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Te Kawa Mataaho
Public Service Commission

Annual Report Pūrongo-ā-tau

For the year ended 30 June 2025 | Mō te mutunga o te tau i te 30 o ngā rā o Pipiri 2025

Statement of Representation

I am pleased to present the annual report of Te Kawa Mataaho Public Service Commission (the Commission) for the year ended 30 June 2025. This report comprises of:

- the Annual Report of the Public Service Commission on the operations of the Commission, 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

Sir Brian Roche, KNZM

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

30 September 2025

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

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Commissioner's overview

Tā te Kaikōmihana tirohanga whānui

It's a pleasure to present my first Annual Report as the Public Service Commissioner.

Since my first day in the role, I've been struck by the commitment to service and the effort of public servants right across the country.

And it's clear this sentiment is broadly shared by the more than 44,000 public servants who took part in this year's Public Service Census. Public servants said they felt they were delivering better outcomes for New Zealanders and believed their work provides value for taxpayers.

Over the past year the Commission has led efforts to align the Public Service around a clear set of priorities – supporting the delivery of the Government's policies, driving fiscal sustainability, and lifting capability across the system.

We have strengthened our oversight of chief executive performance and supported more transparent and merit-based appointments. We work closely with Ministers and other central agencies to ensure the Public Service is focused, efficient, and accountable.

At the same time, we have continued to uphold the values that underpin public trust - our integrity work programme is driving how the Public Service prevents, and where necessary, responds to misconduct.

While an annual report is by nature backwards looking, as Commissioner I have a duty to look towards the future.

Having had the time to observe the Public Service up close, it's clear that it is a system under strain. Public servants work hard, and they are doing their best, but I'm also struck by the fact that a lot of things happen despite the system, not because people are enabled by it.

The Public Service has become fragmented, which creates inefficiency and duplication.

Public administration systems worldwide are dealing with the same thematics around fiscal pressures, siloed organisations, uneven adoption of digital and AI, and the need to improve the citizen experience - we are not different. We need to develop a more future focused digitally enabled operating model that builds on the model that has operated over the last 40 years.

I also want to see key decisions centralised to unlock system-wide benefits, and a digital-first approach – including the use of AI – to drive smarter, faster service delivery.

As we look ahead, the Commission is committed to leading a unified, trusted, and high-performing Public Service – one that is responsive to the needs of New Zealanders and equipped to meet the challenges and opportunities of the future. In particular we will need, as a system, to focus on our human capital, and recognise the unique attributes required to operate a contemporary system.

Who we are and what we do
Ko wai mātau, he aha hoki ā mātau mahi

Our purpose and statutory role

Te Kawa Mataaho Public Service Commission leads the Public Service in setting ambitious goals and delivering improved outcomes and services for New Zealanders.

The Public Service Act 2020 (the Act) provides our mandate and outlines specific powers to support our role.

Under the Act, the **Public Service Commissioner** (the Commissioner) provides leadership and oversight of the Public Service. The Commissioner's statutory functions include:

- Leading the Public Service to deliver better services and achieve improved outcomes
- Promoting integrity and good conduct
- Developing workforce capability and capacity
- Appointing Public Service leaders
- Overseeing bargaining for collective agreements
- Reviewing agency performance.

While the Commissioner's influence is strongest within the Public Service where they hold employment responsibilities for chief executives, some of his functions, such as promoting integrity, extend to parts of the wider public sector.

Strategic Intentions 2024–2028

He Takunetanga Rautaki Strategic Intentions 2024–2028 sets out our strategic intentions and the outcomes we aim to achieve. It introduces our performance indicators and our results against them.

Our vision is for a leading-edge, unified, trusted Public Service that serves Aotearoa New Zealand and its people. At the highest level, our strategic intentions are to lead the Public Service to:

- achieve better outcomes and improve public services for New Zealanders.
- maintain and enhance the trust and legitimacy of the Public Service.

Progress towards these intentions is discussed in the *Delivering on Our Strategic Intentions* section. Our performance framework, *Tā Tātou Ratonga Tūmatanui – The Public Service We Are Building Together* (see page 12), explains how the work we do—through funding and activities—helps deliver the outcomes we want for New Zealanders. The framework is based on our Public Service operating model, which guides how we design, lead, support, and improve the system.

We aim to achieve our strategic intentions by focusing on three areas that align with Government priorities:

- **Activating the Public Service around priorities.** The Government has set clear priorities for the Public Service, along with defined performance objectives and measures. We ensure the Public Service leverages its expertise to achieve these priorities.
- **Driving efficiency and fiscal consolidation.** Strong fiscal responsibility is essential to maintaining public trust and delivering better outcomes and services. We support the Public Service to improve workforce efficiency, meet government expectations for employment conditions and reprioritise resources for greater impact.
- **Focusing on capability and performance.** Chief executives of Public Service agencies, and the chairs, boards, and chief executives of Crown entities, need clear performance objectives that reflect the Government's priorities. We coordinate a programme of performance improvement reviews to assess capability and performance across public service agencies. We are also strengthening performance across the Crown entity sector by improving board appointment systems, expectation setting and monitoring.

