continued alongside an innovative Public Service response to COVID-19 which has drawn on the new ways of working developed through the reform.

A key enabler for greater progress over the past year has been the enactment of a modernised statute governing the Public Service. For the first time in legislation, the Public Service Act 2020 (the Act) sets out a formal purpose for the New Zealand Public Service and compiles a list of the principles and values that must guide our work so that everyone - both public servants and members of the public - can know what is expected from a world-class Public Service. The Act provides us with new tools to support the direction of the changes that we have been making to better meet the needs of New Zealanders.



Public trust in the Public Service was at an all-time high of 69 percent in the last quarter of 2020, with a high level of 63 percent being maintained throughout the first half of 2021.

This annual report describes significant achievements we have made during the 2020/2021 year. However, its field of view is wider than a single organisation. The annual reports of Te Kawa Mataaho Public Service Commission (the Commission) are unique in that they report on not just the activities of our individual department but also more generally on the Public Service for which Te Tumu Whakarae mō Te Kawa Mataaho | Public Service Commissioner (the Commissioner) has overall leadership responsibility.

This report is divided into seven sections.

In the first section, we discuss the improvements in outcomes and services achieved across the Public Service and the particular contribution that we have made towards these improvements over 2020/2021. International research and our Kiwis Count survey show that the greatest driver of trust in the Public Service is the responsiveness of services to meet the needs and expectations of citizens.

The second section addresses other important factors that are major contributors to public trust and confidence. The ethical culture and conduct of the Public Service is crucially important to its credibility and standing. New Zealanders tell us that they expect, and experience, high standards of integrity from public servants. This section covers the actions to develop a strong common Public Service and to ensure high standards of conduct and integrity.

The third section covers the Public Service's role in supporting the Crown in its relationship with Māori. It discusses how the Public Service is developing the capability to support the Crown (current and successive Government's) to build relationships with Māori. This is an example of the Public Service ensuring that we are delivering on our constitutional role and adapting to New Zealanders' changing expectations of how we operate now and in the future.

The fourth section explains who we are: the strategies that will ensure that the Public Service workforce reflects New Zealand society and is skilled, developed and led in

ways that will earn the respect and confidence of New Zealanders.

The fifth section reports on the implementation of the Act. This is the key enabler for our work over the past year – and into the future. We report on how the provisions of the Act have been used to support a unified Public Service through workforce development, joined-up working and leadership.

The sixth section focuses on how we are supporting our Pacific neighbours. The Public Service Fale is a business unit located within the Commission that is governed by, and serves, 16 Pacific Public Service Commissioners to strengthen Public Service leadership and governance for the benefit of Pacific citizens.

The seventh section reports on the Commission as an organisation. We continue to develop our organisation's capability to deliver and perform to our best. This includes modelling best practice for the Public Service and enabling the Commission to lead and serve as a high-performing organisation and a great place to work.

Outcomes and services

The Government has three goals for the Parliamentary term:

- To keep New Zealanders safe from COVID-19
- To accelerate our recovery and rebuild
- To tackle our foundational challenges, in particular, housing affordability, climate change and child wellbeing.

Alongside this is an ambitious programme of system reform to improve productivity, social outcomes and wellbeing. This includes an overhaul of the health system, New Zealand's planning laws and the management of the three waters (drinking water, wastewater and stormwater).

The Public Service has a major part to play in achieving each of these outcomes. The Commission's role is to lead the Public Service to contribute most effectively to achieving the Government's goals.

Keeping Pacific communities safe through COVID-19

Aiolupotea Sina Aiolupotea-Aiono's passion to deliver outcomes for Pacific peoples and communities embodies the spirit of service. She knows what it takes to build sustainable relationships with communities - living and breathing it every day in her role as Deputy Chief Executive - Regional Partnerships, Ministry of Pacific Peoples.

These closely held relationships were particularly key in the huge role she played in supporting Pacific communities in Auckland during the resurgence of COVID-19 in August 2020. This included engaging with church leaders, rolling out communications in nine different Pacific languages and distributing 100,000 face masks to churches working with Pacific providers.

Aiolupotea's spirit of service is built on understanding, trust and mutual respect among Pacific communities.

A leader who always goes above and beyond, she puts in long hours with her team to deliver what is needed for communities. She leads from the front with care and integrity and empowers her team and the communities she works with to deliver the outcomes that matter most. For this reason, she was a worthy recipient of Te Tohu Ratonga Tūmatanui | New Zealand Public Service Medal.



Responding to and recovering from COVID-19

For the past two years, the Public Service has led our country's response to the COVID-19 pandemic. At the beginning of the pandemic, this was about protecting New Zealanders by eliminating the virus and then keeping it out of our communities. The Public Service was also key to the economic and social response; providing timely and accessible support to New Zealand workers and businesses that were unable to work through the lockdowns. Since combining recovery efforts with the ongoing response, the Public Service has remained focused on the continuing threat to New Zealanders posed by COVID-19 and on addressing the social and economic effects on New Zealand. Ultimately, this focus has protected the wellbeing of New Zealanders and enhanced the resilience of our society in the face of an unprecedented global pandemic.

Our measure of overall public trust in the Public Service increased to an all-time high of 69 percent in the last quarter of 2020. It is highly likely that this was significantly affected by the Public Service's response to COVID-19. This is an example of how delivery, combined with good and transparent communications and backed by professional expertise, can win the confidence of New Zealand's communities.

The sustained effort has depended on excellent leadership across the multiple agencies involved in the recovery effort. The Public Service Leadership Team (PSLT), codified in the Act, led the Public Service through this crisis. The PSLT is made up of the Public Service chief executives, the chief executives of the Police, the New Zealand Defence Force, and the major Crown agents. It works as an executive team to support a unified Public Service and is led by the Public Service Commissioner.

At an overall system level, the PSLT ensures that the flexibility shown by the public sector in the emergency phase – mutual support between agencies, sharing of expertise and redeployment of staff between agencies – continues through the recovery phase.

The PSLT established a number of crossagency groups governing aspects of the COVID-19 response, including the COVID-19 Chief Executives Board and the Border Executive Board.

The Border Executive Board has been established to deliver an integrated and effective border system, including efforts to keep COVID-19 out of New Zealand. This is an example of using one of the new organisational forms, provided by the new Public Service legislation, to upgrade the operating model of the Public Service and better meet the needs and priorities of New Zealand. The Border Executive Board ensures that border agency chief executives have clear responsibility for end-to-end management of the border and are well placed to address future challenges.

COVID-19 has resulted in economic and social difficulties for New Zealanders. The PSLT showed leadership and solidarity with New Zealanders by voluntarily taking salary reductions themselves. This was followed by a number of wider public sector CEs and Boards. The PSLT also led the implementation of the Government's workforce policy statement that implemented pay restraint, which has been extended to the Crown entity sector. The current period of pay restraint has resulted in an increase in engagement with entities to support them in setting remuneration and fees for board members that are within guidelines.

The Commission's role includes ensuring the Public Service maintains a sustainable and resilient effort over time and provides timely and effective support to agencies at the frontline of the COVID-19 response. The Commissioner has put in place a Kaikōmihana Tuarua mō Te Whakahaumanu me te Urupare i te Kōwheori-19 | Deputy Commissioner COVID-19 Response and Recovery to lead our work in relation to COVID-19. We play an

active role in interagency groups and maintain close involvement with the individual agencies involved in the COVID-19 response to support them in delivering for New Zealand in difficult circumstances. Ensuring individuals working in the response area are supported has been vital. We worked with chief executives to ensure that plans are in place for key leaders and officials to support their wellbeing and resilience and take breaks from work as needed.

We also provided Ministers with advice on governance and institutional arrangements to support the COVID-19 response and coordinated advice from agencies to Ministers on COVID-19 resourcing decisions.

COVID-19 illustrated the importance of having an agile workforce and created immediate demand for cross-system deployment, including to fill senior leadership positions in the response. Mid 2020, to support workforce mobilization work led by the Department of Prime Minister and Cabinet (DPMC), we implemented a manual workforce deployment approach to match the available resources with emerging opportunities. In December, as we assumed COVID-19 workforce responsibility from DPMC, we established a Workforce Mobility Hub, combining cross-system critical COVID-19-workforce resourcing support and the manual workforce deployment approach. Flexible deployment of people between agencies is a new concept in the New Zealand public sector. It involves distributing people and their skills where they are most needed for the system to work effectively rather than confining them to the particular agency they were initially employed with.

The Workforce Mobility Hub's primary priority has been (and remains) delivering brokering services for critical COVID-19-workforce resourcing – primarily but not exclusively for the Ministry of Health. As at June 2021, we had responded to 383 requests for critical COVID-19 resourcing needs. The Workforce Mobility Hub will continue to support flexible deployment of people across the system in a way that is responsive to emerging and critical needs as we move ahead with our COVID-19 response and recovery.

Working hard to keep New Zealanders safe and healthy

Through COVID-19, our health sector worked incredibly hard to keep New Zealanders safe. Margaret Dotchin, Chief Nursing Officer at Auckland District Health Board, is an outstanding nurse and health leader, and an inclusive practitioner. She is passionate about nursing and delivering vital services to patients, which she has been doing for over 30 years as a senior leader in her field.

Margaret has led innovative nursing approaches that improve the patient experience and is an outstanding role model for nurses. She led the development of Auckland District Health Board's nursing strategy, a blueprint for nurses that underpins their professional development. She has also been fundamental in creating nursing scholarships for Māori and Pacific students to ensure they are better represented in the workforce.

Last year, Margaret's lead role in the Northern Region's health response to COVID-19 drove new levels of collaboration and created a model for the region's sustained response to the pandemic.

Margaret is driven by a spirit of service to the community she serves, and last year she was awarded Te Tohu Ratonga Tūmatanui | New Zealand Public Service Medal.

Dr Nicholas Jones is a true public health champion, which was recognised last year with his receipt of Te Tohu Ratonga Tūmatanui | New Zealand Public Service Medal.

In his roles as Medical Office of Health and Clinical Director for Health Improvement and Equity Directorate at Hawke's Bay District Health Board, Dr Jones has demonstrated compassionate and strong leadership during numerous emergency responses.

This includes the H1N1 response in 2009, the country's largest contaminated drinking water outbreak in 2016 and the local response to COVID-19.

Dr Jones works in partnership with the Hawke's Bay District Health Board Māori Health Service, local iwi, NGOs and community groups, and he understands what true partnership means. He is a dedicated, altruistic public servant who has worked throughout his career to improve public health outcomes for New Zealanders.







Responding to the challenges of COVID-19 has been a huge priority for the Public Service in the last year. The joint winners of Te Tohu mo nga Hua E Pai Ake Ana | Better Outcomes Award at the 2020 Te Hāpai Hapori | Spirit of Service Awards are great examples of the work being done to support New Zealanders.

The whole of Ministry of Social Development (MSD) response to COVID-19 saw staff putting people first and useing technology to rapidly transform the way they work. Within three weeks of Level 4 lockdown, MSD had moved their service to online and over the phone and achieved better response levels than before the COVID pandemic.

More than 7,500 New Zealanders were placed in work in June 2020, a 40 percent increase on the same month last year.

At the same time, twice as many New Zealanders were placed into emergency housing and the MSD team checked in on 150,000 elderly New Zealanders. Rapid implementation of wrap-around services, including counselling and sexual and family violence help, improved safety and wellbeing outcomes for 1.3 million New Zealanders.

The Better Outcomes Award also recognised Ministry of Social Development; Inland Revenue; Ministry of Business, Innovation and Employment (MBIE) and the Treasury for supporting New Zealand businesses during the COVID-19 lockdown.

They showed collaborative spirit of service in delivering the biggest change to the personal income tax system in a generation and providing support to half a million businesses to keep 1.8 million New Zealanders in work during the COVID-19 lockdown.

In just 18 days, the Treasury and Inland Revenue designed and implemented a loan scheme that has helped more than 92,000 small business owners manage through the COVID-19 crisis. More than \$1.5 billion has been lent, mostly within 24 hours of a business applying.

The MSD team worked with the Treasury, Inland Revenue and MBIE to pull off the near impossible: developing a proposal for the nation-wide Wage Subsidy Scheme in five days and rolling it out 48 hours later.

The wider change process for better services and outcomes

Alongside the COVID-19 response, there have been significant changes in the way the Public Service works in order to serve New Zealand and New Zealanders. A common factor is the departments of the Public Service learning to work more as a single unified system rather than as independent agencies. A strong feature of the year has been the advice and assistance we have given to government on ways to create a truly cross-sector Public Service. These suggestions and efforts are detailed below and involve multiple agencies in projects that are centred on citizens rather than individual agencies, which will lead to real improvements in outcomes for New Zealanders.

Regional leadership

We have continued work to join up the Public Service in the regions to help communities achieve outcomes that are self-defined at the community level. This approach requires the Public Service to develop greater capacity for collaborative work and to counter fragmentation and duplication across agencies on cross-sector issues. Eleven regional leads were designated in 2019, with a mandate to convene social-sector decision-makers in the regions to improve alignment across agencies. Cabinet decisions in July 2021 strengthened this leadership framework further, expanding the scope to include the economic and environment sectors and the leads' mandate to include resolution of issues and escalation to national-level decision-makers, as well as retitling the role Regional Public Service Commissioner to reflect the influential leadership required. We worked with the Ministry of Social Development to lead the policy work supporting this shift.

Since the initial designations in 2019, the leads have worked to build relationships with local stakeholders and develop shared priorities within each region. This work has continued through the leads' contributions to local plans

and strategies, helping to ensure alignment with national priorities and that central government is better positioned to support local-level ambitions. Regional leads have also been supporting communities to address local issues. As noted above, the regional leadership framework has been important in the COVID-19 response. For example, in the Te Tau Ihu | Top of the South, the regional lead worked to ensure Public Service support for iwi-led provision of food and essential items to whānau. Other examples of the impact of the framework include in Te Tai Tokerau | Northland, where the regional lead has helped develop a partnership framework and unified plan for improving housing outcomes by bringing together key stakeholders, and in Te Moana-a-Toi | the Bay of Plenty, where the regional lead convened a collective impact group that has put in place school transportation for children in emergency housing.

Organising around outcomes

The Government has a strong focus on improved environmental and infrastructure outcomes. To support this, a second interdepartmental executive board, the Strategic Planning Reform Board, is now working to lead the development of the Strategic Planning Act, one of the three pieces of legislation being drafted as part of the resource management reforms. This answers the need for much closer partnership between Public Service agencies on the design of future legislation in this area.

As the Government's lead advisor on the design and operation of the system of government agencies, the Commission has worked alongside the Public Service on the design and implementation of other aspects of the country's overall environmental and infrastructure agenda. These have included: support and advice on the establishment of Taumata Arowai, the water services regulator for New Zealand (a Crown agent established on 1 March 2021). Other work has included advice on the implementation of the Three Waters Reform Programme, KiwiRail structure and setting up the Auckland Light Rail Project (from the City Centre to Māngere).

Reform of the health sector has been a major focus for the Public Service. We have supported the Public Service to ensure that the health sector can be configured to deliver better health outcomes for all New Zealanders. This includes supporting the response to the New Zealand Health and Disability System Review and subsequent implementation planning, establishing an Aged Care Commissioner to provide a higher profile and focal point for monitoring and addressing quality and safety issues in the aged care sector and establishment of the Mental Health and Wellbeing Commission (an independent Crown entity established on 9 February 2021).

Promotion and development of social cohesion has also been a major feature of our 2020/2021 year. We supported the establishment of the Ministry for Ethnic Communities (a departmental agency hosted by the Department of Internal Affairs and established on 1 July 2021) to provide a stronger voice for ethnic communities. We have also offered advice to agencies on how to implement a number of reforms, recommendations and business cases. These have led to effective administration of the firearms regulatory system and the Royal Commission of Inquiry into the Terrorist Attack on Christchurch Mosques.

The Joint Venture for Family Violence and Sexual Violence (the Joint Venture) was established in 2018 to lead the Government's efforts to prevent family violence and sexual violence. This year, we have been working with the Joint Venture to provide an update on progress to Ministers, including the potential to use new organisational models introduced in the Public Service Act 2020.

Public Service culture and conduct

Research shows that what the Public Service does is important, but how it does it is vital as well. The Public Service needs to operate in line with the values of the wider society. In New Zealand, this includes working in a spirit of service to the community and adherence to the principles and values set out in the Public Service Act 2020. Respondents to the Commission's Kiwis Count survey discuss the value of interacting with public servants who are friendly, helpful and caring about their individual needs. Honesty, transparency and openness are prized by the public.

A major development in the year in review was the enactment of the Public Service Act, which, among many other things, enshrines the Public Service's principles and values. This forms the basis for maintaining high standards of conduct and integrity and is the foundation for our work on Public Service culture.

Spirit of service

Since 2018, the Commission has delivered Te Whakawhiwhi Tohu | Awards and Recognition Programme to promote a sense of pride and belonging across the Public Service. Established by Public Service chief executives, the programme recognises public servants and initiatives that exemplify a spirit of service and demonstrate an outstanding commitment to New Zealand and New Zealanders. We host the awards on behalf of the Public Service.

Te Hāpai Hāpori | Spirit of Service Awards celebrate excellence and a spirit of service to the community across five categories: Better Outcomes Award, Service Excellence Award, Māori-Crown Relationships Award, Leadership in Governance Award and the Young Leader of the Year Award.

Despite the many challenges that COVID-19 posed in 2020, Te Hāpai Hāpori | Spirit of Service Awards were able to proceed. We received 60 entries, and the winners were recognised at an event at Te Papa Tongarewa | Museum of New Zealand on 9 November 2020.

A long history of dedicated service

Keti Tipene is a case manager at Kawakawa Community Link, Ministry of Social Development, and she has selflessly served the people of New Zealand as a dedicated public servant for nearly 60 years.

Keti's knowledge of te ao Māori and tikanga has been at the forefront of ensuring not only the survival but the continuing revival of te reo Māori at the coal face of Te Hiranga Tangata Work and Income.

This has been particularly important for clients who have no or limited use of English and who were previously unable to make their needs known.

Keti does not hesitate to help wherever there is need and was in the early wave of support the Ministry of Social Development sent to Christchurch after the 2011 earthquake. She is a highly respected kuia who is devoted to her marae and people. Her untiring dedication to her work and her passion for helping people embodies the spirit of service and made her a worthy recipient of the Te Tohu Ratonga Tūmatanui | New Zealand Public Service Medal.



Going above and beyond

Many public servants went above and beyond working through the challenges of the last year. Isaac Carnegie, Assistant Service Centre Manager at Ministry of Social Development, demonstrated his commitment to serving his community when he went to work with the Red Cross to help and support the local refugee community during lockdown.

His hands-on approach and the genuine care he showed for this vulnerable group was recognised nationally by the Red Cross senior management team.

He has also supported responses to the Kaikoura and Christchurch earthquakes, Nelson/Tasman fires, and to the Linwood community after the tragic mosque attack.

Isaac's integrity and work ethic reflect the values of manaaki, mahi tahi, whānau and tika me te pono. Last year, this was recognised when Isaac was awarded Te Tohu Amorangi a Te Kawa Mataaho | The Public Service Commissioner's Commendation for Frontline Excellence.

Living and breathing the spirit of service

Lynne Hinton's manaaki goes well above and beyond her job description, having built a reputation for being dependable, knowledgeable, proactive, resourceful and unfailingly helpful.

Lynne is a 'go-to' person at the Ministry of Social Development. In 2020, Lynne was awarded Te Tohu Amorangi a Te Kawa Mataaho | The Public Service Commissioner's Commendation for Frontline Excellence.

Lynne Hinton works in the Deputy Chief Executive's office for Service Delivery – the team responsible for leading 6,500 employees providing frontline services to over a million New Zealanders. She's a big part of creating a positive culture that supports the leadership team. Overcoming her own recent health concerns, Lynne continued to support her team, and during the COVID-19 lockdown period, she stepped up to process wage subsidy applications from home.



Safeguarding our future

Dana Peterson is a highly respected, long-standing champion for the protection of our environment.

As a senior analyst at the Ministry for the Environment, Dana was instrumental in Govt3, a voluntary initiative to improve the environmental sustainability of government departments from 2003-2009 by minimising waste and adopting sustainable practices. By 2009, the initiative was saving the Government more than \$4 million dollars each year.

Dana's most recent achievements were as the lead on advice and public consultation that resulted in a regulated ban on single-use plastic bags, which came into force in 2019, and declaration of six priority products for regulated product stewardship in 2020.

Dana's ongoing dedication and commitment towards reducing waste and making sure our environment is protected for generations to come was recognised last year with Te Tohu Amorangi a Te Kawa Mataaho | The Public Service Commissioner's Commendation for Frontline Excellence.

Te Rā Ratonga Tūmatanui | Public Service Day Awards recognise public servants who exemplify a spirit of service and are making a real difference through their everyday work for New Zealand or New Zealanders. In 2020, Te Tohu Ratonga Tūmatanui o Aotearoa | New Zealand Public Service Medal was awarded to 10 public servants who demonstrated an outstanding commitment to New Zealand and were exemplary or a model for other public service employees.

In 2020, Te Tohu Amorangi a Te Kawa Mataaho | Public Service Commissioner's Commendation for Frontline Excellence was awarded to 14 individual public servants for outstanding spirit of service shown by a public servant.

Te Tohu Manawaroa a Te Kawa Mataaho | Public Service Commissioner's Commendation for Service celebrates public servants who have served 30, 40 or 50 years in the New Zealand Public Service. In the last financial year, 359 certificates were issued across 18 Public Service departments.

Open government

The COVID-19 response has shown how making official information and decisionmaking processes as transparent and accessible as possible has built trust and confidence in government as an institution in New Zealand, at a time when such trust is in decline globally. For citizens to be active participants in our democracy, barriers to accessing government information need to be removed. The Commission has continued to build on the Public Service Act 2020 principle of open government and the commitment to facilitating active citizenship. We do this through our work with agencies and civil society around our Open Government Partnership (OGP) national action plans and through our leadership role in official information act practices and proactive releases.

This work is happening alongside, and supported by, our membership of the OGP. The OGP is an international agreement between 78 countries to try to make

governments more open, transparent and accountable in their decision-making. Each OGP member country prepares and delivers national action plans, with a series of commitments relating to open government themes. New Zealand's third national action plan originally covered the period 2018-2020. The plan's implementation period was extended because of the global impact of COVID-19, and has now concluded as of 30 June 2021. The plan delivered milestones against 12 commitments in area such as: public participation in policy making, government use of algorithms, engagement with parliament, transparency and government recordkeeping. We're in the process of evaluating the delivery of the third plan, with a report due by the end of the year. The next plan (the fourth) is being developed by the Public Service in conjunction with civil society with a view to having the plan finalised by the end of 2022.

Standards and investigations

Standards and Investigations are important instruments for promoting proper standards of conduct among public servants.

The year saw the publication of Workforce Assurance Model Standards. These outline the Commissioner's additional expectations for public service organisations around recruiting employees and contractors. The standards help ensure the suitability of the people that organisations engage and that the workforce continues to meet high standards for integrity and honesty.

Last year, the Commission conducted one investigation under the then State Sector Act 1988. The Commissioner issued a certificate in respect of that investigation, enabling the use of certain powers contained in the Inquiries Act 2013. The investigation was led by Michael Heron QC and looked into how a Ministry of Health spreadsheet, containing sensitive personal information, ended up in the possession of the media in July 2020. Te Pou Turuki mō Te Kawa Mataaho | Deputy Public Service Commissioner was pleased to report that no public servant was responsible and

sought assurances from the Director-General of Health around the future dissemination of this kind of information. In relation to the two individuals who were found to be responsible for the unauthorised disclosure, the report was referred to John Edwards, Privacy Commissioner.

Political neutrality

A cornerstone of New Zealand's Public Service is its commitment to political neutrality: as an institution, the Public Service avoids any involvement in the political competition between political parties. Risks to political neutrality are particularly acute during general election campaigns.

Each election year, the Commissioner issues election guidance for the public sector. In June 2020, we issued fresh election guidance, outlining the principles and processes that apply to enable the Public Service to do the right thing while upholding the principle of political neutrality. The new guidance covers the rights and freedoms of public servants beyond work, social media use and electionrelated processes that must be followed. We provided support to agencies in the application of the guidance in the period leading up to the October 2020 election.

Māori-Crown relationships

One of the Public Service's most important roles is to support the Crown in its relationships with Māori under te Tiriti o Waitangi | the Treaty of Waitangi (te Tiriti). The new Public Service Act 2020 (the Act) also recognises the responsibility of the Commissioner, chief executives and all Public Service leaders to develop and maintain the capability of the system to engage with Māori and understand Māori perspectives.

Over the past year, the Commission has led implementation of the Act across the public sector. Alongside Te Arawhiti, The Office for Māori-Crown Relations (Te Arawhiti) and Te Puni Kōkiri, the Ministry of Māori

Development (Te Puni Kōkiri), we have helped strengthen system leadership for the Māori-Crown relationship and strengthen capability across the Public Service. In addition, we have focused on progressing our own Māori capability, which we cover further in this report under Te whakahaere | Te Kawa Mataaho - Our organisation.

We have continued to work closely with Te Arawhiti and Te Puni Kōkiri on implementing the Māori-Crown provisions in the Act. Some of the specific initiatives that we have been involved in that support the Act are as follows.

- Under section 50 of the Act, the Commissioner appointed Te Hāpai O | Māori Advisory Committee to assist him with the implementation of the Act, in particular, the provisions regarding the Crown's obligations to and relationships with Māori.
- Section 14(2)(a) of the Act requires developing and maintaining the capability of the Public Service to engage with Māori and to understand Māori perspectives. Alongside Te Puni Kōkiri, we have supported Te Arawhiti to identify and lift Māori-Crown relationship capability across the Public Service, including the PSLT.

The Commissioner has refreshed the expectations and development plans of Public Service chief executives to ensure that these reflect their responsibilities under the Act, including the Māori-Crown relationship and commitments made to Whāinga Amorangi. We worked with Te Puni Kökiri to support Te Arawhiti as they led the development of Whāinga Amorangi: Transforming Leadership framework. This framework will guide the Public Service in taking a coordinated approach to strengthening Māori-Crown relations.



Kāinga Ora - Homes and Communities, Te Rūnanga O Toa Rangatira - Ngāti Toa, Te Āhuru Mōwai, Ministry of Housing and Urban Development and Ministry of Social Development have all worked together to enable iwi housing aspirations in Porirua.

The winners of Te Tohu mō te Tūhonotanga a Ngāi Māori me te Karauna | Māori Crown Relationships Award at Te Hāpai Hapori | Spirit of Service Awards started with kōrero, cups of tea and building trust.

Together they developed a modern, future-focused partnership based on a shared vision of enabling a thriving community, which is returning whenua to iwi and devolving management of assets to improve intergenerational wellbeing and the health of mokopuna.

Over the last year, we have also worked to uplift Māori-Crown relationship capability across the Public Service through initiatives such as:

- incorporating development for public service leaders, for example, Whakaaro Rangatira pilot programme for senior leaders (Māori leadership practices working at the Māori-Crown interface) and new Māori-Crown relationship modules for common core development of new people leaders
- actively encouraging all agencies to fulfil their responsibilities under Maihi Karauna (the Crown's Strategy for Māori Language Revitalisation 2019–2023) in partnership with Te Taura Whiri i te Reo Māori, Māori Language Commission. This is supported through our active participation in Te Papa Kōrero, which brings together Public Service leaders with key system roles in Māori language revitalisation across the Public Service

- increasing the use and visibility of te reo Māori across the Public Service, working with Te Taura Whiri I Te Reo Māori, including in the refresh of jobs.govt.nz to include te reo Māori for all headings, job titles, job descriptions, chief executive designations and agency names
- highlighting excellence by including a specific category for Māori-Crown relationships in Te Hāpai Hāpori | Spirit of Service Awards



A commitment to serving

Dr Mary van Beest van Andel is motivated by a desire to serve New Zealand.

Every day, she brings the highest standards of integrity and care to her job as a Senior Epidemiologist with the Ministry for Primary Industries and Principal Adviser to the agency's Chief Science Advisor.

Her tenacity, commitment and passion for the job inspires those around her. Mary leads epidemiology for the Mycoplasma Bovis programme, and her intelligence and initiative have been integral to the success of the programme. She was seconded to the Ministry of Health and Department of the Prime Minister and Cabinet to help with the response to COVID-19.

Mary's courage in challenging conventional thinking or approaches, and her commitment to achieving ambitious outcomes for New Zealanders, made her a worthy recipient of Te Tohu Amorangi a Te Kawa Mataaho | The Public Service Commissioner's Commendation for Frontline Excellence.

Public Service people

The Commission has general oversight of workforce matters in the Public Service. There are several ways in which people strategies in the Public Service contribute to a service in which New Zealanders can have trust and have confidence.

Diversity and inclusion

It is important that New Zealand's Public Service reflects and understands the society it serves. The Act affirms this principle because:

- a diverse workforce will have the experience and expertise to better contribute to the design and delivery of policies, services and other initiatives meant to improve the lives of all New Zealanders
- New Zealanders will have greater trust and confidence in a Public Service that they can see reflects the communities it serves
- inclusive workplaces are fair for employees and reflect the statutory obligation of the Public Service to be a good employer – we should be a good employer and model inclusion as an aspect of fair and equitable employment practices and give all an equal opportunity to demonstrate merit for employment or promotion
- it prepares the Public Service to be ready for a more diverse future for New Zealand.

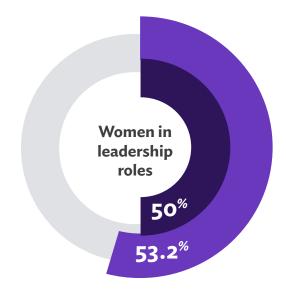
Our Public Service, under the Commission's leadership, has been undertaking focused diversity and inclusion work for the last five years. In that time, we have made some significant gains, particularly in the gender balance of leadership roles.

Our 2020 demographic data show some promising results that we can attribute to our diversity and inclusion efforts to date.

- Our Public Service workforce is more representative of women. We have achieved gender balance in Public Service leadership: 53 percent of leaders in the top three tiers are women, including 50 percent of chief executives This compares with six years ago when only 29 percent of chief executives were women.
- Our Public Service Workforce is more ethnically diverse. Our new recruits are more ethnically diverse than the existing public service workforce. Representation for Māori, Pacific peoples and Middle Eastern/Latin American/African ethnic groups is higher than the New Zealand labour force. For example, Pacific peoples make up 9.7 percent of the Public Service work force, which is higher than both the New Zealand population level (8.3 percent) and the New Zealand labor force (6.3 percent)
- The number of Māori chief executives in the core Public Service has increased over the last four years to six. There are now 28 Māori in tier 2 leadership positions, up from 9 in 2016 and representing a more than 200 percent increase in five years. In the last five years, we have almost doubled the number of Pacific leaders in the top three tiers of leadership, from 22 to 41.

Despite this progress, we know that disparities continue to exist within the Public Service workforce, including, but not limited to, an under-representation of Māori, Pacific peoples, ethnic minorities, Rainbow and disabled people in Public Service leadership roles, as well as continued gaps in gender and ethnic pay. So, over the last year, we have focused on embedding gains and extending our efforts. For example, we have:

- appointed Naomi Ferguson, Commissioner of Inland Revenue and Peter Mersi, Secretary of Transport as the co-chairs of Papa Pounamu (the governance group for the Public Service-wide diversity and inclusion work programme, see below) and the Functional Co-leads of diversity and inclusion to lead our diversity and inclusion work programme across the whole of the Public Service
- appointed a dedicated Kaikōmihana Tuarua mō Te Hautū, te Kanorau me te Whai Wāhitanga | Deputy Commissioner, Leadership, Diversity and Inclusion within our organisation to lead diversity and inclusion activities across the public sector and support Papa Pounamu
- strengthened the performance expectations for chief executives to include specific diversity and inclusion expectations
- 4. mandated a unified approach by making five elements of the diversity and inclusion programme a mandatory requirement for all public service agencies. These five priority areas (see below) will have the most positive impact around improving diversity and inclusion across all dimensions of Public Service work
- required all Public Service agencies to publish diversity and inclusion plans and publicly report progress against the Papa Pounamu work programme in their annual reports.



50 percent of Chief Executive roles are held by women; 53.2 percent of leaders in the top three tiers are women



Papa Pounamu supports the PSLT to meet their diversity and inclusion aspirations and commitments.

During this year, Papa Pounamu confirmed a work programme that set out five priority areas that will make the positive impact for all diversity dimensions. The PSLT agreed to make these five areas mandatory in their agencies: addressing bias, cultural competence, inclusive leadership, building relationships and employee-led networks.

A graduate programme motivated by something bigger

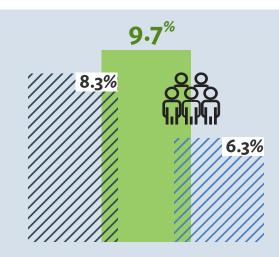
"I firmly believe the barriers faced by minority and marginalised communities can be addressed at a larger scale, through the public sector."

This year we welcomed our new Graduate Advisor Chikita Kodikal. Chikita joined us as part of the Ministry for Ethnic Communities Graduate Programme to support our Diversity, Leadership, and Inclusion mahi over an 18-month period.

"I recognise that the Programme, which has given me the opportunity to work at Te Kawa Mataaho, is not solely limited to a first employment opportunity for myself, as it is motivated by something much bigger. It is a platform that intends to reflect the community it serves and by doing so it is playing its part in constructing a new image of what it means to be an inclusive Aotearoa."

Chikita says the spirit of service has always been at the heart of everything she and her whānau have done.

"It is an honour to learn from and be supported by team members who share the same spirit of service. I am excited about contributing to the Commission's work and creating an impact in this space."



Pacific peoples make up 9.7 percent of the Public Service work force, which is higher than both the New Zealand population level (8.3 percent) and the New Zealand labor force (6.3 percent).

To help all agencies deliver on the commitments, the Commission:

- published a suite of advice on the five priority areas and provided resources, tools and information on available learning solutions
- shared and curated learning resources that could be used for training purposes, such as Mana Āki - a Ministry of Business, Innovation and Employment-developed resource to improve understanding of cultural competence
- provided reporting guidance to support agencies with the requirement that all Public Service agencies publish diversity and inclusion plans and publicly report progress against them in their annual reports
- identified and supported a range of initiatives to encourage the development of Māori, Pacific and ethnic leaders in the public service, including through research fellowships and mentoring programmes.

One of the commitments is to support employee-led networks. To better enable this, from February 2021, we became the host agency for the Employee-led Networks team. The team was previously hosted at Inland Revenue and primarily focused on supporting the Government Women's Network. The move to our organisation enables the team to provide support to a wider range of crossagency employee-led networks and aligns well with the five priority areas of Papa Pounamu. The team provides guidance and practical support on networks' development, strategic priorities, resources, events and projects, including the Women in Public Service summits. The team's primary focus is to help employee networks succeed at influencing and create a Public Service where they feel included and represented.

Employment equity

One aspect of creating inclusive workplaces is addressing unjustified inequities in remuneration; whether they be on the basis of gender or ethnicity. This includes action to correct disparities in remuneration between male and female dominated occupational groups, where these occupational groups perform work of equal value. It also includes action to correct other sources of inequality that result in the overall gender pay gap.

Te Rōpū Whakarite Utu Ira Tangata | The Gender Pay Taskforce (the Taskforce) has continued to lead actions to reduce the Public Service gender pay gap through Te Mahere Mahi Rerekētanga Ira Tangata | Gender Pay Gap Action Plan (the Action Plan) and supporting the efficient progress of pay equity claims. The Taskforce's work to create fairer workplaces for women was recognised when it won the national Diversity Works NZ™ Impact Award. In recognition of COVID-19-related pressures, agencies focused on the Action Plan priority area of equal pay in 2020. All agencies confirmed they have closed any pay gaps within the same or similar roles (like-for-like). To support transparency and accountability and to help create exemplars for other sectors, 100 percent of agencies have now published their agency gender pay gap action plans on their websites.

Flexible-work-by-default is a key focus area of the Public Service Gender Pay Gap Action Plan, and agencies have made significant progress, hastened by Covid-19 and the need to work remotely during lockdown. In collaboration with unions and agencies, the Gender Pay Taskforce released comprehensive guidance on flexible working, supplemented by case studies illustrating the wide range of flexible working options and their application in different workforces,



- now have flexible work by default policies
- publish annual gender pay gap action plans
- have completed pay reviews for employees in the same or similar roles.

including the New Zealand Police. The 23 agencies in our flexible work pilot group, established in 2018, have shared their experiences and worked together to develop solutions that can apply across the system. All agencies are now implementing flexible work by default. The Taskforce is looking to international literature to understand how flexible work can especially support closing pay gaps for wāhine Māori, Pacific women, and women from smaller ethnic groups.

The Taskforce has also released a suite of guidance on eliminating workplace drivers of gender pay gaps, providing pay equity education and supporting best practice for pay equity claims processes. This guidance was developed in close consultation with the PSA and New Zealand Council of Trade Unions. The Taskforce also collaborated with the Commission's Diversity and Inclusion team to release guidance on measuring and analysing Māori and ethnic pay gaps for the Public Service to help agencies focus on this priority area. Now, the Taskforce is using its pay equity expertise and experience to support the Ministry of Business, Innovation and Employment to develop pay equity tools and resources for the wider economy.