The *Implementing the Government's Priorities* section outlines how our work has contributed to achieving these goals.

Delivering on Our Strategic Intentions

Te whakatutuki i ō Mātau Whāinga Rautaki

Outcomes and services

The Public Service's core role is to deliver public services that are efficient, effective and responsive to the needs of New Zealanders. These services should support better outcomes for individuals, whānau, and communities in a fiscally sustainable way.

The Commission as a central agency and system leader, supports the Public Service to improve its services. We work with other central agencies to focus the Public Service on the Government's priorities, drive performance and ensure processes are well-designed and efficient.

See *Assessment of Operations* section for further detail on the work we do.

New Zealanders' satisfaction with public services is a key measure of success for us. Through **Kiwis Count**, we survey 2,000 people each quarter to understand their experience with public services and their trust in the public sector. The survey covers a broad range of services provided or funded by central government including health, education, social, and emergency services.

In June 2025, 82% of respondents were satisfied or very satisfied with their most recent government service. This result is consistent with the March 2025 and December 2024 quarters, continuing the strong satisfaction levels (over 79%) seen since the measure was reintroduced in March 2024.

Reliability and responsiveness are also important indicators of service quality and efficiency, so through Kiwis Count we also ask people:

"When thinking about the Public Service overall, how much do you think they..."

Measure	Jun 25	Mar 25	Dec 24	Sep 24	Jun 24
Are there when I need them	**60%**	59%	57%	59%	61%
Treat people fairly	**60%**	60%	59%	58%	61%
Understand my needs	**54%**	56%	54%	54%	57%
Work together with other government organisations to meet my needs	**54%**	51%	50%	51%	55%
Change services in response to feedback from the public	**42%**	40%	43%	39%	41%

These results show that while most people perceive the Public Service as fair, there is room for improvement – particularly in how services adapt to feedback.

To deliver quality public services and improve outcomes, we need a capable and skilled workforce. Results from **Te Taunaki Public Service Census** (March 2025) show that **85%** of public servants felt their skills matched their work or that they could handle more demanding tasks. This is consistent with the **2021** result of **83%**.

It's also important that public servants understand the Public Service's role in supporting the Crown in its relationships with Māori under Te Tiriti o Waitangi | the Treaty of Waitangi. Results from the Public Service Census show that **77%** of public servants understood how their agency's Treaty responsibilities applied to its work (up from 69% in 2021) and **71%** felt encouraged and supported to engage with Māori to ensure Māori views and perspectives are considered (up from 65% in 2021).

The **Public Service Census** also found that **87%** of public servants believe their organisation is working for the long-term good of New Zealand.

The full census results and the Commission's draft system response plan are available on the Commission's website publicservice.govt.nz/census.

Trust and legitimacy

The Public Service relies on the trust and confidence of New Zealanders. Trust encourages people to participate in democratic processes, engage with government agencies and help design services that meet their needs. It also strengthens social cohesion and gives the Public Service its 'license to operate' in the community.

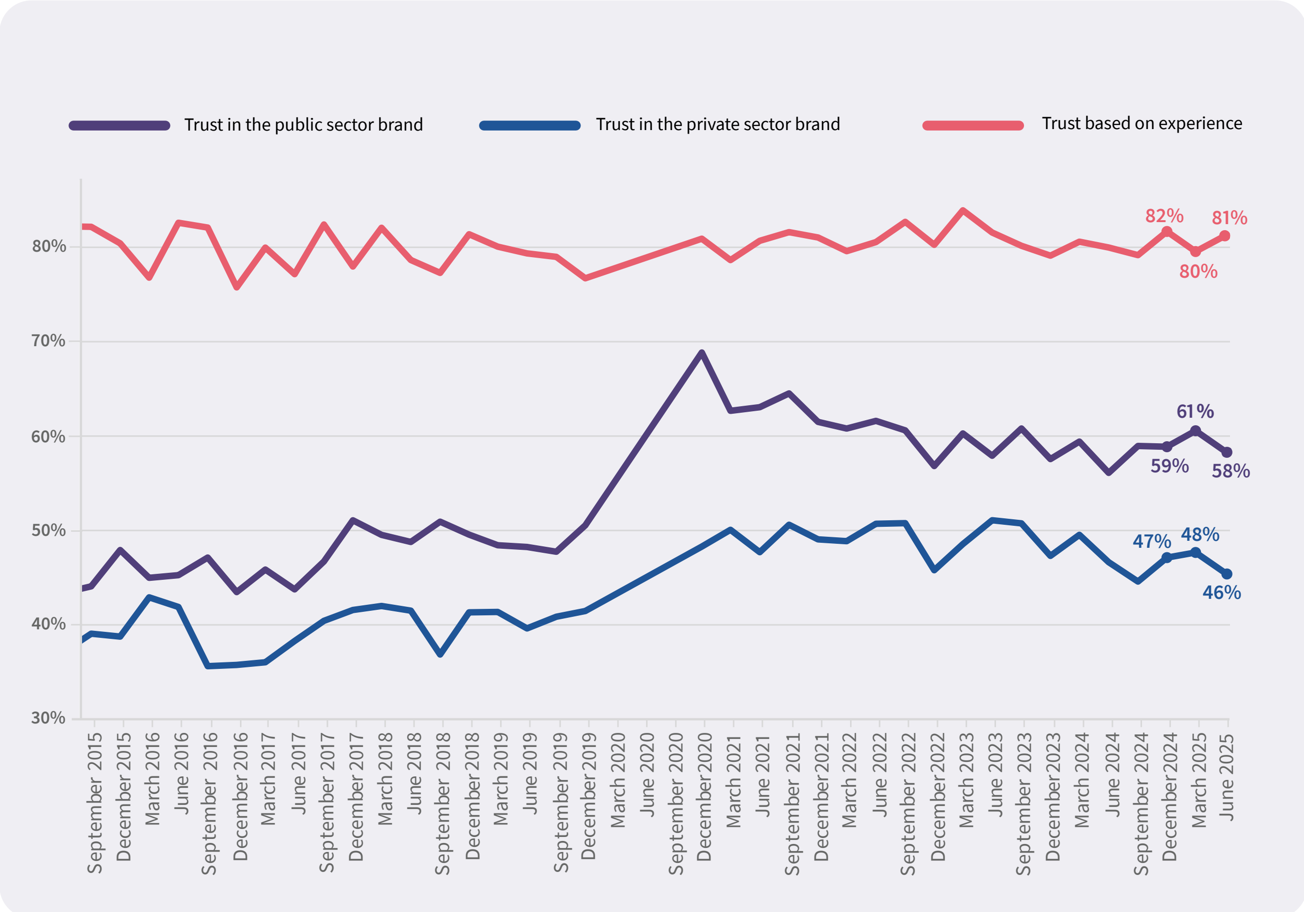
Many of the Commission's functions directly support public trust. These include setting standards of integrity and conduct, investigating possible breaches, promoting open government, and advising public servants on integrity matters. We discuss this work in more detail in the Commission's *Assessment of Operations* section.