In terms of pay equity successes, a fourth pay equity claim, for teacher aides, was settled, and the Equal Pay Act 1972 was amended to include an accessible framework for achieving pay equity. We also appointed a Public Service pay equity system lead to assist with the delivery of equal pay and the elimination of pay discrimination across the Public Service.

Pay equity settlements have so far resulted in significant pay corrections for more than 80,000 employees, and there are currently 22 pay equity claims underway in the public sector.



Te Taunaki | Public Service Census

For the first time, in 2021, the Commission conducted a census survey of all staff in the 36 core Public Service agencies (departments and departmental agencies). Our te reo Māori name for the Public Service Census is: Te Taunaki e anga whakamua ai te Ratonga Tūmatanui (Te Taunaki). This means 'the evidence that moves the Public Service forward'. Results of the census are pending and will inform our next Annual Report.

For many years, we have relied on workforce data from our Human Resources Capability (HRC) Survey. However, there are aspects of the Public Service workforce that cannot be understood from assessing payroll data. This includes measures of workforce diversity and capability, as well as an understanding of the experiences, views and motivations of public servants. We needed to develop Te Taunaki, the first Public Service census, to gain a more comprehensive understanding of these aspects.

About 60,000 public servants were asked questions focusing on diversity, inclusion and wellbeing at work, a unified Public Service and strengthening Māori-Crown relationships. Te Taunaki provided a safe, independent channel for this survey. Participation was voluntary, but the response rate of 63% compares favourably with other similar surveys both in New Zealand and internationally, especially for an inaugural survey.

Te Taunaki included questions about people's understanding of te reo and tikanga and their use at work, as well as a range of questions designed to capture the elements of the Individual Capability component of the Māori-Crown Capability Framework for the Public Service as developed by Te Arawhiti, such as knowledge of te Tiriti responsibilities. These insights will be highlighted in our report to agencies on findings from the survey.

To support agencies to grow their te reo Māori capability, Te Taunaki also asked about how visible te reo goals of the organisation are and how often public servants hear their leaders speaking te reo. We also asked how much people were encouraged to use te reo Māori and how much support they had to grow their skills.

TE TAUNAKI Public Service Census 2021



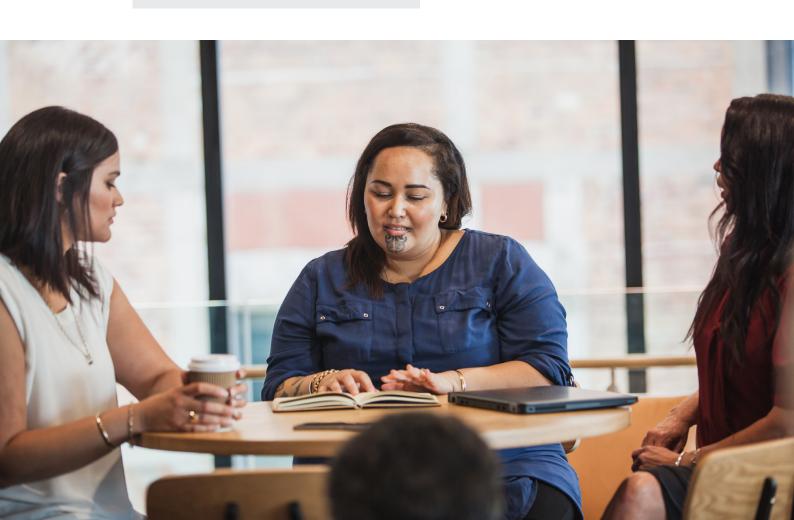
"I'm excited we'll be able to use Te Taunaki data to inform decision-making around creating a more diverse and inclusive Public Service."

> Peter Mersi Te Tumu Whakarae mō ngā Waka | Secretary for Transport

Te Taunaki contained a range of demographic questions that give a broader picture of the diversity found within the New Zealand Public Service. For the first time, we asked about disability, languages spoken, iwi affiliation, religion and identifying with the Rainbow community. These will be reported later in 2021 on our website.

Te Taunaki also asked about how involved public servants feel in their workplaces, including their sense of being a valued member of their team and their ability to be themselves at work. People were also asked about their access to employee-led networks that were relevant to them.

The survey also questioned public servants on what parenting or caring responsibilities they had and how difficult they found it to balance work with home life. Te Taunaki explored what types of flexible work options public servants were currently using and what types they wanted to use more. This included reduced or compressed hours, remote working and job-sharing, as well as the reasons for using or wanting a flexible work situation.





Te Ture mō te Ratonga Tūmatanui 2020 The Public Service

ne Public Service Act 2020 he new Public Service Act passed into law in August 2020. The Act:

- modernises the operation of the Public
- sets out shared purposes, principles and values for the Public Service and the people working in it, extending the coverage of these shared purposes, principles and values to a wider public sector
- establishes new organisational forms and ways of working to achieve better outcomes for the public
- affirms the fundamental importance of the spirit of service to the community.

Over the past 12 months, the provisions of the Act have underpinned change in five key areas.

A unified Public Service

The common principles and values for the Public Service are a powerful unifying force; they make clear to Public Servants, government and public alike the common standards applying across the Public Service and emphasise the public sector over an individual agency's identity. The principles and values bring greater force and authority to the Commissioner's standards and expectations. They also form the basis for Public Service-wide approaches, such as the single recruitment channel for the whole Public Service.

In the employment area, the Act sets out that Chief Executives appoint public servants to the Public Service. This clarifies that, while their employment relationship is with their individual agency, they are appointed to be part of the wider Service. This forms the basis, in principle, for workforce development initiatives, such as the Workforce Mobility Hub and other measures that make it easier for public servants to move between departments.

The principles and values of the Public Service are also applied to Crown agents. Crown agents are a key 'face of government'. They account for around 40 percent of government expenditure, employ the vast majority of public servants, and deliver most of the critical public services to New Zealanders. Throughout the year, the Commission has extended support and

connection to Crown agents as part of a unified system. They have been involved in HR forums to support the COVID-19 response, engaged on questions of Māori-Crown relationships, and encouraged in their efforts to enhance diversity and inclusion. Crown agents are eligible for Te Hāpai Hāpori | Spirit of Service Awards, Te Rā Ratonga Tūmatanui | Public Service Day Awards, and in 2020, Te Tohu a te Pirimia | Prime Minister's Award was awarded to Waka Kotahi NZ Transport Agency, KiwiRail, the North Canterbury Transport Infrastructure Recovery Alliance and Te Rūnanga o Kaikōura for their Moving Mountains Kaikoura infrastructure project.

Stewardship is one principle of the Act, that is, care for the long-term capability of the public sector and its people, as well as other assets, such as physical infrastructure and legislation. To support this, the Act introduced a new requirement for every Public Service department to produce, once every three years, a long-term 'insights' briefing. The purpose of these briefings is to:

- support the stewardship role of the Public Service by ensuring that departments are thinking about the more complex longrunning issues that our society is facing and the types of capabilities and solutions that might be required to respond to these issues
- provide the information and analysis collated and prepared by the departments into the public domain. This supports both an informed public discourse on these important issues and effective democratic government by providing parties from across the political spectrum with a basis around which they can formulate their policies.

As well as progressing work on our own longterm insights briefing, the Commission is helping New Zealanders have their say about what should be considered in these long-term insights briefings by explaining and guiding them through the consultation process, clarifying how to take part in all long-term insights briefing consultation processes undertaken by the Public Service.



Peggy Koutsos, Principal Organisational Development Adviser – Diversity & Inclusion Lead at Ministry for Primary Industries, has enjoyed the flexibility of working arrangements in the Public Service, which have allowed her to thrive in and outside work and balance her caring responsibilities.

"I can honestly say that without having the ability to work flexibly I probably wouldn't have been able to progress my career in something I absolutely love and am passionate about."

Alongside flexible work times, last year Peggy also worked in two roles within her flexible working arrangement: at her home agency Ministry for Primary Industries I Manatū Ahu Matua and in the Gender Pay Taskforce at Te Kawa Mataaho.

"I think the gender pay gap action plan has really lifted the profile of flexible working in that we're no longer just talking about it. There's been a considerable shift across the sector."

Moving Mountains

The Moving Mountains Kaikōura infrastructure project was a collaboration between Waka Kotahi NZ Transport Agency, KiwiRail, the North Canterbury Transport Infrastructure Recovery Alliance and Te Rūnanga o Kaikōura. At the 2020 Te Hāpai Hapori | Spirit of Service Awards, it won Te Tohu a te Pirimia | Prime Minister's Award (overall winner) and Te Tohu mō te Kaiārahi Mahi Whakahaere Leadership in Governance Award.

The team took a transparent and innovative approach to governance that delivered a hugely complex and challenging project.

They introduced one governance structure that also brought in private sector partners. The Board adopted a kaupapa of people first, recognised local iwi as a Treaty of Waitangi partner, integrated the project into the community and focused on results that delivered value for money and openly shared information and risk. This model of governance of large infrastructure projects is now being used across \$6.8 million of work from Queenstown to Whangarei.



Joined-up working

The Act provides for new organisational forms that assist agencies to join up more effectively for common purposes. These are the interdepartmental venture and the interdepartmental executive board. As noted earlier in this report, the last year has seen the establishment of two executive boards - one in the strategic planning area and the other relating to delivering an integrated and effective border system. These organisational options will continue to be considered as ways of addressing other cross-agency areas of policy or operations where is it necessary to bring together formally the efforts of discrete agencies. This year, we published guidance on new machinery of government options to support agencies with advice and implementation.

System leadership

The greater force and value of the Public Service is seen when it runs as a system, with different agencies working together on common issues and all agencies strongly connected on matters affecting the whole system. This requires a new model of leadership, where leaders share a common vision and work to align their operations and services to deliver better outcomes and services. The Act creates a statutory basis for system leadership within the Public Service and requires the Commissioner to put in place a leadership strategy for the Service.

The role of the Commissioner, and of the Commission, is above all a system leadership role. The Commissioner has a system leadership role by virtue of the role set out in the Act. The Commissioner also 'leads the leaders' by ensuring that the various leadership roles across the Public Service are carried out effectively.

Leadership development

Work that began in late 2019 has continued throughout this year on the development of a leadership strategy for the Public Service, which is a requirement of the Act. This has been designed in consultation with PSLT and shaped by input from senior leaders in Te Pae Turuki | Public Service Leaders Group (PSLG).

The PSLG is a cohort of senior public servants in the most complex and influential leadership roles drawn from Public Service departments, departmental agencies, Police, New Zealand Defence Force and some large Crown agents. Members hold a special role leading across the Public Service, and their chief executives support their development and career progression.

The development of the Public Service leadership strategy has involved taking steps to increase the capability of senior leaders to support the Crown in its relationships with Māori under te Tiriti, to engage with Māori and to understand Māori perspectives.

At a whole-of-Public Service level, key focus areas for this year have been:

- building a greater sense of team connection in the PSLG, as an integral part of the leadership of the Public Service
- lifting leadership capability across the Public Service by continuing to strengthen common development offerings, such as common core development and inclusive leadership
- supporting leaders to manage in the context of COVID-19
- strengthening the focus, underpinned by targets, on ensuring diverse leaders are profiled and have cross-agency development opportunities through the four Career Boards (Policy, Operations, Corporate and Auckland), led by chief executives and facilitated by the Commission's senior leader development broker
- improving visibility of public service needs and shifts, by strengthening systems and processes, for example, improving data collections.

The Leadership Development Centre (LDC) is the primary delivery vehicle for system-wide leadership development. LDC works with the Career Boards, agencies and individuals to deliver a range of products, programmes and services that support the development of current and future leaders.



Cross-agency experience

Career Boards are a way for chief executives to provide senior leaders with cross-agency development through brokering roles across the system.

Amber Bill is a Career Board cohort member who has been a Director at the Department of Conservation since 2017. Earlier this year, she took up the role of Head of System Assurance and Continuous Improvement, COVID-19 Group, at the Department of the Prime Minister and Cabinet.

"Having the support of the Career Board and the brokering process really made me feel valued by, and connected to, the Public Service as a whole."

Secondments like this allow for connection between agencies, as well as the development of our people.

"It's impressive to see agencies working together so collaboratively on a shared outcome. While in my case this is the COVID-19 response and recovery, there are principles and lessons learned from this response for the wider Public Service in terms of working together to a shared outcome, within a framework of clear accountabilities, and contributing to one another's strengths."

LDC works in partnership with Public Service agencies to design and implement common core development. During 2020/2021, this work has expanded and now covers three key leadership transition points, new people leaders, new leaders of leaders and new senior system leaders. Leadership development specialists at LDC work collaboratively with leaders and agency human resource teams to develop high-quality learning materials for leaders and the support material needed to implement and deliver that development. Throughout 2020/2021, LDC has been adding to the resources available and strengthening existing development resources that support the Māori-Crown relationship, diversity and the inclusion capability we expect of Public Service leaders.

Workforce development

For the workforce development area, the Act emphasises the need to work as a single system, combined with specific mechanisms, such as workforce policy statements, which ensure common approaches to workforce and employment issues across the Public Service. Ultimately, these will work to provide a greater element of 'interoperability' in the workforce. Over time, this will build the framework for a future workforce mobility system that enables ease of movement, cross-system career development and the retention of people within the Service.

We discussed earlier the Workforce Mobility Hub in connection with the COVID-19 response. The hub's priority has been (and remains) delivering brokering services for critical COVID-19 workforce resourcing, primarily but not exclusively for the Ministry of Health.

However, in March 2021, the hub broadened its service to also focus on:

- supporting transitioning workforces, including:
 - i. cross-system (re)employment of people impacted by redundancy in their home agency; and
 - ii. the development of models that support surging workforces
- designing, building and piloting a digital workforce mobility system; leveraging the existing system-wide jobs.govt.nz recruitment platform to create a Public Service internal deployment opportunities and jobs board.

The hub is a leading example of the kind of agile, unified and inclusive approach that the Act enables and encourages. An important start

has been made over the 2020 year, and work to expand the hub's services will continue to be a priority for the next few years.

During the year, we released the first Government Workforce Policy Statement, under the Public Service Act, setting out the Government's expectations for public sector employment relations. The Workforce Policy Statement sets expectations around a unified Public Service workforce, emphasising the need to work collaboratively with unions and other groups, create an inclusive environment for all workers and support the Government's fiscal strategy. The Workforce Policy Statement outlines expectations of what these priorities mean in regard to negotiating employment agreements and employment relations generally.

As highlighted above, an important development is the extension of our system leadership role by way of a stronger involvement with Crown entities. Governance of Crown



Common core development

The Leadership Development Centre (LDC) runs programmes to support leaders in a variety of stages in their career. In 2019, LDC began offering development for the system at three key points of transition, including transitioning to a leader of leaders role and senior system leader roles.

Emma Gardner, Director, Mental Health and Addiction Services at Corrections, completed the New Leader of Leaders training in 2021. Concurrently Emma entered the Public Sector Leaders Group and therefore was offered two structured conversations as part of the New Senior System Leader Development.

Emma reflected on her experience of the New Leader of Leader development: "I learnt so much in this programme, particularly that as a leader of leaders you are often asked to make decisions without having the same amount of detail that you did as a leader of a single team. Getting comfortable with this is all part of the leader of leaders journey."

Emma's New Leader of Leader cohort of 14 people engaged in eight months of development together.

"The group had a range of views, knowledge and experience. Being in a safe and trusting environment (which the facilitators created) allowed us to share diverse thoughts and learn from one another. I think that from the start to the end of the course, my thinking had shifted significantly - from wanting to be on the dance floor to being more comfortable viewing things from the balcony."



entities, either by boards or individuals, is key to overseeing and confirming appropriate Crown entity service delivery.

Since February 2020, we have been coordinating the Monitoring, Appointments and Governance Network (MAGNet), a cross-agency network of officials who provide Ministers with advice on Crown entity performance and on appointments to boards and other public bodies. Since February 2020, MAGNet membership has grown from 98 to 158. We have established an ongoing programme of joint work that focuses on sharing information and good practices to enable both system-wide and departmental improvements. Examples include: assessing and lifting regulatory performance, determining core competencies for board members, using a skills matrix to assess board make-up and needs and system changes to lift diversity on boards. Feedback indicates that officials find the events helpful to build knowledge and skills and to initiate collaborative approaches.

The Commissioner leads the PSLT that was developed, within the statutory mandate provided by the Act, to work as a collective leadership group for the Public Service. All existing chief executives were appointed to the PSLT on the passage of the Act into law. The PSLT has been central to progressing the COVID-19 recovery, as outlined earlier in this report and to the implementation of the Act.

A genuine and selfless leader

Hashmatullah Lafraie, Junior Counsel - Specialist Advisor, is a lawyer of the Muslim faith at Ministry of Justice. He was awarded Te Tohu mō te Kaiārahi Rangatahi o te Tau | Young Leader of the Year at the 2020 Te Hāpai Hapori | Spirit of Service Awards. This award celebrates an inspirational young public sector leader who exemplifies a spirit of service.

Hashmat believes that "service is a spirit in itself."

He was instrumental in providing cultural advice to the Court and the Ministry of Justice in the wake of the Christchurch Mosque attacks on 15 March 2019, exemplifying the highest standards of personal and professional integrity.

A range of cross-Service leads operate on particular aspects of the Public Service, including critical aspects of reform. To date, these have included functional leads and heads of profession. Major current developments include: the work to establish shared Public Service work and collaboration spaces in the Wellington region and the ongoing development of integrated service delivery initiatives, through the Government Chief Digital Officer and the Digital Public Service branch located in the Department of Internal Affairs.

The Act created new tools to strengthen system leadership providing the ability for the Commissioner to designate a public service chief executive as a system leader to lead and co-ordinate best practice in a particular subject matter area across the Public Service. The first system leader to be designated by the Commissioner under the new Act is has responsibility for our work under the Joined-Up Government in the Regions programme. The role is performed by the Chief Executive, Ministry of Social Development, Debbie Power.



Tō te Ratonga Tūmatanui Fale Public Service Fale



'he Public Service Fale (the Fale) was established in January 2020 as a business unit of the Commission and is funded until 2024 by the New Zealand Ministry for Foreign Affairs and Trade as a part of the Government's Pacific Reset programme. The Fale is governed by, and serves, 16 Pacific Public Service Commissions (PPSCs) to strengthen public service leadership and governance for the benefit of Pacific citizens. As such, the Fale's priorities are set by the governance board representing the 16 PPSCs. Its work is led by their public service goals and aspirations for their citizens. Following the Fale's first financial year, its work programme is now well established.

The key themes for the Fale's work for the 2020/2021 year are to be Pacific led and PPSC focused; with the work reflecting and responding to the impact of COVID-19 by developing an operating model based on virtual engagement and focused on key deliverables. In its first year, the Fale's key achievements have been to:

 develop and deliver a full 12-month Public Service Fale work programme that involved comprehensive engagement with the PPSCs and their teams to progress the programme (This includes 53 one-on-one virtual engagements between the Chair and the PPSCs; 100 engagements with countries and four governance board meetings attended by representatives from across the Pacific.)

- develop the Monitoring, Evaluation,
 Research and Learning framework to better
 understand the impact of the Fale's work and
 identify opportunities to learn and 'change
 our course for the better' using both Pacific
 and western methodologies
- deliver a Pacific Leadership Fundamentals programme piloted virtually online to a range of Pacific Public Service middlemanagement leaders (Lessons learned from the pilot are informing future best practice for virtual delivery in the COVID-19 operating environment.)
- implement the Public Service Fale Mentoring Programme for senior Pacific public servants after piloting the approach with Niue and the Cook Islands (The current cohort includes senior Pacific leaders as mentees and New Zealand public service chief executives and other senior leaders as mentors.)
- build and launch FaleOnline, a secure online information sharing portal that PPSCs and their teams can use to connect, collaborate and engage with each other and the Fale (The portal offers access to Public Service resources, tools and shared information.)

- develop a Pacific-wide code of ethics, at the request of PPSCs, that reflects Pacific values and expected behaviours for Pacific public servants (The Code will form part of a wider integrity and ethics programme, which is currently under development.)
- deliver a full-year webinar series on strengthening governance that was attended by all 16 PPSCs (Webinar sessions were led by different countries and hosted in New Zealand. Topics covered included: working with Ministers, merit-based appointments led by Samoa and Fiji, public sector reform and Public Service remuneration systems led by Tonga.)
- develop Country Actions Plans for each of the 16 PPSCs
- formalise the Public Service Fale governance board by transitioning the PPSCs working group members to become board members and confirming the governance board charter and terms of reference.

The Fale has had considerable support from the Commission and the wider New Zealand Public Service, and this has been greatly appreciated by the PPSCs.



Niue Public Service Commission

During 2020, Commissioner Victoria Kalauni, Niue Public Service Commission, made a request to the Public Service Fale team about pairing her up with a mentor. The team worked with Commissioner Victoria and mentor Brendan Boyle, an experienced former Public Service Chief Executive in New Zealand's Ministry of Social Development, Department of Internal Affairs, Land and Information New Zealand and Secretary of Local Government.

When the Commissioner was asked whether she'd had any challenges or misconceptions to do with the mentorship, she said that it made her nervous about who she would be paired up with as it was important to hit it off with her mentor.

"When the Public Service Fale mentoring team gave me the cream of the crop of New Zealand (Brendan Boyle), well one of them, those misconceptions I had earlier faded away and the mentorship programme went really well," says Commissioner Victoria.

Commissioner Victoria then encouraged senior leaders in the Niue Public Service to join the Fale mentoring programme. Since then, other Niue Public Service Commission staff have begun participating in the Fale's first formal mentoring programme cohort, which began in June 2021.

Earlier this year, Commissioner Victoria was able to travel to New Zealand and joined the Public Service Fale leadership team at the Commission in Wellington.

Rainbow inclusion

Te Kawa Mataaho were the proud winners of the Rainbow Inclusivity category at the Rainbow Excellence Awards in October 2020. This award recognised the efforts of Te Kawa Mataaho and the Cross-Agency Rainbow Network (CARN) in designing the We Count survey that, for the first time, asked our Rainbow communities in the Public Service about their experiences and acting on that feedback to identify priorities for improving their sense of inclusion and belonging in the public service.

We joined the New Zealand Defence Force and New Zealand Intelligence Community, who were also recognised for their efforts to improve Rainbow visibility and inclusion in their agencies at the awards evening.





Working together to deliver outstanding services

Strong collaboration allows the Public Service to best serve its communities.

Ministry of Justice with New Zealand Police and Ara Poutama Aotearoa Department of Corrections showed this in delivering outstanding justice services in support of the Christchurch mosques sentencing.

They poured their hearts and souls into their work in an unprecedented response that demonstrated New Zealand's court system at its finest. Their innovative, culturally informed, victim-focused efforts, which continued through changing COVID-19 alert levels, shows the huge difference that can be made for victims, without the need to change legislation.

They exemplified what is possible when public servants work together with compassion, flexibility and outstanding spirit of service.

For this reason, they were the deserving recipients of Te Tohu mō te Ratonga Whakahirahira | Service Excellence Award at the 2020 Te Hāpai Hapori | Spirit of Service Awards.



Te whakahaere Te Kawa Mataaho - our organisation



he Commission continues to develop our organisation's capability to deliver and perform at our best. This includes modelling best practices for the Public Service and enabling us to lead and serve as a highperforming organisation and a great place to work.

Our people - we grow a diverse and capable workforce

We are committed to attracting and retaining smart, talented and driven people, motivated by the spirit of service, who work with intensity on complex issues, can see the big picture and inspire others. In 2020/2021, we developed our 'value proposition', and we are now engaging with our people on how we can make it real. This aims to create an environment that will attract and retain the talent we need to drive forward our ambition for the Public Service.

We continue to grow a diverse workforce with an increase in 2020/2021 of 12 full-time employees (FTEs) on last year. This increase has occurred because we now host the Employee-led Networks team and the System Lead for Pay Equity and have established the Workforce Mobility Hub. Our diversity levels have also increased, and we are committed to further increasing our diversity by supporting early-in-career public servants to build their experience through:

- summer internships, with a focus on Māori and Pacific talent through the Tupu Toa and Tupu Tai Pasifika internship programmes
- participating in the Ethnic Communities graduate programme.

Our value proposition - what we offer



Work that makes a difference - We enable staff to be involved in significant and meaningful work, with system-wide impact, that makes a positive difference for New Zealand and New Zealanders.



Development and opportunity rich - We are a development- and opportunity-rich organisation. We have high expectations and will help our staff to succeed in their current job and their career.



Flexible by design - We provide flexibility, tools and equipment to help staff do their best work in a modern, vibrant and collaborative working environment.



Positive workplace culture - We embrace diversity and foster an inclusive, respectful and non-hierarchical culture, built on our kawa and public service values.



Commitment to Māori and te Tiriti - We give staff a variety of opportunities to grow their capability, understand te ao Māori perspectives, practice tikanga and use te reo Māori in our work, as part of Te Angitū - our Māori strategy.

Te Angitū - growing our Māori-Crown relationship capability

Te Angitū, our Māori strategy, is building foundational cultural capability for our people and providing a greater understanding of te ao Māori. Our goal is that, by 2024, our staff will be able to confidently understand, value and participate in te ao Māori in a way that enables our organisation to support the Māori-Crown relationship.

Te Angitū draws on the work of Te Arawhiti to transform leadership through Whāinga Amorangi using their Māori-Crown Relations capability framework. It incorporates Te Mahere Reo Māori i Te Kawa Mataaho, our Māori language plan to grow a te reo Māori-confident and capable workforce. We have formed a cross-Commisson team, Te Rōpū Angitū, to help champion the strategy, organise cultural events, celebrate good practice and support wider culture change in teams.

Our progress in this space is already making a tangible difference to our way of working. Over this past year, 25 percent of staff took part in foundational te reo Māori classes, including lessons on tikanga/kawa and te Tiriti o Waitangi. This has contributed to a significant increase in te reo use and te reo Māori confidence levels across the organisation, as reported through our annual Te Angitū survey. Te reo Māori is evident in the universal use of te reo job titles and group names, as well as waiata and tikanga practised at team and organisational meeting and event. It's also promoted as appropriate through internal and external communications.

In September 2020, Te Rōpū Angitū led the celebration of Te Wiki o te Reo Māori, resulting in the Commission winning the inaugural Public Service trophy, Te Tiki mō te Wiki 2020. Te Rōpū Angitū also co-leads Matariki celebrations each year with the Commission's social committee.

We have developed a refreshed plan for the year ahead, with an additional focus on enhancing the capability of our leaders and increasing integration of this kaupapa into

our core business, our work programmes and how we work across the organisation. This will include expanded provision of te reo Māori classes and lessons around te Tiriti, with four tranches planned throughout the coming year. Throughout the year, our people leaders will be given the opportunity to complete the LDC Māori-Crown Relations - New People Leader Development and Action Guide. Staff will be able to engage more deeply in the history of the Māori-Crown relationship through The Wall Walk®. There will be continued opportunities to engage in key cultural events such as Matariki, Te Wiki o Te Reo Māori and waiata events.

Our commitment to diversity and inclusion

In 2020/2021, there were five priority areas of focus for Papa Pounamu - the diversity and inclusion work programme for the Public Service. Papa Pounamu is committed to achieving better outcomes for all diversity groups and recognising the value and unique aspects of all diversity dimensions, such as ethnicity, Rainbow, disability and more. We have made progress against each of these actions in the past year and continue to progress them as a priority.



Spotlight on our progress

Progress against Papa Pounamu priority areas

Cultural competence

Te Angitū and our Māori Language Plan have strengthened our bicultural competence (see above for more details on our commitment to Māori). We continue to actively celebrate Pacific language weeks, which aids in building awareness of Pacific cultures. This year, we have begun piloting the Mana Aki intercultural competence learning solution, with the aim of introducing this to teams across our organisation in 2021/22.

Addressing bias

We are committed to changing our workplace structures and systems to reduce bias. All of our staff have now undertaken training on addressing bias, and learning how to address bias has been built into our enhanced induction process, with new employees completing this training in their first month of employment.

Inclusive leadership

We are committed to enhancing inclusive leadership practices by ensuring all senior leaders are developed and given the support they need to embed their learnings in their day-to-day actions as they strive to be inclusive leaders in the Public Service. Our leaders are encouraged to model inclusive leadership by delivering leader-led activities to their teams on a variety of topics. All tiers 1-3 leaders have participated in the Inclusive Leadership Conversations programme, designed by the Leadership Development Centre.

Building relationships

We are committed to encouraging and supporting our people to build positive and inclusive relationships within the workplace, underpinned by our kawa. We are Rainbow Tick accredited and continue to strengthen our inclusive culture through the Rainbow Tick programme. We use a variety of mechanisms for engaging and including all staff across the Commission, with the aim of building and enhancing relationships. These

include Staff Talk, cross-Commission teams, leaders' forums and monthly managers' meetings. Some teams in the Commission have implemented and embedded a strengthsbased approach to appreciate diverse talents and working preferences. Our Inclusive Practice Toolkit is available to all staff via our intranet.

Employee-led networks

We are committed to establishing, supporting, resourcing and engaging with our employeeled networks. We now have six internal employee-led networks active within the Commission, with two of these being newly established in the last 12 months (women, Pacific, Māori, new professionals, Rainbow and ethnic communities).

Our Rainbow network led celebrations during the Wellington Pride Festival month, with staff from the Rainbow community sharing their stories.

The Oceans Network (staff of Pacific origin) helped us all celebrate Pacific language weeks, growing our cultural intelligence.

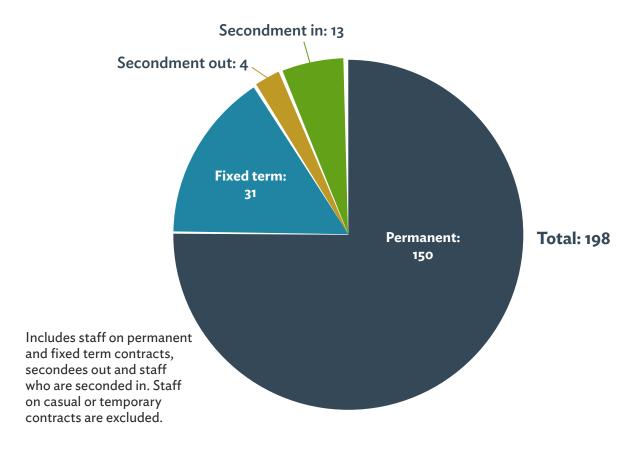
All these employee-led networks have also been active in running language weeks and events like Pink Shirt Day, which help grow our diversity and inclusion capability. They have quickly become an essential component of the culture of our organisation.

Progress against our gender pay action plan

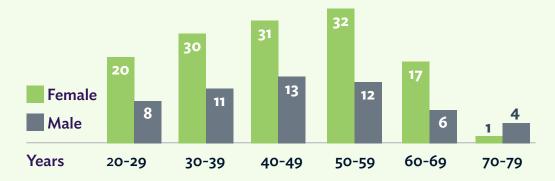
We continued to implement our internal gender pay action plan. Our target is to be in the top quartile (lowest pay gap) for the Public Service. We have now reduced our gender pay gap from 8.7 percent as at June 2020 to 3.7 percent as at 30 June 2021. This was done by implementing system guidance and creating a cycle for reviewing our polices to ensure they are free from bias. Key deliverables during 2020/2021 focused on embedding our enhanced recruitment policy and best practice guidelines, promoting career pathways for all staff (including business support roles) and providing all recruiting managers with training in how to address bias.

Demographic profile

Headcount by contract type for the 2020/2021 year



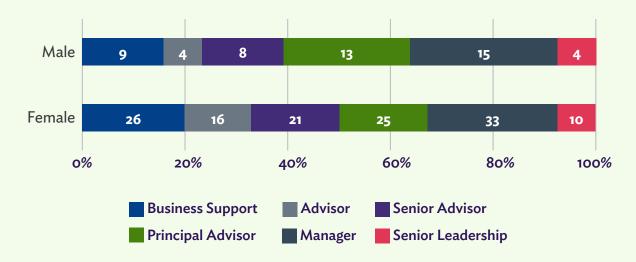
Age group by gender for the 2020/2021 year



Includes staff on permanent and fixed term contracts and secondees out. Does not include staff who are seconded in or who are on casual contracts

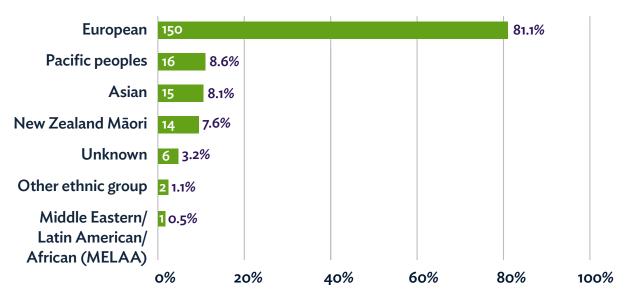
Currently only two genders are captured. Work is underway to provide the option of other possible genders, such as non-binary.

Staff gender representation by role level for the 2020/2021 year



Includes staff on permanent and fixed term contracts and secondees out. Staff who are seconded in or are on a casual or temporary contracts are excluded, along with Te Tumu Whakarae mō Te Kawa Mataaho | the Public Service Commissioner

Staff ethnicity for the 2020/2021 year



Total employees: 185

Includes staff on permanent and fixed term contracts and secondees out. Does not include staff who are seconded in or who are on casual contracts.

Data is based on the number of staff who volunteer ethnicity information. Some people may report more than one ethnic group, which can result in numbers adding up to more than the total number of staff.

Our place - we build a modern and flexible workplace

We continue to build a modern, vibrant, collaborative working environment that helps our people to do their best work. During 2020/2021, we finalised an agreement to lease an additional floor within the Reserve Bank of New Zealand on The Terrace in Wellington. This was acquired to accommodate our increasing staff numbers and bring in the Leadership Development Centre. We now house all the organisation's staff within a single location. We used this opportunity to make further improvements to our facilities, adding more collaboration spaces, a learning hub and soundproof pods for private conversations.

We are embedding our flexible-by-design approach as staff adopt new ways of working. We have provided the technology to enable this flexibility, and 2020/2021 saw our people becoming regular and adept users of SharePoint, Microsoft Teams and other enabling technologies for collaboration. This fulfills a vital piece of our value proposition to our staff, as well as meeting our requirements under our gender pay action plan. It also builds resilience and adaptability for business continuity within the current COVID-19 environment.

Technology is one of the key ways we can enable our people, and we are continuing to provide our staff with new and improved tools and resources. In 2020/2021, we enhanced our work templates and visual identity, implemented FollowMe® printing and introduced process automation to help us work more efficiently. We also developed an Information Systems Strategic Plan (ISSP), which will determine the strategic direction for our information technology over the coming three years.

Information is vital in the operation of any organisation. It needs to be both accessible and secure. This year, we focused on strengthening our information and records management systems. This included refreshing our policy and engaging teams

across the organisation to enhance their information management practices. We play a trusted role in everything we do, so information security is a key aspect of the way we manage our network and devices. A key feature of our flexible working is the ability for staff to work remotely, with the assurance that their information is safe. We treat this trusted position seriously, with a regular programme of security assessments across the suite of allof-government tools and services that we use. 2020/2021 saw us progress our cyber security roadmap for the organisation, including an extensive certification and accreditation programme across all our websites and applications.

Assurance and accountability - we keep the Commission safe

The past year has been an important test of our business continuity plan as we have continued to adapt to changes in alert levels and keep our people safe and productive during the global pandemic. We are committed to providing a safe and healthy workplace for our people and continue to enhance and mature our health and safety practices. During 2020/2021, we took the next steps to continuously improve our internal health, safety and wellbeing systems. Work towards combining the Health and Safety Committee and Wellbeing Committee into a single fit-for-purpose business partner will help us mature and support our strategic planning. Health and Safety representatives are regularly involved in developing process improvements and refining the tools necessary for good worker engagement. We have grown our organisation's capability by providing internal training for health and safety representatives and floor wardens and participating in government health and safety lead initiatives.

This year, we have undertaken a stocktake of our organisational assurance activities, using the Three Lines Model. This model provides a framework designed to help organisations identify the structures, processes, roles

and responsibilities that will best help them achieve their objectives and facilitate strong governance and risk management. This has informed the development of our internal audit plan, as well as a robust education and awareness programme, which helps us to strengthen our internal controls and continuously improve our internal policies and practices. We have observed an increased maturity in both our security and privacy systems. We also participated in an audit, under the Public Records Act 2005, of our information management maturity. The Chief Archivist found that we are operating mostly at the Managing and Maturing levels and have a sound view of our maturity with our selfassessment matching the auditor's view.

We take pride in our financial management and ensure we continue to get the best value for our funding in the pursuit of our mission and vision for the Public Service. Our high ambitions for the Public Service are demanding on our available resources. The Government has recognised this increasing demand and granted us some additional funding in 2020/2021. However, we still need to work through our priorities carefully to ensure we can deliver on our core requirements, provide system leadership and meet Government expectations. This requires a flexible and adaptive approach to resources where we can redistribute both people and funding to priority areas, and analytical and advisory teams can lend their services across the organisation. Additional investment is still required to realise our ambition for the Public Service.