New Zealand continues to perform well on international measures of public trust, ranking 4th in the 2024 Transparency International Corruption Perceptions Index. While still among the top performers, this marks a decline from 2nd in 2022 and 3rd in 2023, highlighting the need for a proactive approach to safeguard our global reputation for transparency and integrity.

Our integrity work programme supports public trust by strengthening integrity in the Public Service and improving agency practices. Our upcoming Long-Term Insights Briefing also explores future challenges and opportunities in Public Service integrity.

The Kiwis Count survey includes questions about trust in the Public Service. In June 2025, **81%** of New Zealanders said they trust public services based on personal experience – which is consistent with previous quarters and the past decade.

Trust in the **Public Service brand** was **58%**, down from **61%** last quarter, but still above pre-COVID-19 levels. By comparison, **trust in the private sector** was **46%**, also down from **48%**.



The Kiwis Count survey shows that a high proportion of New Zealanders believe the Public Service treats people with respect and is honest.

Measure	Jun 25	Mar 25	Dec 24	Sep 24	Jun 24
Treats people with respect	**67%**	66%	65%	64%	68%
Are generally honest	**67%**	64%	65%	63%	68%
Do their best to help New Zealanders	**65%**	65%	63%	63%	70%

Fewer people agreed that the Public Service admits responsibility when it makes mistakes (41%), a result that has remained largely consistent since the June 2024 quarter.

Access to official information is another important factor in upholding trust in the Public Service. People need to be able to access information quickly and easily so they are informed about matters that affect them and can hold decision-makers to account.

We are responsible for supporting Official Information Act 1982 (OIA) practices and compliance across the Public Service. Between 1 July and 31 December 2024, 97.8% of OIA requests were completed within legislative timeframes (including extensions). This is the fifth consecutive reporting period where over 97% of requests were completed within the required timeframes. We discuss this work further in the Commission's *Assessment of Operations* section.

We also monitor the proactive release of Cabinet papers, in line with Cabinet's directive. Between 1 July and 31 December 2024, 251 papers (76%) were published within the expected timeframe of 30 working days, or after a policy-permitted delay. This is a slight decrease from 82% in the previous period, but consistent with the trend over the past two years (76–82%).

The legitimacy of the Public Service is underpinned by the **political neutrality** of public servants and a **merit-based appointment system**. We uphold these principles by setting standards, issuing guidance, and providing integrity advice as discussed in the Commission's *Assessment of Operations* section.