Working flexibly at Te Kawa Mataaho

We support our staff to work flexibly and have adapted our technology over the last year to facilitate this – often using Zoom and Microsoft Teams to connect. Our Āpiha Mātāmua Pārongo | Chief Digital Officer, Bill Moses, has been integral in this mahi.

"Digital has always been a key component of how we perform our roles. However, recent experiences have shown how important a learning and resilient mindset is. We all need to embrace new ways of working by putting digital tools and platforms to their best use."

While flexible working arrangements were a focus for the Public Service before the pandemic, COVID-19 lockdowns meant that remote work became a way of life for longer than many organisations were prepared. The Commission has integrated our kawa into the way we support our people to work flexibly and effectively.

"We maintain our organisational protocols at all times, to support responsiveness, connection, collaboration and outcomes, regardless of when and where we work."





In October 2020, we were honoured to be presented Te Tiki mō Te Wiki trophy by Ngahiwi Apanui, Chief Executive of Te Taura Whiri i te Reo Māori, for our efforts during the inaugural Public Service competition for Te Wiki o te Reo Māori | Māori

Eighteen agencies participated in the competition, producing a video of their agency's efforts to promote te reo and joining Te Rangaihi Reo Māori | The Māori Language Moment, when over 1 million New Zealanders celebrated te reo Māori

Ngahiwi said the language was at risk and it was really important for everyone to contribute to its revitalisation. People should use whatever reo they have and just

Peter Hughes, Te Tumu Whakarae mō Te Kawa Mataaho | Public Service Commissioner and Head of Service, said "The public service has an important role to play in supporting the revitalisation of te reo Māori. It's great to see everyone doing their bit, as we are here at Te Kawa Mataaho. That we take the time to celebrate, recognise and reward this is important too."



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 (the Commission), for:

- the preparation of the 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 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 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 Commission
- the financial statements fairly reflect the financial position of the Commission as at 30 June 2021 and its operations for the year ended on that date
- the forecast financial statements fairly reflect the forecast financial position of the Commission as at 30 June 2022 and its operations for the year ending on that date.

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

30 September 2021

AUDIT NEW ZEALAND Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of the Public Service Commission's annual report for the year ended 30 June 2021

The Auditor-General is the auditor of the Public Service Commission (the Commission). The Auditor-General has appointed me, Stephen Lucy, 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 71 to 96, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2021, 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 prepared by the Commission for the year ended 30 June 2021 on pages 7 to 37, 55 to 65 and 104 to 108;
- the statements of expenses and capital expenditure of the Commission for the year ended 30 June 2021 on pages 67 to 68; and
- the schedules of non-departmental activities which are managed by the Commission on behalf of the Crown on pages 96 to 99 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2021;
 - o the schedules of expenses; and revenue for the year ended 30 June 2021; 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 71 to 96:
 - o present fairly, in all material respects:
 - its financial position as at 30 June 2021; and

- its financial performance and cash flows for the year ended on that date;
- comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards;
- the performance information of the Commission on pages 7 to 37, 55 to 65 and 104 to 108:
 - presents fairly, in all material respects, for the year ended 30 June 2021:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand;
- the statements of expenses and capital expenditure of the Commission on pages 67 to 68 are presented fairly, 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 on pages 96 to 99 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 2021; and
 - expenses; and revenue for the year ended 30 June 2021.

Our audit was completed on 30 September 2021. 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 is 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 2021-25, Estimates and Supplementary Estimates of Appropriations 2020/21 and the 2020/21 forecast financial figures included in the Commission's 2019/20 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 within the Commission's framework for reporting its performance.
- 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 5, 38 to 49, 101 to 103 and 108 to 116, 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 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.

2

S B Lucy

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Te Kawa Mataaho Public Service Commission's Statement of Performance

For the year ended 30 June 2021

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.

2020 Actual* \$000		2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000
33,714	Total Expenses	35,651	31,029	38,818	38,468
26,992	Revenue Crown	27,580	26,379	27,580	27,641
6,337	Revenue Department	8,662	3,950	10,389	10,127
910	Revenue Other	575	700	849	700
34,239	Total Revenue	36,817	31,029	38,818	38,468

*2020 actuals are from the MCA – Policy Advice and Leadership of the Public Management System. This MCA was finished on 30 June 2020 and all funding and expenses transferred to the Leadership of the Public Management System appropriation. All revenue and expenses have been transferred to the new appropriation in 2020/21.

The increase in budgeted expenditure between the 2021 budget and the 2021 supplementary estimates was \$7.789 million. The majority of this shift results from an increase in Departmental revenue to fund:

- the Pacific Service Fale
- Pay Equity and Gender Pay Gap Taskforce cross-agency collaboration
- the Workforce Deployment programme
- the Clerical and Administration Pay Equity Claim
- the Employee Led Networks programme.

Actual expenditure for the year was higher than the original budget due to the inclusion of these programmes.

What was achieved

	Actual 2019/20	Budgeted Standard Target 2020/21 performance	Actual 2020/21 performance
Performance Measure	70%	70%	76%
Technical quality of policy advice papers assessed using the Policy Quality Framework			

Measurement Approach

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

Performance Measure	85%	80%	79%
The Minister for the Public Service has satisfaction with policy advice			

Measurement Approach

The Minister for the 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 the Public Service for presentation to, and endorsement by, Cabinet.

Commentary

We received feedback from the Minister noting that while the Minister is largely satisfied with the policy advice received, there could be improvement in the clarity and conciseness of the advice.

Performance Measure	Achieved	100% of Public	Achieved
The Commission works with Public Service chief executives to agree individual development plans.		Service chief executives have an agreed development plan	

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; this is 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.

	Actual 2019/20	Budgeted Standard Target 2020/21 performance	Actual 2020/21 performance
Performance Measure A succession plan is developed for the chief executive position of all Public Service agencies.	Achieved	100% of Public Service chief executives positions have a succession plan	Achieved

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.

Commentary

A succession workshop was run on the 15th March 2021 where all Public Service chief executives roles were reviewed as part of the wider succession project. Attendants included the Public Service Commissioner, Deputy Public Service Commissioner and other senior leaders across the Public Service Commission.

Measurement Approach

Participants are selected from names on the electoral roll. Approximately 500 people take part every guarter (three months) and around 2,000 every year.

Commentary

The COVID-19 lockdown and technical issues prevented the survey from running for the period July-September 2020.

This measure is no longer applicable because the publication of the Kiwis Count survey has shifted to quarterly, which allows for more up-to-date and meaningful reporting. Consequently, the quarterly reporting rhythm is out of sync with the current target annual date of publication. Our new reporting rhythm and publication dates are included below.

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Period	July-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Results published	Data unavailable due to COVID-19	January 2021	April 2021	August 2021

	Actual 2019/20	Budgeted Standard Target 2020/21 performance	Actual 2020/21 performance
Performance Measure Respondents in the Kiwis Count survey agree or strongly agree that, based on their last service experience, they could trust public servants to do what is right.	79%	80%	80%

All respondents who confirm they have 'used or had contact with a Public Service organisation' within the last 12 months receive the question with regard to the Public Service "Overall, you can trust them to do what is right". Respondents provide a numeric response on a 1-5 scale (1 = strongly disagree, 5= strongly agree).

The scale also has an 'N/A' option.

Commentary

The COVID-19 lockdown and technical issues prevented the survey from running for the period July-September 2020.

Publication of the Kiwis Count survey has shifted to quarterly, which allows for more up-to-date and meaningful reporting. The aggregated scores of the available quarters are provided for the performance measure. The quarterly scores are as follows:

	Quarter 1	Quarter 2	Quarter 3	Quarter 4
Period	July-Sep	Oct-Dec	Jan-Mar	Apr-Jun
Score	Data unavailable due to COVID-19	81%	79%	81%

Performance Measure The Commission strengthens Public Service leadership through	97%	100%	100%
	membership	membership	membership
all Public Service departments being members of the Leadership Development Centre (LDC).			

Measurement Approach

Public Service departments pay a membership subscription to participate in the LDC. Membership of the LDC will include at least the 32 organisations defined as Public Service departments.

Commentary

The 97% membership in 2019/20 was due to the Pike River Agency not being a member of the Leadership Development Centre. They became a member in 2020/21, lifting the membership to 100%.

	Actual 2019/20	Budgeted Standard Target 2020/21 performance	Actual 2020/21 performance
Performance Measure The Commission strengthens Public Service leadership by promoting attendance at the Public Service Leaders' Summit	1051 invitees	At least 500 invitees	1042 invitees

The annual Public Service Leaders' Summit is arranged by the Commission and attendance for the event is recorded leading up to the day of the summit. At least 500 attendees are invited to attend the event.

Commentary

Invitee numbers exceeded the performance measure by more than double. This translated to 639 participants attending the March 2021 Summit, which was held virtually due to the impact of COVID-19. A total of 489 people participated individually, and 150 people participated via 23 watch parties.

Performance Measure	112 active	At least 90 active	113 active
The Commission strengthens Public Service leadership by supporting career boards.	members as of 30 June 2020	members across all career board cohorts	members as of 30 June 2021

Measurement Approach

Established practice is to record career board cohort members as 'Active', 'Wider', or 'Wider-Development network'. The active cohort is recorded in Talent Exchange and the size of the active cohort is reported quarterly. At the end of the reporting period, Talent Exchange will be interrogated to validate that there are at least 90 active members across the four career boards.

Performance Measure	Achieved	Published no later	Achieved
The Commission collects and publishes Public Service workforce data annually.		than 15 December	

Measurement Approach

As reporting is prepared annually, and published no later than 15 December, the measure will relate to the report for 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.

Commentary

The data as of 30 June 2020 was published on the Commission's website on 10 December 2020.

Performance Measure	Achieved	100% of all CE	Achieved
The Commission reports the remuneration of Public Service chief executives every financial year.		remuneration is published	

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.

	Actual 2019/20	Budgeted Standard Target 2020/21 performance	Actual 2020/21 performance
Performance Measure	Achieved	100%	Achieved
The Commission meets its statutory requirements for appointment, reappointment and transfer of Public Service chief executives.			

The Commission retains evidence of compliance with each of the requirements. Compliance will be recorded in the register of CE appointments. Evidence may include (depending on the nature of the appointment/ reappointment/transfer):

- · correspondence with Ministers and the Governor-General in council to advise of vacancies, make recommendations and receive decisions
- public notification of the role
- · selection and meeting dates of the selection panel.

Performance Measure	N/A	100% of Public	Achieved
The Commission, in partnership with the Ministry for Women, supports all Public Service agencies to publish their gender pay gap action plans before 31 December 2020.		Service agencies publish their gender pay gap action plans before 31 December	

Measurement Approach

This target is applicable to the 37 Public Service departments and agencies listed on the Commission website.

Commentary

The Commission achieved the target for all agencies to publish their gender pay gap action plans before 31 December 2020. Future reporting will relate to agencies updating their published gender pay gap action plans by 31 December each year. Agencies have engaged with revised guidance on how to update and develop their gender pay gap action plans. Indications are that we are on track to meet the target.

The content for the following departmental agencies' is included in their host department's gender pay gap action plan:

- Te Arawhiti
- National Emergency Management Agency
- · Cancer Control Agency.

They are not required to publish separate documents.

	Actual 2019/20	Budgeted Standard Target 2020/21 performance	Actual 2020/21 performance
Performance Measure The Commission develops and oversees the implementation of the Open Government Partnership (OGP) National Action Plan. A National Action Plan and associated End-of-Term Self-Assessment is published in accordance with OGP requirements.	Achieved	Achieved	Achieved

OGP National Action Plans are published by the Commission. The date of publication is dependent on a number of factors but occurs prior to the period to which the plan relates.

Whilst publication date will vary for each plan, in years where no plan is published, the Commission will report progress towards the completion of the priorities articulated in the plan.

Commentary

The current plan's implementation period was originally until 30 June 2020 but was extended to 30 June 2021 because of the global impact of COVID-19. This means that OGP requirements are now for our End-of-Term Self-Assessment must be published by the end of November 2021. We are on track for this.

In the meantime, we have continued to publish progress reports against the current plan in accordance with OGP requirements. We have also been publishing the agendas and minutes of the Expert Advisory Panel & Officials Group meetings and any other ad hoc meetings.

We have extended the development period for the next OGP national action plan to the end of 2022 in response to a request from civil society organisations.

Performance Measure	Achieved	Achieved	Achieved
The Commission publishes Official Information Act (OIA) request statistics for government agencies that are subject to the OIA every six months within three months of the end of the reporting period or as otherwise agreed with the Office of the Ombudsmen.			

Actual 2019/20	Budgeted Standard Target 2020/21 performance	Actual 2020/21 performance

The statistics published by the Commission capture five 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.

The Commission publishes the report including each of these five elements within three months of the end of the reporting period. Where extraordinary circumstances impact the ability to report within this timeframe alternative arrangements are agreed with the Office of the Ombudsman.

Commentary

Reporting is available on the Commission's website. Statistics covering the five elements were published on 8 September 2020 (reporting period Jan-Jun 2020), and 4 March 2021 (reporting period Jul-Dec 2020).

Performance Measure	Achieved	100% of	Achieved
The Commission recognises the contribution of public servants through the coordination of annual awards and recognition events by recognising and publicising the recipients within one month of the medal's award.		recipients recognised within one month	

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 they were presented with the award.

Within one month of the medal being given to the recipient, the Commission recognises them publicly where it is appropriate to identify the individual recipient. The Commission maintains a record of medal recipients and the date of award which can be reconciled to the publicly available list.

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 Te Kawa Mataaho Public Service Commission, as authorised by section 24(1) of the Public Finance Act 1989.

2020 Actual \$000		2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000
565	Property, plant and equipment	722	100	788	100
89	Intangibles	100	-	400	-
654	Total appropriation	822	100	1,188	100

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 2020/21 capital expenditure was spent on leasehold improvements and furniture and fittings. This is due to the fitout of a new level that was acquired by the Public Service Commission and the refresh of the Social Wellbeing Agency's premises. Other capital spend during the year included the ongoing refresh of computer equipment and work on the Commission's website.

Social Wellbeing Agency Statement of Performance for the year ended 30 June 2021

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.

2020 Actual \$000		2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000
10,677	Total Expenses	10,318	8,085	11,052	6,758
13,615	Revenue Crown	10,797	8,085	10,797	6,758
10	Revenue Department	130	-	255	-
13,625	Total Revenue	10,927	8,085	11,052	6,758

Expenditure was lower than budgeted reflecting the diversion of attention and resources to support the Public Service's COVID-19 response.

*2020 actuals are from the Designing and Implementing Social Investment appropriation. This appropriation was finished on 30 June 2020 and all funding and expenses transferred to the Supporting Implementation of a Social Wellbeing Approach appropriation. All revenue and expenses have been transferred to the new appropriation in 2020/21.

What was achieved

Performance Measures	Actual 2019/20	Budgeted Standard Target 2020/21	Actual 2020/21
The satisfaction rating given by the Minister for the quality and timeliness of advice.	81.75%	At least 70%	80%
The combined number of agencies and NGOs on-boarded to the Data Exchange will not be less than 80% of the number committed.	Achieved	80% or higher	Achieved
The percentage of key deliverables agreed with the Minister completed in accordance with organisational priorities and agreed standards will be no less than 85%.	88%	85%	82%

Measurement Approaches

- The Ministerial Satisfaction Survey asks the Minister for Social Development to use a fivepoint scale to rate our performance across four questions.
- The Data Exchange Business Case committed to signing up 52 organisations over a three-year period. This target is tied to the end date of the business case work programme of 30 June 2021.



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 2021

	2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000	Location of End-of-year Performance Information
Public Service Commission					
Departmental Capital Expenditure					
Public Service Commission – Capital Expenditure under Permanent Legislative Authority	822	100	1,188	100	The Commission Annual Report
Non-departmental Other Expenses					
Open Government Partnership	200	200	200	200	
Remuneration and Related Employment Costs of Chief Executives	15,250	16,411	16,692	16,614	Exempt
Total Non-departmental Other Expenses	15,450	16,611	16,892	16,814	
Departmental Output Expenses					
Leadership of Public Management System	35,651	31,029	38,818	38,468	The
Total Annual Expenses	35,651	31,029	38,818	38,468	Commission Annual Report
Total Annual and MCA Expenses	51,923	47,740	56,898	55,382	кероп
Social Wellbeing Agency					
Departmental Output Expenses					
Supporting Implementation of a Social Wellbeing Approach	10,318	8,085	11,052	6,758	The
Total Annual Expenses	10,318	8,085	11,052	6,758	Commission Annual
Total Annual and MCA Expenses for the Commission and SWA	62,241	55,825	67,950	62,140	Report

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	27,580	10,797	38,377
Revenue Department and Other	9,237	130	9,367
Eliminations of inter- entity transactions	(347)	-	(347)
Total Revenue after eliminations	36,470	10,927	47,397
Expenses	35,651	10,318	45,969
Eliminations of inter- entity transactions	(113)	(234)	(347)
Expenses after eliminations	35,538	10,084	45,622

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 2021

The Commission has not incurred any departmental and non-departmental expenses or capital expenditure without, or in excess of appropriation, or other authority (2020: Nil).

Statement of Departmental Capital Injections for the year ended 30 June 2021

2020 Actual capital injections \$000		2021 Actual capital injections \$000	2021 appropriation \$000
475	Capital injection	188	188

Statement of Departmental Capital Injections Without, or in Excess of, Authority for the year ended 30 June 2021

The Commission has not received any capital injections during the year without, or in excess of, authority (2020: Nil)



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Ngā Tauākī Pūtea me ngā Āpiti Pūtea

Financial Statements and Schedules



Departmental Financial Statements

for the year ended 30 June 2021

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

Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2021

2020 Actual \$000		Notes	2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000
	Revenue					
41,129	Revenue Crown	2	38,377	34,464	38,377	34,399
7,086	Revenue other	2	9,020	4,650	11,493	10,827
48,215	Total revenue		47,397	39,114	49,870	45,226
	Expenditure					
31,248	Personnel costs	3	32,271	30,136	32,298	32,944
247	Capital charge	4	224	210	223	223
951	Depreciation and amortisation expense	6	1,141	691	1,022	1,022
12,056	Other operating expenses	5	11,986	8,077	15,821	11,037
44,502	Total expenditure		45,622	39,114	49,364	45,226
3,713	Net surplus/(deficit)		1,775	-	506	-
-	Other comprehensive revenue		-	-	-	-
3,713	Total comprehensive revenue		1,775	-	506	-

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 2021

2020 Actual \$000		Notes	2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000
	Assets					
	Current assets					
	Cash and cash equivalents Debtor Crown		13,026 3,028	8,820 3,028	8,041 3,028	8,457 3,028
2,151	Debtors and other receivables	7	4,022	3,370	2,151	2,151
273	Prepayments		17	28	273	273
16,349	Total current assets		20,093	15,246	13,493	13,909
	Non-current assets					
1,727	Property, plant and equipment	6	1,767	1,313	1,987	1,559
721	Intangible assets	6	290	496	627	133
2,448	Total non-current assets		2,057	1,809	2,614	1,692
18,797	Total assets		22,150	17,055	16,107	15,601
	Liabilities					
	Current liabilities					
4,083	Creditors and other payables	8(a)	5,006	5,570	4,918	4,412
	Revenue - advance	8(b)	6,532	3,701	2,884	2,884
	Return of operating surplus	14	1,500	-	-	-
	Provisions Employee entitlements	10	245	1,642	254	254
	Total current liabilities	9	1,943 15,226		1,756	1,756
12,090	Non-current liabilities		15,220	10,913	9,812	9,306
110	Provisions	10	119	119	119	119
	Employee entitlements	9	94	104	69	69
188	Total non-current liabilities		213	223	188	188
12,878	Total liabilities		15,439	11,136	10,000	9,494
5,919	Net assets		6,711	5,919	6,107	6,107
	Equity	13	6,011	5,823	6,011	6,011
5,823	• '			5,5	-,,,,,,	-,,
-	Memorandum accounts	13	604	-	-	-
	Artwork revaluation reserves	13	96	96	96	96
5,919	Total equity		6,711	5,919	6,107	6,107

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 2021

2020 Actual \$000		Notes	2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000
6,086	Balance as at 1 July		5,919	5,919	5,919	6,107
	Comprehensive revenue / (expense)					
3,713	Net surplus/(deficit) for the year		1,775	-	506	-
475	Capital contribution		188	-	188	-
(642)	Capital withdrawal		-	-	(329)	-
-	Transfer to memorandum account		329	-	329	-
(3,713)	Return of operating surplus to the Crown	14	(1,500)	-	(506)	-
5,919	Balance as at 30 June		6,711	5,919	6,107	6,107

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 2021

2020 Actual \$000		Notes	2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000
	Cash flows from operating activities					
41,129	Receipts from Crown		38,377	34,464	38,377	34,399
7,489	Receipts from other revenue		10,797	4,650	11,493	10,827
(12,475)	Payments to suppliers		(10,887)	(10,066)	(15,966)	(11,185)
(31,069)	Payments to employees		(31,933)	(28,147)	(32,153)	(32,796)
(254)	Payments for capital charge		(224)	(210)	(223)	(223)
52	Goods and services tax (net)		17	-	-	-
4,872	Net cash flows from operating activities	11	6,147	691	1,528	1,022
	Cash flows from investing activities					
(565)	Purchase of property, plant and equipment		(722)	(100)	(788)	(100)
(89)	Purchase of intangible assets		(100)	-	(400)	-
(654)	Net cash flows from investing activities		(822)	(100)	(1,188)	(100)
	Cash flows from financing activities					
(2,112)	Repayment of operating surplus		(3,384)	-	(3,384)	(506)
(167)	Capital (withdrawal)/injection		188	-	188	-
(2,279)	Net cash flows from financing activities		(3,196)	-	(3,196)	(506)
1,939	Net (decrease) / increase in cash		2,129	591	(2,856)	416
8,958	Cash at the beginning of the year		10,897	8,229	10,897	8,041
10,897	Cash at the end of the year		13,026	8,820	8,041	8,457

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 2021

2020 Actual \$000		2021 Actual \$000
	Non-cancellable operating lease commitments	
694	Not later than one year	1,130
-	Later than one year and not later than five years	1,823
694	Total non-cancellable operating lease commitments	2,953
694	Total commitments	2,953

The non-cancellable operating 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. Operating lease commitments have increased due to the renewal of both the Commission's and the Social Wellbeing Agency's existing operating lease and a new lease for the additional floor in the Reserve Bank of New Zealand Building for the Commission.

There was no capital commitment for 2020/21 or 2019/20.

Statement of Contingent Liabilities and Contingent Assets

as at 30 June 2021

Unquantifiable Contingent Liabilities and Assets

There are no unquantifiable contingent liabilities and assets as at 30 June 2021 (2020: There was no unquantifiable contingent liability).

Quantifiable Contingent Liabilities and Assets

The Commission is involved in a Human Rights Review Tribunal case. Disclosure of further information may prejudice the Commission's position (2020: There was no 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

for the year ended 30 June 2021

1 - Statement of accounting policies

Reporting entity

The Public Service Commission (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 (SWA) 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 cover both the Commission and SWA.

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 2021. The Forecast Financial Statements are for the year ending 30 June 2022. These Financial Statements were authorised for issue by the Chief Executive on 30 September 2021.

The financial statements of the Commission for the year ended 30 June 2021 are consolidated financial statements including both the Commission and SWA. 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 2021.

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 an 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 and 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.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards issued and not yet effective and not early adopted

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

Amendment to PBE IPSAS 2 Cash Flow Statement

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate

changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for the year ending 30 June 2022, with early application permitted. This amendment will result in additional disclosures. The Commission does not intend to early adopt the amendment.

PBE IPSAS 41 Financial instruments

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Commission has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. The Commission does not intend to early adopt the standard.

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 adopted permitted. The Commission has not yet determined how application of PBE FRS 48 will affect its statement of service performance. It does not plan to adopt the standard early.

Budget and forecast figures

Basis of the budget and forecast figures

The 2021 budget figures are for the year ended 30 June 2021 and were published in the 2019/20 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 2020/21.

The 2022 forecast figures are for the year ending 30 June 2022, which are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2021/22.

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 2022 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 01 April 2021. 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 2022 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 2021/22 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 01 April 2021, 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 the Social Wellbeing Agency.

The actual financial results achieved for 30 June 2022 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 byproduct 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

PIF reviews

Revenue from reviews is recognised based on percentage completed.

LDC Levies and LDC courses

Revenue from levies for the Leadership Development Centre are recognised on a straight line basis. Revenue from the courses are recognised as revenue on a straight line basis over the 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 Fale contribution revenue

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

Employee Led Networks membership 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

2020 Actual \$000		2021 Actual \$000
170	Agency contribution towards PIF reviews	7
2,218	LDC Levies	2,377
770	LDC Course and other revenue	676
-	Public Service Fale contribution revenue	2,683
-	Clerical and Administration Pay Equity Claim team delivery revenue	855
-	Employee Led Networks levies	463
3,928	Other revenue (including recoveries)	1,959
7,086	Total other and departmental revenue	9,020

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.

2020 Actual \$000		2021 Actual \$000
29,071	Salaries and wages	30,514
354	Staff training and development	250
918	Superannuation contributions to defined contribution plans	942
144	Increase/(decrease) in employee entitlements	89
112	Redundancy	88
649	Other	388
31,248	Total personnel costs	32,271

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 on its equity (adjusted for memorandum accounts) as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2021 was 5% (2020: 6%).

5 - Other operating expenses

2020 Actual \$000		2021 Actual \$000	2021 Budget \$000	2021 Supps \$000	2022 Forecast \$000
1,615	Consultancy	2,021	1,531	1,721	1,579
478	Chief executives' recruitment costs	346	450	620	450
664	Legal fees	203	154	104	103
113	Fees to Audit New Zealand for audit of financial statements - the Commission	115	120	120	120
1,361	Rental and operating lease costs	1,185	1,156	1,156	1,271
306	Other occupancy costs	217	171	157	177
2,732	IT and communication costs	2,746	2,257	2,996	2,996
303	Travel	122	209	458	209
3	Loss on disposal of property, plant and equipment	71	-	-	-
100	Sponsorship	170	159	199	149
1,189	Contractor fees for SWA	1,334	735	1,830	735
350	Costs paid to the Treasury for CASS	350	350	350	350
159	LDC Fellowships	15	-	-	-
2,684	Other operating costs	3,091	785	6,110	2,898
12,056	Total operating costs	11,986	8,077	15,821	11,037

6 - Property, plant and equipment and 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, 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 2018.

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.

Depreciation and amortisation begins when an asset is available for use and ceases at the date that an asset is de-recognised. The depreciation and 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	Useful 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	5 years	20%	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 Improve- ments \$000	Works of Art \$000	Furniture and Fittings \$000	Total \$000
Cost						
Balance at 1 July 2019	411	239	705	126	944	2,425
Additions	365	-	-	-	200	565
Disposals/transfers	(49)	(98)	-	-	(225)	(372)
Revaluation increase	-	-	-	-	-	-
Other movements	14	8	-	-	47	69
Balance at 30 June/1 July 2020	741	149	705	126	966	2,687
Additions	149	-	306	-	267	722
Disposals/transfers	(2)	(22)	(45)	-	(235)	(304)
Revaluation increase	-	-	-	-	-	-
Other movements	-	9	-	-	-	9
Balance at 30 June 2021	888	136	966	126	998	3,114
Accumulated depreciation and impairment losses						
Balance at 1 July 2019	65	120	177	-	454	816
Depreciation expense	123	42	115	-	164	444
Elimination on disposal	(32)	(90)	-	-	(178)	(300)
Balance at 30 June/1 July 2020	156	72	292	-	440	960
Depreciation expense	220	27	158	-	205	610
Elimination on disposal	(2)	(11)	(15)	-	(195)	(223)
Balance at 30 June 2021	374	88	435	-	450	1,347
Carrying amounts						
At 1 July 2019	346	119	528	126	490	1,609
At 1 July 2020	585	77	413	126	526	1,727
At 30 June 2021	514	48	531	126	548	1,767

Intangible Assets

	Intangible Assets \$000	Work in Progress \$000	Total \$000
Cost			
Balance at 1 July 2019	1,298	119	1,417
Additions	59	30	89
Disposals/transfers	119	(119)	-
Revaluation increase	-	-	-
Other movements	-	-	-
Balance at 30 June/ 1 July 2020	1,476	30	1,506
Additions	14	86	100
Disposals/transfers	(253)	(30)	(283)
Revaluation increase	-	-	-
Other movements	-	-	-
Balance at 30 June 2021	1,237	86	1,323
Accumulated Amortisation and impairment losses			
Balance at 1 July 2019	278	-	278
Amortisation expense	507	-	507
Elimination on disposal	-	-	-
Balance at 30 June/ 1 July 2020	785	-	785
Amortisation expense	531	-	531
Elimination on disposal	(283)	-	(283)
Balance at 30 June 2021	1,033	-	1,033
Carrying amounts			
At 1 July 2019	1,020	119	1,139
At 1 July 2020	691	30	721
At 30 June 2021	204	86	290

7 - Receivables

Accounting policy

Short-term receivables are recorded at the amount due, less an allowance for credit losses. The Ministry 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

2020 Actual \$000		2021 Actual \$000
1,992	Current	3,391
-	Past due 31–60 days	550
-	Past due 61-90 days	13
159	Past due over 91 days not impaired	68
2,151	Total	4,022

8(a) - Creditors and other payables

Accounting policy

Creditors and other payables are recorded at their face value.

2020 Actual \$000		2021 Actual \$000
	Payables under exchange transactions	
1,210	Trade Creditors	1,816
1,526	Accrued Expenses	1,767
2,736	Total Payables under exchange transactions	3,583
	Payables under non-exchange transactions	
1,347	Taxes Payable	1,423
1,347	Total Payables under non-exchange	1,423
4,083	Total Trade Payables and Other Payables	5,006

8(b) - Revenue in Advance

Accounting Policy

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

2020 Actual \$000		2021 Actual \$000
2,403	Leadership Development Centre levies and courses	2,861
467	Public Service Fale contribution revenue	1,609
-	Clerical and Administration Pay Equity Claim team delivery revenue	945
-	Employee-led Networks contributions	692
-	Organisation for Economic Co-operation and Development (OECD) contributions	102
-	Department of Internal Affairs - Innovation Fund	308
14	Other revenue	15
2,884	Total Revenue in Advance	6,532

9 - Employee entitlements (Departmental)

2020 Actual \$000		2021 Actual \$000
	Current liabilities	
358	Accrued salaries and performance pay	481
1,297	Annual leave	1,413
38	Sick leave	44
63	Retirement and long service leave	5
1,756	Total current portion	1,943
	Non-current liabilities	
69	Long service leave	94
69	Total non-current portion	94
1,825	Total employee entitlements	2,037

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: 0.380%; year 2: 0.810%; year 3+ : 3.080%) and the salary-inflation factor (year 1: 0.00%; year 2+: 3.080%). 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. \$0.119 million has been provided for this.

	Lease Make Good \$000	LDC Fellowships \$000	Ria McBride Award \$000	SWA Redundancy \$000	Total \$000
Opening balance at 1 July 2020	119	130	15	109	373
Additional provisions made	-	15	36	-	51
Provisions released	-	(1)	(2)	(57)	(60)
Closing balance at 30 June 2021	119	144	49	52	364

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

2020 Actual \$000		2021 Actual \$000
3,713	Net Surplus (Deficit)	1,775
	Add/(Less) Non-Cash Items	
951	Depreciation and Amortisation	1,141
951	Total Non-Cash Items	1,141
	Add/(Less) Working Capital Movement	
975	(Increase)/Decrease in Receivables and Prepayments	(1,615)
(1,152)	Increase/(Decrease) in Creditors and Other Payables	4,555
52	Increase/(Decrease) in GST	17
254	Increase/(Decrease) in Provisions	(9)
114	Increase/(Decrease) in Employee Entitlements	187
243	Total Net Movement in Working Capital Items	3,135
(35)	Add/(Less) Movements in Non-current Liabilities	25
	Add/(Less) Items Classified As Investing Or Financing Activities	
-	(Gain)/Losses on Disposal of Property, Plant and Equipment	71
4,872	Net Cash Flows from Operating Activities	6,147

12 - Summary Analysis of the Public Service Commission and the Social Wellbeing Agency

Revenue and Expenses	The Commission Actual 2021 \$000	SWA Actual 2021 \$000	Total Actual 2021 \$000
Revenue			
Revenue Crown	27,580	10,797	38,377
Revenue other	9,237	130	9,367
Total Revenue (before inter-agency eliminations)	36,817	10,927	47,744
Elimination of inter-entity transactions	(347)	-	(347)
Total Revenue	36,470	10,927	47,397
Expenditure			
Personnel costs	27,121	5,150	32,271
Capital charge	224	-	224
Depreciation and amortisation	1,141	-	1,141
Other operating	7,165	5,168	12,333
Total Expenses (before inter-agency eliminations)	35,651	10,318	45,969
Elimination of inter-entity transactions	(347)	-	(347)
Total Expenses	35,304	10,318	45,622
Net Surplus	1,166	609	1,775

Assets and Liabilities	The Commission Actual 2021 \$000	SWA Actual 2021 \$000	Total Actual 2021 \$000
Current assets	17,036	3,057	20,093
Non-current assets	2,057	-	2,057
Current liabilities	12,169	3,057	15,226
Non-current liabilities	213	-	213
Net Assets	6,711	-	6,711
Total Equity	6,711	-	6,711

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

2020 Actual \$000		2021 Actual \$000
	Taxpayers' funds	
5,990	Balance as at 1 July	5,823
3,713	Surplus	1,775
475	Capital injections	188
(642)	Capital withdrawal	-
-	Transfer of memorandum account net (surplus)/deficit for the year	(275)
(3,713)	Return of operating surplus to the Crown	(1,500)
5,823	Balance as at 30 June	6,011
	Artwork revaluation reserves	
96	Balance as at 1 July	96
-	Revaluation gains	-
96	Balance as at 30 June	96
	Memorandum accounts	
-	Balance as at 1 July	-
-	Retention of surplus from financial year 2019/20	329
-	Net memorandum account surpluses/(deficits) for the year	275
-	Balance as at 30 June	604
5,919	Total equity	6,711

2020 Actual \$000		2021 Actual \$000
	Leadership Development Centre memorandum account	
-	Balance as at 1 July	-
-	Retention of surplus from financial year 2019/20	329
-	Revenue	3,052
-	Expenses	(2,777)
-	Surplus/deficit for the year	275
-	Balance as at 30 June	604

This memorandum account summarises financial information relating to the accumulated surpluses and deficits incurred in the delivery of development programmes, resources and experiences by the Leadership Development Centre (a function of the Commission) to third parties on a full cost recovery basis.

The balance of the 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.

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.

2020 Actual \$000		Notes	2021 Actual \$000
3,713	Net (deficit)/surplus		1,775
	Add back:		
-	Net operating deficit/(surplus) in memorandum accounts	13	(275)
3,713	Return of operating surplus to the Crown		1,500

15 - Related Party Transactions

All related party transactions have been entered into on an arm's-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 2020 \$000	SWA Actual 2020 \$000		The Commission Actual 2021 \$000	SWA Actual 2021 \$000
		Leadership team, including the Public Service Commissioner		
3,523	1,940	Remuneration	3,952	1,272
10.47	8.70	Full-time equivalent staff	10.77	5.52

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 (2020: 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 2020/21 Actuals and the 2020/21 Budget:

Statement of Comprehensive Revenue and Expense

Revenue

Revenue Crown was higher than originally budgeted mainly due to expense transfers that were approved after the budget for delayed work from the 2019/20 year. The largest of these was the delay in the delivery of the Data Exchange project. Revenue other was higher than originally budgeted due to the adjustments for the Public Service Fale and the inclusion of two new programmes during the year: the Clerical and Administration Pay Equity Claim and the Employee-Led Networks programme.

Expenditure

Personnel costs were higher than budgeted due to the adjustments for the Public Service Fale, Clerical and Administration Pay Equity Claim and the Employee-Led Networks programme. Depreciation and amortisation costs were higher than budgeted due to increased capital expenditure on fitting out an additional floor, which was acquired during the year. The higher spend in other operating expenditure corresponds to the inclusion of the additional work programmes mentioned above.

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. The bank balance is higher than budgeted due to the unbudgeted surplus made during the year. This can also be seen in the Statement of Cash Flow where actual net cash flow exceeds budgeted net cash flow (the budget being the Supplementary Estimates budget). This surplus will be repaid to the Crown.

There are variances in the Statement of Changes in Equity due to the capital injection received for the Social Wellbeing Agency's refresh of their premises (this was funded through a fiscally neutral adjustment). The remaining variance relates to the creation of a memorandum account for the Leadership Development Centre.

18 - Impact of COVID-19 on the Commission

The Public Service Fale had budgeted to undertake a significant amount of international travel throughout the Pacific as part of their work programme. However, COVID-19 restrictions meant that most of this travel was not able to take place. This impacts both expenditure and revenue as the travel would have been recovered from the Ministry of Foreign Affairs and Trade.