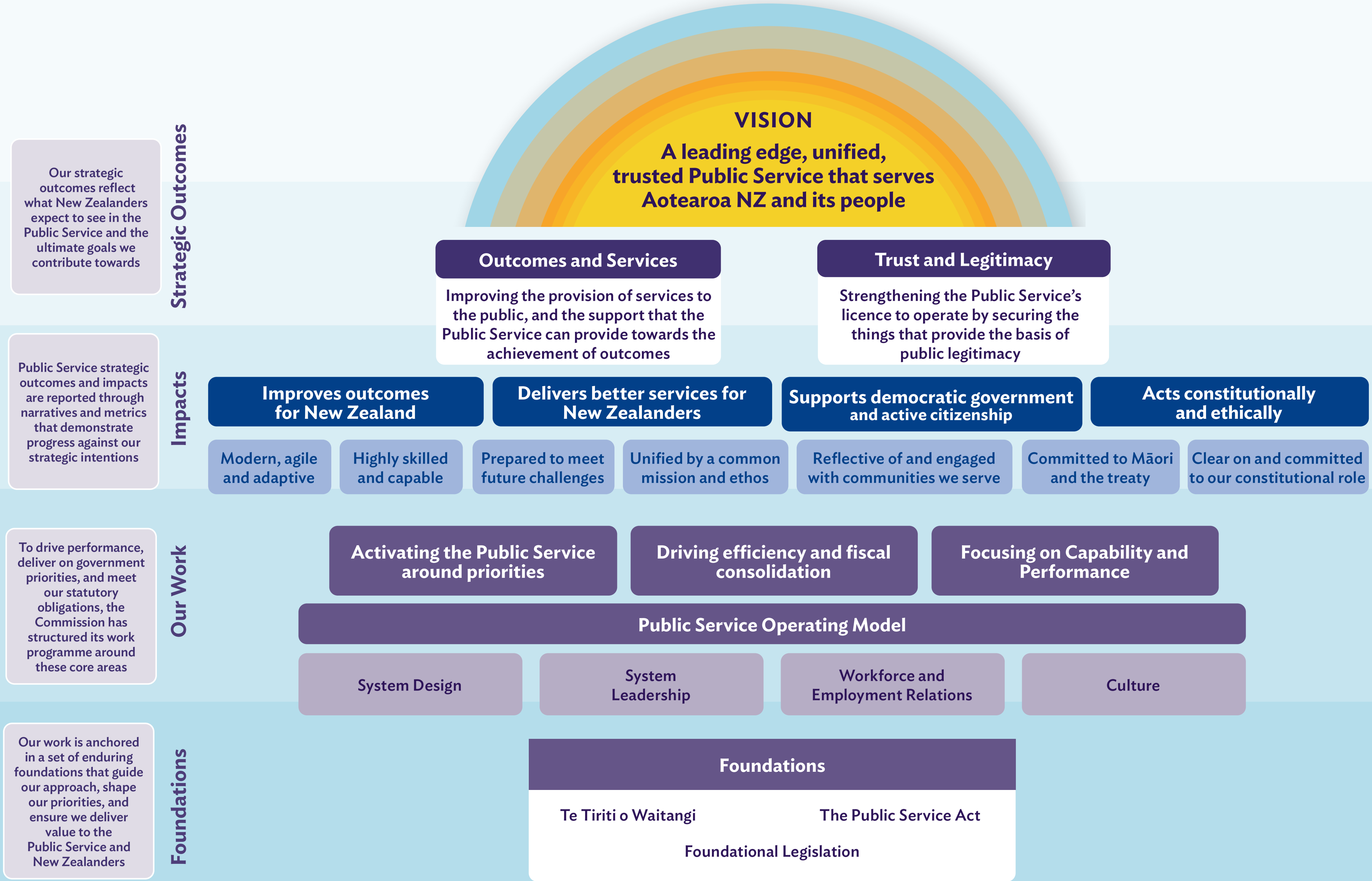
The **2025 Public Service Census** included two relevant measures:

- I have a good understanding of what it means to be a politically neutral public servant – **95% agree.**
- I am confident that in my organisation, people get jobs based on merit – **44% agree.**

These results show that while public servants understand political neutrality, more work is needed to build confidence in merit-based appointment processes across the Public Service. This is a priority issue for the Commission to address as part of the system-wide response to the Census.

Proposed amendments to the Public Service Act 2020 *(outlined in the Implementing the Government's Priorities section)* reinforce the principle of merit-based appointments. Our work to improve this area is outlined in our draft Public Service Census system response plan. It includes strengthening agency HR practices and reissuing the Code of Conduct with the Commissioner's minimum expectations for merit-based appointments.

Tā Tātou Ratonga Tūmatanui
The Public Service we are building together



Implementing the Government's priorities

Te whakatinana i ngā Whakaarotau a te Kāwanatanga

Baseline savings

During 2023/2024, we established the Fiscal Sustainability Programme (FSP) to reshape our organisational structure and our workforce. We sought to reduce management layers by merging functions, increasing spans of control, and flattening our hierarchy.

As part of the FSP, the Commission disestablished 25 roles and created 12 new ones, resulting in a net reduction of 13 positions. Of the 13 disestablished roles, nine were management positions.

The FSP also reviewed all non-personnel expenditure and found significant savings by changing how the Commission manages property costs, software licences, in-person events, and the use of contractors and consultants.

Together with the end of time-limited funding, we were able to deliver savings of $5.6 million per annum while maintaining our ability to deliver legislated responsibilities and strategic priorities.

For non-departmental expenditure, the Remuneration and Related Employment Costs of Chief Executives appropriation decreased by $400,000 in 2024/25, and by $200,000 per year in the outyears. This appropriation includes a contingency to manage costs related to chief executive appointments and transfers. The Commission achieved these savings through more active and deliberate management of the appropriation.

Reduction in expenditure on contractors and consultants

In 2024/25, the Commission spent **$2.3 million** on contractors and consultants, **$487,000** less than the previous year. This expenditure represented **6.80%** of total departmental workforce expenditure.