The Commission continues to play a significant role in supporting the response to COVID-19 and this is explored on page 9. However, this work is managed by re-prioritising resources and reallocating staff, resulting in a minimal impact on the financial statements.

19. Financial Instruments

The carrying amounts of financial assets and liabilities in each of the PBE IFRS 9 financial instrument categories are:

2020 Actual \$000		2021 Actual \$000
	Financial assets measured at amortised cost	
10,897	Cash and cash equivalents	13,026
5,179	Receivables (excluding taxes receivable)	7,050
16,076	Total financial assets measured at amortised cost	20,076
	Financial liabilities measured at amortised cost	
2,736	Payables (excluding income in advance and taxes payable)	3,583
2,736	Total financial liabilities measured at amortised cost	3,583

Non-departmental Schedules

for the year ended 30 June 2021

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

Schedule of Non-departmental Expenses

for the year ended 30 June 2021

2020 Actual \$000		2021 Actual \$000	2021 Budget \$000
15,338	Remuneration and related employment costs of chief executives	15,250	16,411
	Consists of:		
15,268	Remuneration and leave costs	15,163	16,211
70	Training and development	53	100
-	Relocation costs	34	100
200	Open Government Partnership	200	200
8	GST Input expense	17	-
15,546	Total non-departmental expenses	15,467	16,611

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 2021.

Explanations of significant variances against budget are provided in Note 3.

Schedule of Non-departmental Revenue and Receipts

for the year ended 30 June 2021

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

2020 Actual \$000		2021 Actual \$000	2021 Budget \$000
14,768	Reimbursement of chief executives' remuneration	14,900	16,162
14,768	Total non-departmental revenue	14,900	16,162

Explanations of significant variances against budget are provided in Note 3.

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 2021.

Schedule of Non-departmental Assets

as at 30 June 2021

2020 Actual \$000		2021 Actual \$000	2021 Budget \$000
9,553	Cash	11,293	9,537
-	Prepayment	200	-
-	Debtors and other receivables	52	-
9,553	Total non-departmental assets	11,493	9,537

Explanations of significant variances against budget are provided in Note 3.

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 2021.

Schedule of Non-departmental Liabilities

as at 30 June 2021

2020 Actual \$000		2021 Actual \$000	2021 Budget \$000
16	Creditors and other payables	28	10
	Current liabilities - employee entitlements		
343	Salaries and wages	520	232
1,225	Annual leave	1,516	1,360
1,568	Total current liabilities – employee entitlements	2,036	1,592
	Long-term liabilities		
701	Retirement leave	735	63
2,269	Total current and long-term provision for employee entitlements	2,771	1,655
2,285	Total non-departmental liabilities	2,799	1,665

Explanations of significant variances against budget are provided in Note 3.

Schedule of Non-departmental Commitments

as at 30 June 2021

There are no non-departmental commitments as at 30 June 2021 (2020: Nil).

Schedule of Non-departmental Contingent Liabilities and **Contingent Assets**

There are no non-departmental contingent liabilities and contingent assets as at 30 June 2021 (2020: 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 2021.

Notes to the Non-Departmental Statements and Schedules

for the year ended 30 June 2021

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 2021. 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 2021.

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.

Measurement and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with generally accepted accounting practice (Public Benefit Entity Accounting Standards) as appropriate for public benefit entities.

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).

Standard issued and not yet effective and not early adopted

PBE IPSAS 41 Financial instruments

PBE IPSAS 41 Financial Instruments replaces PBE IFRS 9 Financial Instruments and is

effective for year ending 30 June 2023, with earlier adoption permitted. The Commission has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. The Commission does not intend to early adopt the standard for the non-departmental statements.

Summary of significant accounting policies

Significant accounting policies are included in the notes to the departmental financial statements and non-departmental schedules on pages 76 to 96 of this report.

2. Impact of Covid-19

The Covid-19 pandemic has not had a significant financial impact on the non-departmental statements and schedules.

3. Explanation of major variances against budget

Schedule of revenue and schedule of expenses

The budget in both schedules includes a contingency component to allow for unplanned expenditure and revenue relating to chief executives. This explains the variance 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 respective agency.

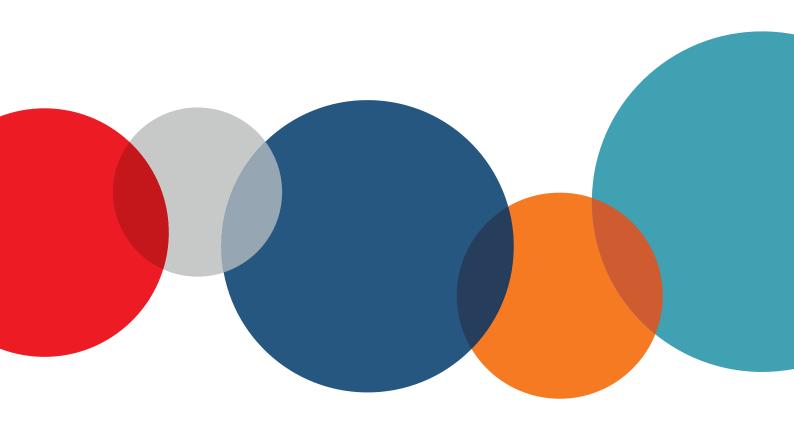
Schedule of assets and schedule of liabilities

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. This \$1m underspend in expenses is the main contribution to the increase in the bank balance.

The variance in the schedule of liabilities results from underbudgeted retirement leave.

Pūrongo-ā-tau Annual Report

2020-2021



Chief Executive Statement



Mā whero, mā pango ka oti ai te mahi – With red and black, the work will be complete

Tēnā koutou katoa,

The whakataukī above is about collaboration, in particular, collaboration between agencies and with communities to address complex issues. The Social Wellbeing Agency works for the social sector, supporting social sector leadership with strategic advice on issues that don't fit neatly into the work of any single agency.

We have a new focus on the wellbeing of individuals, whānau and communities so that they can live the lives to which they aspire. This means our advice is not solely about optimising government spending but about optimising the wellbeing of New Zealanders.

To date, our foundations and strength have been in data and analysis. This reflects our early focus supporting the centralised provision of tools and data capability to support decision-making. For example we have successfully facilitated safe and secure data sharing between 10 government agencies and 42 non-governmental organisations with the Data Exchange.

In late 2019, Cabinet made decisions to refocus our role and functions. Since these decisions, we have put more emphasis on how our data, analysis and insights can inform decisions by social sector leadership and cross-sector programmes of work.

Much of the work over this past year has been carried out against the backdrop of the COVID-19 pandemic and its ongoing effects on the Government and New Zealand as a whole. Despite the pandemic, our people have shown resilience and flexibility in meeting their commitments to our work programme while supporting our partners' initiatives.

As the 2020/2021 financial year draws to a close, I'd like to take this opportunity to thank the former Chief Executive, Dorothy Adams, for her work in setting up the Agency for success and her leadership over the past four years. Her departure at the end April for her new role at the OECD is a wonderful acknowledgement of her skills and dedication.

Our refocused purpose allows us to redefine our work programme and direction, putting a much greater emphasis on our role providing advice on issues that cut across or fall between agency responsibilities. My objectives for the coming year are to develop a work programme that aligns our work with our purpose, enhance the visibility of what we do and our achievements, and partner with social sector agencies to improve outcomes for New Zealanders.

Staff at the Agency work here because they want to make a difference. I look forward to working with them and our colleagues from across the Public Service to realise our vision that people, whānau and communities live the lives to which they aspire.

Ngā mihi nui,

Renee Graham
Chief Executive

Social Wellbeing Agency

Who we are and what we do

The Social Wellbeing Agency works for the social sector. We use data and insights to help Government and the social sector improve the lives of New Zealanders.

Our role

Our role is to support collective action and improve social wellbeing. We were established sitting outside of agency silos as a departmental agency hosted by Te Kawa Mataaho Public Service Commission. We work on behalf of the Social Wellbeing Board and the social sector to help on issues that do not fit neatly into the work of any single agency.

Our purpose is mandated by Cabinet. It is to:

- provide advice on cross-social sector issues and support the social sector with cross-system work
- create insights, tools and practices to improve cross-system decision-making.

Within government, we have an important role supporting social sector leadership, particularly the Cabinet Social Wellbeing Committee (SWC) and the Social Wellbeing Board (SWB).

Toi Hau Tāngata

Toi Hau Tāngata, our reo Māori name, signifies the valuable aspects of living life – manifesting in the wellbeing of the people.

The individual words have many meanings, including:

Toi | peak

Hau | vital essence

Tāngata | humankind

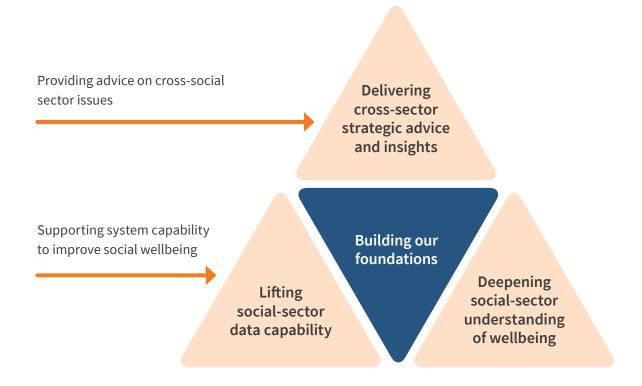
Mohi Apou of Taranaki-Whanganui descent gifted the name to us. Toi Hau Tāngata comes from a karakia unique to Taranaki-Whanganui iwi, 'Te Hau Tai Tāngata' – the principles influencing the creation of mankind. The karakia is not written but passed from one generation to the next as he taonga tuku iho, or oral tradition.

Delivering our strategic priorities

We're rising to the challenge of what it means to be the Social Wellbeing Agency. Our foundations and strength have been in data and analysis, reflecting our early focus supporting the centralised provision of tools and data capability to support decision-making. In late 2019, Cabinet made decisions to refocus our role and functions. This was to help us best support an improving social wellbeing approach and to address the gaps in the resources available to support cross-sector leadership groups.

Our refocused role and mandate puts a much greater emphasis on providing strategic advice on issues that cut across or fall between agency responsibilities, and how we support SWB [CAB-19-MIN-0504]. Since these decisions, we have put more emphasis on aligning our work programme and activities to the priorities of the SWB.

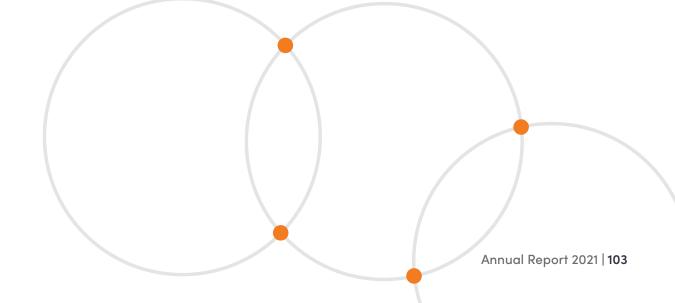
During the year, we had four strategic priorities that focused our work to ensure we meet our functions for the social sector.



Strategic update in 2021/22

We have started work on refreshing our strategic priorities, and we expect to launch a new strategic framework later in 2021. We want to build a reputation as trusted advisers on cross-sector issues, as well as lifting agency support to SWB. Our refreshed strategic priorities will reflect this.

Formal reporting against the new strategic framework will start at the end of the first quarter for 2021/22.

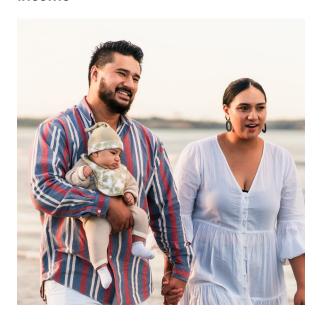


Our achievements

Delivering cross-sector strategic advice and insights

We delivered strategic advice partnering with the social sector to incorporate community voices, while leveraging our expertise in data and analysis.

Investigating gaps in new fathers' income



Our previous joint project, Having a Baby in South Auckland, with The Southern Initiative (TSI) generated a lot of interest. One of the strongest findings emerging from this work showed fathers exhibit a pattern of being outside paid employment (not earning income) about the time of the birth. Together TSI and the Agency decided to continue the work by investigating this finding further.

By understanding what differs between fathers who experience a gap in employment and income around the time of the birth, the social sector is better able to support whānau during such a transformative time.

We found the following:

 Many fathers take time away from work following the birth of a child. But their income effects their ability to do so, with low-income fathers showing shorter periods away than higher earning fathers.

- Of fathers who worked for wages, one in six may not have been eligible for any partner parental leave from their main employer when their babies were born, as eligibility in New Zealand depends on continuous attachment to a single employer.
- The birth of a child can be a transformative period for fathers. We saw many of the lowest-income fathers increasing their income around the time of the birth of a child.
- Many of these measures disproportionally affect Māori and Pacific fathers.

These findings were shared with relevant staff at the Ministry of Social Development, Ministry of Business, Innovation and Employment, and the Ministry for Women. One of the themes emerging from these conversations is that, because most policy relating to the care of new babies focuses on the mother, there has been limited awareness of the experiences of fathers and non-primary caregivers.

TSI published their report from this research at the end of July 2021.

Examining how local service use may differ from nationally reported figures

Most policy is developed using national-level insights, so we examined how local use of a service may differ from nationally reported figures. We set out to provide practical advice on this system-level policy issue, examining the use of B4 School Check screenings. B4 School Check aims to identify and address any health, behavioural, social or developmental concerns that could affect a child in getting the most benefits from school and is a national screening programme.

We partnered with A Better Start/ E tipu e rea, one of the country's 11 National Science Challenges, hosted by The University of Auckland. We picked the B4 School Check screenings because national-level analysis was available and the Ministry of Health could use the local-level findings to support the review of Well Child Tamariki Ora.

We published a high-level insights report, focusing on key findings and recommendations for getting the most out of our analysis.

Our key findings include:

- evidence that national-level results mask differences in attendance rates and potential levers for improving uptake across local areas
- across DHBs, children with a disability are between two and six times more likely to miss out on vision, hearing and nurse checks, while children not consistently enrolled with GPs are between two and ten times more likely to miss out on these checks
- other factors with a strong association to children missing checks in most district health boards (DHBs) include families not having access to a motor vehicle, having a mother with no formal qualifications or living in large households of eight or more people.

We also created individual DHB summary reports and shared these with the Ministry of Health.

Lifting social–sector data capability

We advised on the social sector's ability to use and interpret data safely and respectfully, alongside supporting the development of data tools and solutions to address shared data needs.

Working with communities to articulate their data needs

Our Data for Communities initiative resulted from community feedback from our 2018 engagement 'Your Voice, Your Data, Your Say.' The engagement highlighted the importance of up-to-date and easy-to-access information and insights for non-governmental organisations (NGOs), community organisations and iwi. Organisations can adjust their services to improve the wellbeing of the communities they serve if they have data that provides them with targeted information about those communities.

The project developed two prototype tools and provided them to a pilot group of representatives from NGOs, local government, philanthropic and advocacy groups for testing. The tools are used to understand how relevant and timely data can help with both service and operational planning activities.

Our findings were as follows:

- Community organisations have a legitimate need for locally relevant data and have a vital role in caring for the communities they serve.
- Data is rarely available to organisations in a timely manner.
- While data is increasingly available, it is published in different forms, is hard to find, difficult to 'stitch together' and time consuming to collate.
- Organisations find it hard to balance the effort of analysis with the value drawn from it when data is often too aggregated to be relevant.
- The private sector is filling a gap for the organisations that can afford it, by selling the expertise to collate, process and present government data.

Evolving the Data Expertise and Capability Programme

This programme started in 2017 and phase two of the Data Exchange programme concluded on 30 June 2021. The programme aimed to support the improvement of data expertise, data capability and data maturity across the social sector. This programme oversaw a few projects, achieving several successes.

Launching the Data Protection and Use Policy toolkit

The Data Protection and Use Policy (the Policy) was produced on behalf of, and in collaboration with, the social sector. The Policy describes what 'doing the right thing' looks like when collecting or using people's data and information. It helps people understand how their information might be used, what rights and choices they have,

and how to use those rights. It talks about the importance of working with others who are part of or work with the communities that data comes from.

The toolkit, available online, provides pragmatic guidance on how to apply the Policy, including in-depth explanations of the principles, example consent forms and good case practices. There are five foundational government agencies implementing the Policy: Ministry of Social Development, Ministry of Health, Ministry of Education, Oranga Tamariki and the Social Wellbeing Agency.

The Policy and the toolkit will be transferred to the Government Chief Privacy Officer (GCPO) as its new system owner. The Policy has also been incorporated into the GCPO's Privacy Maturity Assessment Framework.

Connecting the social sector through the Data Exchange

As part of the Data Expertise and Capability Programme, we encouraged and supported the uptake of Eightwire's Data Exchange. The platform helps facilitate data sharing practices across the sector that are safe, secure and controlled. As at 30 June 2021, 15 government agencies (including seven DHBs) and 42 NGOs were connected or were implementing connections. This exceeded the original programme target of 10 government agencies and 42 NGOs.

The Data Exchange:

- provides a safe, secure and controlled cloud-based exchange platform
- connects organisations in a way that's easy, consistent and efficient
- helps frontline staff improve service delivery by providing better information about the people they work with
- promotes standardised approaches to privacy, data management and data standards.

Our partnership with Eightwire, has been a real strength, showing true partnership between government and enterprise. We supported organisations to transition to a direct contractual relationship with Eightwire by the time this phase wrapped up on 30 June 2021. Most agencies and their NGO partners had transitioned by 30 June 2021.

Improving how the social sector shares data

We developed the Social Sector Data Sharing Standard (Data Sharing Standard) to provide a consistent way of sharing data points and interactions that define events that happen in the social sector. Using the Data Sharing Standard makes it easier for service providers (which include NGOs) and agencies to have effective conversations about how to improve their services for the public. Data can be shared quickly and easily throughout the sector, with any kind of technology. This also improves data quality, leading to better analysis across and within services.

A draft of the Data Sharing Standard was piloted during 2021 by The Loft, a co-location of NGOs based in Christchurch. Integrating the Data Sharing Standard will allow The Loft to automate referrals to a service provider and determine both acceptance or rejection of referrals and case outcomes.

We will continue to promote the adoption of the Data Sharing Standard within the social sector.



Aronui: Supporting iwi access to their own data

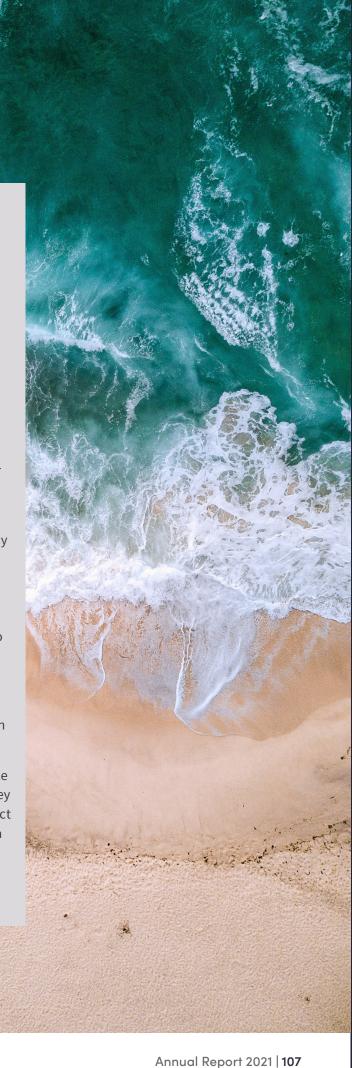
In te ao Māori, ngā kete o te wānanga are the three baskets of knowledge, brought down from the heavens by Tāne-Nui-A-Rangi (Tāne Mahuta, Guardian of the Forest). Te Kete Aronui relates to knowledge acquired through careful observation of the environment. We shortened the name of this project to Aronui as this also means 'to focus on', which is fitting for the work we are doing – focusing on iwi data.

Aronui uses appropriate products from our Data for Communities work and will also inform our work in social-sector data expertise and capability.

Ngāti Maniapoto invited the Social Wellbeing Agency to be included in their Deed of Settlement with the Crown. They asked us to tell them what we could about their iwi, with the view to supporting them to improve their data capability. We developed an approach specific to Ngāti Maniapoto to test how to support access to data that is specific to them.

We held a hui in February 2021 to establish priority work areas, key issues and data needs. The hui showcased data tools for iwi feedback and set up an iwi group to work with the Agency.

Learnings from this project will show us how to scale up for other iwi and provide them with data that they need. We have the expertise and capability to extract data for small populations from the Integrated Data Infrastructure and have done initial work to help us understand what is helpful for Ngāti Maniapoto.



Deepening social-sector understanding of wellbeing

We worked with the social sector to develop ways to measure and understand wellbeing across different communities, with an emphasis on broad measures of wellbeing.

Supporting the OECD to develop an aspirational child wellbeing framework

In 2019, New Zealand entered a partnership with the Organisation for Economic Co-operation and Development (OECD) to improve data availability that would lead to better policies to enhance child wellbeing. This work arose out of discussions between the Chief Science Advisor to the Minister for Child Poverty Reduction and Chief Science Advisor to the Social Wellbeing Agency, Professor Richie Poulton, and the OECD.

We have played a leading role in helping the OECD develop an aspirational framework for child and youth wellbeing, drawing on New Zealand's expertise and experiences in this area.

The OECD launched their aspirational child well-being measurement framework in July 2021. The 'Measuring What Matters for Child Well-being and Policies' report lays the groundwork for improved child wellbeing measurement and better data to inform better child wellbeing policies. It outlines an aspirational framework for child wellbeing measurement, setting out which aspects of children's lives should be measured and how to better monitor child wellbeing. It also outlines priorities for child data development and identifies key data gaps, all with the aim of motivating improvements in child data infrastructures.

Hosting Toi Hau Tāngata: Collaboration for Wellbeing hui

This hui was a one-day event, held at the National Library of New Zealand in Wellington in June 2021. It brought together 115 attendees from across the social sector, representing government agencies, NGOs and communities. The intent was to provide a space for the social sector to share the innovations, lessons and stories from work developed collaboratively, focused on improving people's wellbeing.

The day highlighted the alignment across the social sector to improving wellbeing. The Agency will continue to work with government and NGO partners to support the delivery of the Social Wellbeing Board work programme.

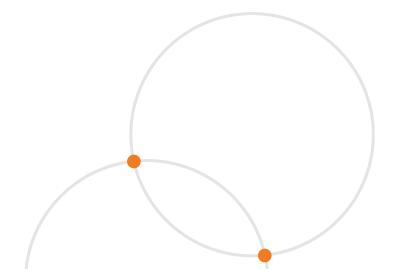
Presentations were made by The Southern Initiative, Methodist Mission Southern, Te Tihi o Ruahine and members from the Data Protection and Use Policy Working Group. Attendees included people from MSD, Oranga Tamariki, Te Puni Kōkiri, Stats NZ and the Ministry of Education.

How we work together

We're a small departmental agency with a big reach. As at 30 June, we employ 32 permanent and fixed-term people. Our organisation's structure positions the Agency to achieve the mandate set out for us. Our three business groups provide strategic leadership over our work.

Office of the Chief Executive Group

The Office of the Chief Executive provides high-quality and fit-for-purpose support and advice (including secretariat support) to the SWB and SWC. It manages the relationship with the Minister's office and ensures excellent external and internal communications. The Director and Chief Advisors provide strategic advice and support to the Chief Executive and wider Agency across a broad range of areas, in particular Ministerial engagement and bringing a Māori perspective and social science expertise, knowledge, advice and support.

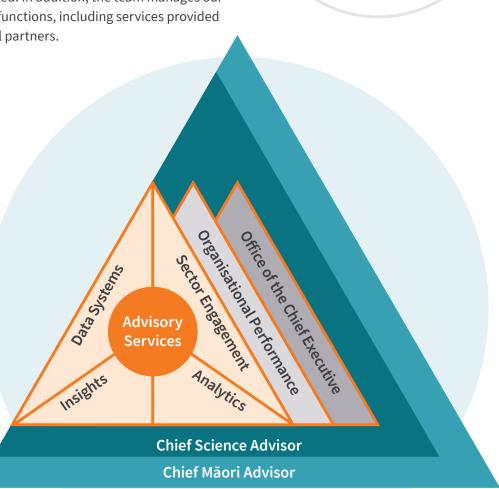


Advisory Services Group

Advisory Services is core to the Agency and acts as the 'engine room'. It includes the technical capabilities we need to work with the social sector to create insights, tools and practices that improve people's wellbeing. The Deputy Chief Executive leads these core business functions to create maximum value for our customers and stakeholders. The team undertakes planning by prioritising customer, people and organisational requirements.

Organisational Performance Group

Organisational Performance enables the Agency to be the best it can be by developing and improving organisational capabilities. Led by the Director Organisational Performance, the team leads the development and implementation of the Agency's organisational strategies. It develops and supports organisational capabilities and practices to ensure our portfolio of work and projects are well managed, planned and executed. In addition, the team manages our corporate functions, including services provided by external partners.



Our people

Our values

Our values, developed by our people, focus our efforts in every way and are used internally and externally to help guide us. Our people identified concepts that reflected our values in a meaningful way for them. From that work, we were able to create imagery that is meaningful for staff and that strengthens our values. These values guide us when we work in the office and with the people and groups we collaborate with. They also underpin the approach, behaviour and performance of the Agency in its day-to-day interactions and its agency policies and capability framework.



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.



TAUNAKITANGA

We influence through evidence

We use evidence to influence positive change for New Zealanders.



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.



PUARETANGA

We're transparent by nature

We will share what we're doing, how we're doing it, and what we learn.

He tāngata, he tāngata, he tāngata

Our people strategy Tāngata builds on our workplace culture where everyone is valued, respected and can bring their whole selves to work. It puts our people at our centre, because we know that investing in them supports the Agency's capability to improve wellbeing for New Zealanders.

Tāngata focuses on building an environment that enables, supports and invests in our people's development and performance for a strong, productive culture. We want the Agency to be known as an employer that grows talent and as a great place to work.

Tāngata has a five-year horizon and focuses on:

- delivering high-quality strategic performance
- supporting our people to perform and develop their skills, expertise and careers
- creating a healthy and safe working environment
- understanding diversity and how to manage it for the value it can add to our agency and performance.



Building our capability

Performing together through Ngā Tahi

Ngā Tahi means 'together' or 'as one', acknowledging that we grow together, individuals, managers, teams and the organisation alike.

Ngā Tahi, 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 Tahi 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 & Leadership, and Capability.

Growing data science and analytics talent

We think it's important to grow talent from a diverse range of people in the area of data science and analytics in New Zealand. We continue to participate in the joint Data and Analytics Summer Internship programme and hosted three interns during 2020/21.

Our Diversity and Inclusion programme

Our Papa Pounamu priority commitments

Our values and strategic people and culture goals 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 employeeled networks
- addressing bias and discrimination
- building inclusive leadership
- building relationships in our workplace.

Cultural competency

We're growing our cultural competency through implementing Te Aho Kura.



We're growing our cultural competency through implementing Te Aho Kura.

Te Aho Kura is 'the special strand'. Kura is the traditional, sacred colour red, while te aho tapu, or te aho kura, the first and main thread of the korowai, weaves the key strands of the cloak together. We know that Māori have a unique status as New Zealand's first peoples and as partners under the Treaty of Waitangi. As an organisation, we are working to build our Māori capability so we can work effectively as a good partner.

As part of this year's programme, we offered the Treaty Wall Walk by Dr Sim Bull. The Wall Walk is an interactive half-day workshop designed to build the knowledge of the history of bicultural relations in Aotearoa New Zealand. As at 30 June 2021, 62% of our staff completed the Wall Walk, including 57% of leaders. In addition, we use waiata, karakia and tikanga to encourage and support the use of te reo Māori in the workplace.

In January 2021, we ran a baseline survey to understand our organisation's current capability in te reo Māori and tikanga Māori, which has informed our bespoke learning programme. We have also received positive feedback through our annual staff survey Kōrero Mai, with 78% of staff agreeing that Te Aho Kura made a positive impact on their work at the Agency. This is a 5% increase from last year.

Supporting and engaging with employee-led networks

As a small agency, we look to partner with other agencies to support our staff through employee-led networks. We encourage people to set up employee-led networks and also promote external employee-led networks. Our leaders are supportive, with staff being able to attend network meetings in work time. The networks our people can access are wideranging, including those for women, Māori, Pacific peoples and Rainbow communities.

Our Agency currently has representatives attending and contributing to the Cross-Agency Rainbow Network, Government Womens Network and Tühono–Māori in the Public Service.

Addressing bias and discrimination

As at 30 June 2021, 95% of staff and 100% of leaders completed the unconscious bias training we offered. The training is available to all staff, including new starters as part of their induction process.

We have developed a bias minimisation toolkit, for use during decision-making. We have also put in place a process for us to identify and mitigate bias when reviewing human resources policies and practices. We are planning to create resources for leaders to use in their team meetings on a quarterly basis to encourage reflection and action.

Building inclusive leadership

Our leaders ensure the people they work with are valued and respected. They use knowledge gained through programmes, such as unconscious bias training, to build an inclusive culture. 77% of staff responding to our Kōrero Mai survey agreed with the statement 'I can bring my whole self to work each day', a 4% increase from last year.

We are developing an inclusive leadership programme for our leaders, aiming to have all our leaders complete the workshops by the end of 2022. As part of this work, we are also updating our Ngā Tahi template performance framework to include building diversity and inclusion capability (including te reo Māori, New Zealand history and the Treaty of Waitangi).

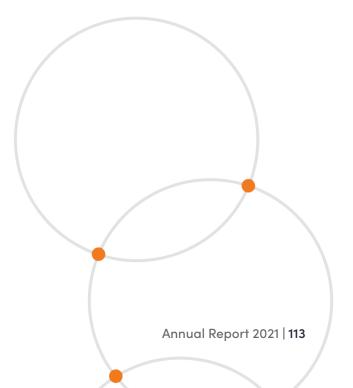
Building relationships in our workplace

We held two hui as part of our relationshipbuilding programme: "Delivering Together", our all staff hui, was held in July 2020 and "Toi Hau Tangata – Collaboration for Wellbeing" was held in June 2021 with our stakeholders.

These hui created invaluable opportunities for SWA to come together and engage in whakawhanaungatanga with each other and with the guests who provided input for the sessions.

Gender Pay Gap Action Plan

The Tātou strategic plan includes implementing our gender pay gap action plan. We delivered unconscious bias training to our leaders and people, implemented our flexible working policy and reviewed HR policies to remove bias. In doing this, we met all the Government Gender Pay Gap Action Plan milestones of equal pay, flexible work by default, no bias or discrimination in remuneration systems or HR practices and gender-balanced leadership.



Reflecting Aotearoa in our workforce

As Aotearoa New Zealand becomes more diverse it's important our Agency employs and supports people with diverse backgrounds, thinking and ideas to ensure our work improves the wellbeing of all New Zealanders. During 2020/21 our diversity and inclusion working group Tātou have been implementing our diversity and inclusion strategic plan.

This is important work that we prioritise, value and incorporate in our progress towards the Papa Pounamu priority commitments.

Tātou envisions our agency:

- having a workforce that reflects Aotearoa
 New Zealand
- being a safe place where individual ideas, background and cultures are valued, and
- having an inclusive culture, free from bullying and harassment, and where bias is understood and minimised.

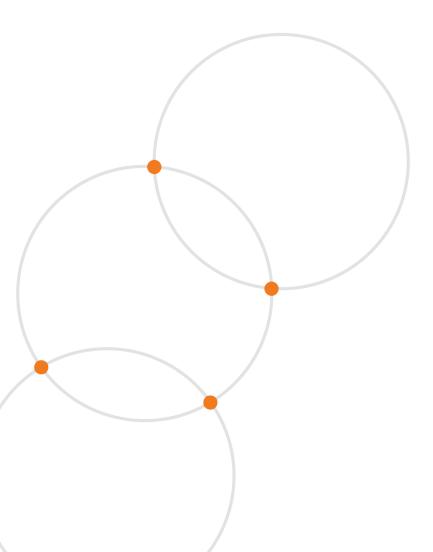
One of the focus areas for Tātou is to create a safe and supportive work environment for our people who are members of the Rainbow community. To do this, we signed an agreement with the Rainbow Tick organisation to work towards achieving the Rainbow Tick in 2021/22. Tātou holds events to educate and celebrate aspects of diversity to help build an inclusive culture. This year, events included holding a session for staff to learn basic New Zealand Sign Language, learning about Matariki, celebrating Pink Shirt Day and providing information on Trans Awareness Day.

As a small agency, we promote external employee-led networks, encouraging our staff to join. Our leaders are supportive, with staff being able to attend network meetings in work time. The networks our people can access are wide ranging, including those for women, Māori, Pacific peoples and Rainbow communities.

Our Agency currently has representatives attending and contributing to the Cross-Agency Rainbow Network, Government Womens Network and Tūhono - Māori in the Public Service.

To attract and retain a workforce that better reflects the diversity of New Zealand, we reviewed our recruitment policy. We are placing advertisements to reach a broader range of candidates, particularly Māori and Pacific peoples.

To help increase the diversity of people working in data and analytics, we supported the Elevating Aotearoa's Future programme by hosting an intern. The programme supports people from underrepresented communities, such as Māori and Pacific peoples, and especially wāhine, into careers in data and analytics over a 12-month period.



Our people by numbers

Employee engagement

(from the 2021 SWA Kōrero Mai survey)

Work-life balance

82%

of staff report "I feel I am able to balance my work and private life"

Valuing diversity

78%

of staff report
"SWA values diversity"

Inclusive culture

79%

of staff report "SWA has an inclusive culture where personal values, beliefs and commitments are respected"

Staff numbers

32

permanent and fixed term as at 30 June 2021

Health and safety

Establishment of SWA as a PCBU

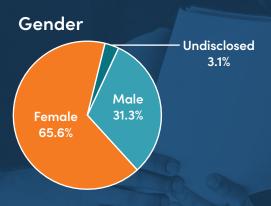
4

health and safety representatives trained

1

incident notification

Staff breakdown



People leaders by gender

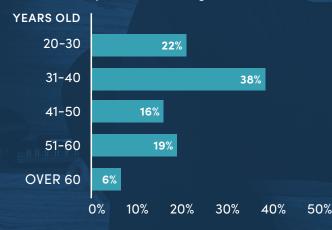


Ethnicity Staff can specify more than one ethnicity



Average staff age

The average age of SWA staff is 40 years old, made up of the following:



Statement of Responsibility

II 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.

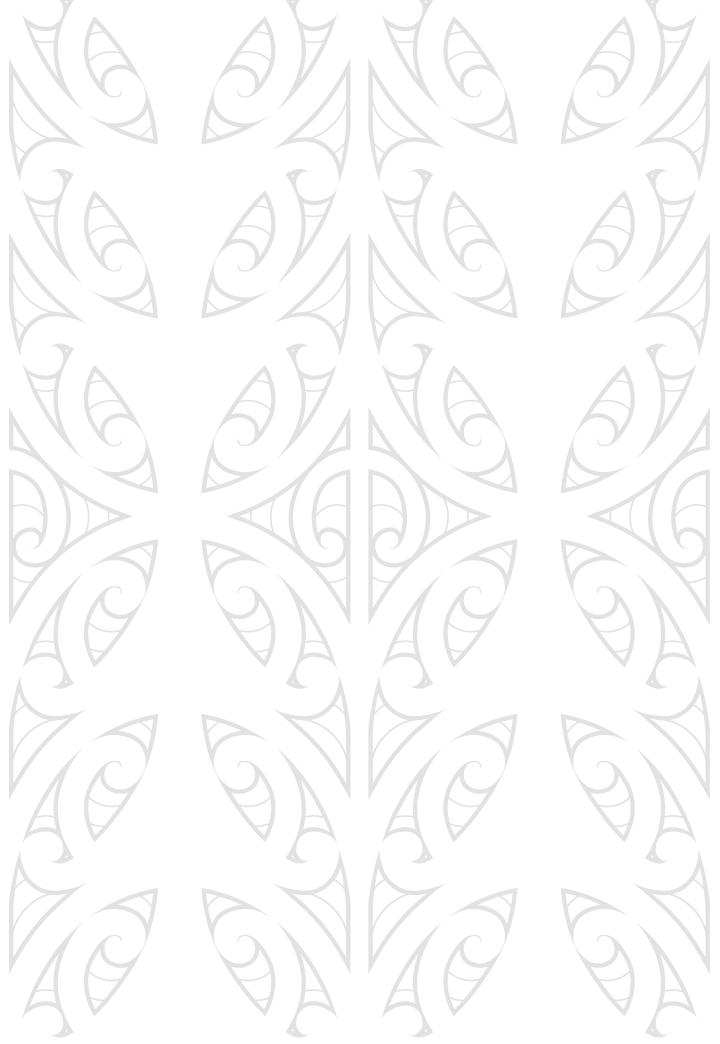
In my opinion, the Annual Report fairly reflects the operations, progress and organisational health and capability of the Social Wellbeing Agency.

Dated: 08 September 2021

Renee Graham

Chief Executive

Social Wellbeing Agency



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