By comparison:

- In **2022/23**, expenditure was **$4.8 million** (11.17% of workforce expenditure).
- In **2023/24,** it was **$2.8 million** (6.82%).

Government targets and ministerial priorities

The Public Service is the Government's delivery arm and plays a vital constitutional role in supporting the Government of the day. This includes implementing the priorities set by the Government and the Minister for the Public Service.

The Commission's *He Takunetanga Rautaki Strategic Intentions 2024–2028* outlines three key priorities agreed with the Minister for the Public Service. These closely align with the Government's broader goals and focus on delivery, efficiency, fiscal responsibility and improving performance.

In addition to these priorities, the Government's coalition agreements include specific goals that the Commission has delivered or supported.

Activating the Public Service around priorities, including the nine government targets

To improve results, the Commission has worked to align the Public Sector around shared priorities, especially the nine Government targets announced by the Prime Minister in April 2024. These targets aim to improve outcomes in health, justice, education, and housing.

While individual agencies lead each target, the Commission–alongside the Department of the Prime Minister and Cabinet (DPMC) and Treasury–has played a central role in driving system-wide performance.

The Commission has worked closely with chief executives and senior leaders to implement actions that support progress on these targets and also partnered with DPMC's Delivery Unit to monitor performance and remove barriers to delivery.

As of March 2025, two targets had been met, and four were on track.

The Commission plays a key role in aligning the Public Service with Government priorities by managing the performance of chief executives. Over the past year, we strengthened the chief executive performance framework to clarify expectations and support consistent delivery.

We worked closely with Ministers to take a real-time approach to identifying opportunities that advance key Government priorities. This included helping Ministers remove barriers to delivery and setting the right performance conditions early to manage risks.

Example: Health Assurance Unit

One example is the creation of the Health Assurance Unit. In February 2025, we established the Unit to support the Minister of Health in designing and assuring delivery of the Health Delivery Plan. The Unit provided rapid, independent advice and worked closely with Health NZ's Commissioners and the Director-General of Health to implement the Government's health priorities.

With support from the Commission and the DPMC, the Unit used central agency influence to ensure Health NZ's budget prioritised patients, agreed on a transparent financial track with Treasury and secured funding to deliver the Government's health targets.

The Unit transitioned to the Ministry of Health on 1 July 2025.

Driving efficiency and fiscal consolidation

The Government has called for stronger financial discipline and better results from the Public Service. Much of our work this year has supported that goal.

Alongside the Treasury we introduced performance plans that help agencies better understand and manage their spending.

These plans aim to improve long-term financial sustainability. We reviewed the plans with the Treasury and gave advice to help Ministers make informed decisions and get better value. The plans also give Ministers and central agencies a clearer view of workforce costs and planning. The plans are a new part of the performance framework, and we'll keep working with the Treasury to improve them.

The Commission also helped reduce spending on contractor and consultants across the Public Service. The Government set a target to reduce operating expenditure (OPEX) on contractors and consultants by $400 million over two years - and agencies have already exceeded that target. We tracked progress and made sure agencies were reducing their spending as required.

The Commission helped develop the 2024 Government Workforce Policy Statement which supports efficiency and financial responsibility. It sets clear expectations for how agencies should manage employment relations, including keeping employment costs in line with the current financial situation.

In December 2024 the Commissioner issued a letter of expectation to Public Service chief executives asking them not to introduce or extend tenure-based pay progression models. The Commissioner also signalled closer work with the Treasury to ensure personnel cost growth is considered during collective agreement bargaining. Agencies were also asked to keep overall staff growth within forecast inflation.

For the first time since 1997, the Commissioner has retained the collective bargaining delegation for primary and secondary school teachers and principals. This reflects how important this sector is to the Government's priorities, how bargaining across the public sector is connected, and the impact these negotiations have on overall workforce costs.

Focusing on capability and performance

The Commission, working with DPMC and the Treasury, has continued to strengthen how central agencies monitor and manage agency performance. Over the past year, we've introduced a new framework that helps assess agency capability, performance and delivery in a more focused way.

Alongside leaders from central agencies, we've worked directly with Ministers and chief executives to deliver the Government's priorities. We've also used tools like sprint teams to take a more active approach to supporting priority areas across the Public Service.

This approach ensures central agencies provide visible leadership and focus on what matters most to New Zealanders. Central agency chief executives have led this work, including supporting agencies that need help to lift their performance.

Over the year, central agencies developed a refreshed work programme to drive progress in areas that will make the biggest difference: optimising workforce settings, strengthening financial management, improving Crown entity performance, digitising government, and enhancing talent management.

Outside of the core Public Service are Crown entities which deliver many of the services New Zealanders rely on. Crown entities account for a significant share of taxpayer funding, assets, and comprise a significant proportion of the public sector workforce.

The Commission focused on improving performance across key Crown entities that support Government priorities. We've targeted areas with the greatest performance challenges and provided advice, insights and support to chairs and board members. Over the past year, we completed 22 inductions for new Crown board chairs to help them provide strong governance from day one.

Ministers have made it clear that lifting the quality and impact of Crown entity monitoring is a priority. The Commission has worked with chief executives and agencies to begin assessing their capability and performance in monitoring Crown entities.

In December 2024, the Commission issued new guidance on flexible working public servants. The guidance clarified that all flexible work arrangements must be agreed and managed in ways that support a high-performance culture. Agencies are expected to regularly monitor their employees work-from-home arrangements.

A survey conducted by the Commission in mid-2025 showed that the majority (55%) of public servants do not typically work from home or only do so infrequently, while 33% typically work from home either 1 or 2 days per week.

In March 2025, the Public Service Commissioner and Commission staff met with the Chandler Institute of Governance, a Singapore-based non-profit that helps governments build capability. The Commission also runs a regular programme of international engagements and, over the past year, met with officials from the Australian state and federal governments, the Singaporean government, and the Indonesian government.

Delivering on the Government's coalition agreements

The Commission has delivered several initiatives set out in the Government's coalition agreements. The most significant has been supporting the Minister for the Public Service to develop the Public Service Amendment Bill. The Bill amends the Public Service Act 2020 to:

- clarify the role of the Public Service
- streamline chief executive responsibilities
- reinforce merit-based appointments
- improve performance management
- strengthen capability in key roles
- enhance risk management

These changes respond directly to the coalition agreement to clarify the Public Service's role, improve performance, and strengthen accountability in delivering the Government's agenda.

We also supported the Minister for the Public Service to issue a Cabinet Office circular that sets out the Government's expectation that public services be prioritised based on need.

Additionally, the Commission provided advice on work led by the Treasury to repurpose and rename Crown Infrastructure Partners Limited as National Infrastructure Funding and Finance Limited (NIFFCo). This delivers on the agreement to establish a National Infrastructure Agency.

Other Significant Budget decisions

Budget 2025 included several significant decisions that support the Government's priorities, are of public and parliamentary interest, and represent material investments for the Commission.

In response to the Royal Commission of Inquiry into Abuse in state care, the Crown Response Unit was transferred from Oranga Tamariki and established as the Crown Response Office, hosted at the Commission. This involved a transfer of 41 FTEs increasing the Commission's FTEs to 193.7 as well as a significant amount of funding for the Office's operations

In Budget 25 the Crown Response Office (CRO) received $26.564 million over two years to:

- support the time-limited work of the CRO
- coordinate remaining cross-government decisions and activities that need to occur centrally, enabling agencies taking permanent responsibility for the response to operate independently

The CRO also received $18.433 million over four years for *Addressing the Wrongs of the Past – Redress for Abuse in Care*. This funding supports the delivery of redress initiatives announced on 9 May 2025. These include:

- establishing integrated, system-wide monitoring and reporting that incorporate survivor insights
- commissioning an independent review of the impact of the changes – to be completed by October 2027.

The CRO also received $22.680 million over two years to provide redress for torture at the Lake Alice Psychiatric Hospital Child and Adolescent Unit.

- $19.560 million for redress payments to survivors of abuse at the Lake Alice Unit.
- $2.710 million for supporting survivors of abuse at the Lake Alice Unit to engage with the redress process.
- $410,000 for administration of the Lake Alice claims process.

In June 2025, Cabinet authorised an additional $7 million in redress payments for survivors of abuse at the Lake Alice Unit due to the emergence of additional claimants who had not previously applied for any redress and had not been known to the Crown until that point.

The CRO was allocated three operating contingencies within Vote Public Service as part of Budget 2025.

- $2.337 million is held in contingency from 2026/27 onwards to review records website services as part of broader system work.
- $70.880 million from 2025/26 onwards to support the building of a diverse, capable and safe care workforce.
- $28.375 million from 2025/26 onwards to support the implementation of the Government's response to the Royal Commission of Inquiry into Abuse in Care.

Assessment of operations

Te aromatawai i ngā mahi

To drive performance, deliver on Government priorities, and meet our statutory obligations, the Commission has structured its work programme around four key areas: ***system design, system leadership, workforce and employment relations, and culture.***

This section outlines the key work delivered by the Commission over the past financial year, grouped under these four areas.

System Design

The Commission is the Government's lead advisor on the machinery of government. We play a central role in shaping the structures and processes that help the Public Service deliver better outcomes. A well-designed system supports front-line public servants to deliver services efficiently and supports our strategic intention to improve outcomes and services. Over the past year, the Commission has advised Ministers and agencies on a range of system design matters, including:

- The development of the Public Service Amendment Bill (*see Implementing the Government Priorities section*).
- Establishing the Crown Response Office (CRO) within the Commission to lead the Government's response to the Royal Commission of Inquiry into Abuse in Care.
- Advising on the establishment of Invest New Zealand as an autonomous Crown entity to attract investment in high-potential sectors.
- Supporting the transition of the Whaikaha Ministry of Disabled People to a standalone Public Service department.
- Advising on the transfer of functions from Te Arawhiti to Te Puni Kōkiri, and on renaming Te Arawhiti to reflect its new focus: the Office of Treaty Settlements and Takutai Moana – Te Tari Whakatau.
- Extending the remit of the Integrity Sport and Recreation Commission (formerly Drug Free Sport NZ) to include functions previously hosted by Sport NZ.

- Creating a Functional Chief Executive – School Property and advising on the proposed New Zealand School Property Agency.
- Advising on the establishment of the Independent Children's Monitor as an Independent Crown Entity, and on returning the Children and Young People's Commission to a corporation sole Children's Commissioner.
- Supporting reform of the science sector, including the proposed disestablishment of Callaghan Innovation and reorganisation of Crown Research Institutes into Public Research Organisations.
- Advising on the legislative framework for vocational education reform, including replacing Te Pūkenga with financially sustainable, regionally responsive providers.

The Commission supported the Government in developing the Plain Language Act Repeal Bill. The Bill is intended to remove the administrative requirements of the Plain Language Act, allowing agencies to pursue plain language outcomes in ways that suit their context.

Data

The Commission collects and uses data from across the Public Service to provide evidence and insights that support system design, improve performance, and inform decision-making. This includes workforce data and Official Information Act (OIA) statistics.

A major achievement this year was our delivery of the second **Public Service Census**. Of the approximately 65,000 public servants invited, 44,737 took part giving us a response rate of 68.5%, up from 63.1% in 2021. The census included questions about employee experiences and demographics. These insights help us to understand capability, performance and culture across Public Service organisations. The Commission is using these insights to improve system performance and track progress against our strategic intentions.

System Leadership

System leadership is essential for improving outcomes at scale and building a responsive, well-aligned Public Service. Through this function, the Commission has helped deliver on the nine Government targets and provided assurance that agencies are meeting fiscal expectations.

Chief executive appointments

One of the Commission's strongest levers for driving system change is our work with Public Service chief executives. The Commissioner is legally responsible for appointing Public Service chief executives and for managing their performance. Most appointments are for three to five years.

While high-performing chief executives were often reappointed in the past, the Commissioner now considers a contestable process, transfer, or acting arrangements as the preferred options to fill vacancies.

In 2024/25, the Commission made 9 chief executive appointments, including:

- Secretary of Defence and Chief Executive of the Ministry of Defence
- Secretary for Regulation and Chief Executive of the Ministry for Regulation
- Secretary for Social Investment and Chief Executive of the Social Investment Agency
- Secretary to the Treasury and Chief Executive of the Treasury
- Chief Executive of the Crown Response Office
- Chief Executive of the Office of Treaty Settlements
- Director-General of Health and Chief Executive, Ministry of Health (Transfer)
- Secretary for Disabled People and Chief Executive, Whaikaha Ministry of Disabled People (Transfer)
- Secretary for Māori Development and Chief Executive of the Ministry of Māori Development | Te Puni Kōkiri (Reappointment)

We also made 17 acting Chief Executive appointments and assisted on 6 statutory appointments on behalf of Ministers, the New Zealand Defence Force, and Police.

Since 1 July 2024, 9 chief executives left their roles. This level of turnover is consistent with previous non-election years, when a period of restraint typically applies.

As noted earlier, the Commission has strengthened the chief executive performance management framework to ensure a sharper focus on delivering the Government's priorities. This supports our strategic intention to improve outcomes and services.

Talent management

Talent management is a priority for the Prime Minister and the Commission. It is critical to improving Public Service performance and evolving the operating model to meet current and future needs.

We are building on existing talent systems, like the succession programme, which is intended to identify at least three potential successors for each role we appoint. This aims to strengthen, centralise, and identify emerging senior talent and opportunities for system-wide deployment.

One example is the use of Sprint Teams by central agencies. These teams bring together top talent from across the system to rapidly deliver priority Government programmes. Sprint Teams have supported work on the Royal Commission of Inquiry, Economic Growth, Whānau Ora, the Health Assurance Unit, and Pay Equity.

We are also establishing a Public Service Talent Board. Chaired initially by the Public Service Commissioner, the Board will also include external members from the private sector. It will provide strategic, future-focused advice on talent management, test and challenge the Commission's approach, and share best practices from other sectors and jurisdictions.

Understanding and managing talent on Crown boards is essential to building the pipeline of directors who can lead high-performing Crown entities. This year, the Commission launched *AppointNet*, an all-of-government digital platform for managing information on Crown board appointees. *AppointNet* enables a real-time approach to managing Crown board talent.

We also completed a significant review of the Cabinet Fees Framework, focusing on addressing barriers that may prevent Crown entities from attracting and retaining skilled board members.

System Leads

Under the Public Service Act 2020 the Commissioner can designate any Public Service chief executive as a system leader. System leaders are responsible for leading and coordinating best practice, improving collective performance, and providing peer leadership in functional areas of the Public Service. There are currently seven system leaders covering digital, data, property, procurement, information security, service transformation, and regional public services.

As part of its leadership role, the Commission continues to support all system leaders to ensure the effective and coordinated delivery of key priorities. Over the past year, we focused on supporting the Government Chief Digital Officer (GCDO) through the Digital Executive Board. This work included supporting the GCDO to reassess and strengthen their mandate and role in leading the modernisation of digital public services.

Workforce and Employment Relations

The Commission's efforts in workforce and employment relations this year directly supported Government priorities. We expanded the scope of our employment relations function significantly, taking a stronger role in public sector collective bargaining to ensure outcomes are fiscally sustainable and aligned with the current fiscal context.

Through our leadership of the Human Resources (HR) Head of Profession function, the Commission continues to build HR capability across the Public Service. We held regular meetings, webinars, workshops, and panel discussions to strengthen the HR community's knowledge and collective capability.

We also supported agencies with advice, resources, training, and workforce guidance to ensure employment conditions, pay settings and leadership development contribute to a high performing Public Service.

Employment relations

In May 2025, the Commissioner retained the bargaining delegation for primary and secondary school teachers and principals, allowing closer oversight and participation in the bargaining process to ensure it is efficient, effective, and delivers sustainable outcomes during a time of fiscal restraint.

In June, an Order in Council was signed requiring Health New Zealand and Fire and Emergency New Zealand (FENZ) to consult with the Commissioner before making changes to collective agreement terms and conditions. While this oversight is still in its early stages, it has already improved engagement and progress in bargaining.

Significant changes were also made to pay equity this year. Amendments to the Equal Pay Act 1972 in May 2025 resulted in all pay equity claims being discontinued, and review clauses in settlement agreements becoming unenforceable. The Commission's statutory role in pay equity remains unchanged, and as at 30 June 2025 no new claims have been raised under the amended Act.

Workforce adjustment

The Commission continued to support agencies through change processes. Since launching in February 2024, our Change Resource Hub has been visited over 10,605 times, providing shared resources, webinars and drop-in sessions.

We continued to support talent retention through the Mobility Hub which helped agencies with nearly 300 staffing requests in 2024/25. The Hub allows agencies to advertise vacancies and to make talent affected by change processes visible to a wider audience.

Fair and respectful workplaces

Agencies have made strong progress in this area, enabling the Commission to streamline reporting and focus on areas needing further improvement.

The Commission works with agencies to promote respectful, inclusive workplaces by ensuring all applicants have a fair opportunity to demonstrate merit, attracting a wide pool of candidates with diverse skills and experiences, and valuing different perspectives.

Over the past year, our regular performance monitoring has shown progress across the Public Service. This includes an increase in younger public servants (under 35), more women in senior leadership roles—bringing representation closer to the overall female proportion in the Public Service—and reductions in the gender pay gap (to 6.1%), the Māori pay gap (to 4.8%), and the disability pay gap (4.1%) and rainbow pay gap (6.5%).

The Commission supports *Tui Raumata*, the governance rōpū for nine cross-agency employee-led networks (ELNs). Tui Raumata connects ELN representatives across agencies to enable communication, collaboration, and partnership, helping to build a more diverse, equitable, and inclusive Public Service. ELNs ensure that the experiences of diverse employees contribute to fair and respectful workplaces. There are now more than 230 ELNs operating across the Public Service.

Workforce development

Growing Public Service leaders is central to workforce development. The Commission supports this through the Leadership Development Centre (LDC) which provides leadership development and training across the Public Service, helping reduce duplication and improve efficiency.

In addition to direct delivery, agencies can access LDC-developed materials to run programmes for their own staff. All learning is designed to support the broader priorities of the Public Service and the Commission's strategic intentions.

In the past year:

- LDC refreshed the *New People Leaders* programme and delivered it to five cohorts. Seven agencies also used the materials to deliver the programme to 13 cohorts.
- Nine cohorts of the *Experienced People Leader* programme were delivered by agencies using LDC materials.
- LDC delivered two cohorts each of *Te Kaitaki – New Leader of Leaders and Te Manutaki – New Senior System Leader*.

LDC also launched the Executive Leader Development Programme, a nine-month initiative designed to elevate the leadership of high-performing, high-potential executive leaders. The programme was developed in partnership with public sector chief executives, learning specialists, and agency talent and recruitment leads.

For public servants earlier in their careers, LDC refreshed the online Aspiring Leaders hub. It provides insights into leadership in the Public Service and offers resources to build skills and knowledge.

LDC also delivered another cohort of Te Ara ki Matangireia, a highly sought-after programme for young Māori public servants to grow their leadership skills.

LDC programmes are highly rated by users - for example, 93.5% of participants in the *Te Putanga – Leadership in Practice* programme agreed or strongly agreed that it made them a more effective leader.

Beyond leadership development, LDC has partnered with system capability leads to expand its online learning hub. New resources include:

- political neutrality
- free and frank advice
- machinery of government
- public sector communications
- AI capability
- fraud prevention

LDC also hosted masterclasses for senior leaders, including chief executives, on political neutrality and AI.

Culture

A core responsibility of the Commission is to protect the ethical and behavioural foundations of the Public Service. This is essential for maintaining public trust and ensuring New Zealanders know that we act in their interests, not for personal gain.

Strengthening integrity and tackling corruption in the public sector

In the past year the Commission has taken a more proactive approach to strengthening integrity across the public sector. Key initiatives include:

- **Developing a system-wide integrity action plan for 2025–2028**. This plan resets expectations across the public sector, shifting the focus from responding to poor behaviour to preventing it.
- **Improving our investigations function** by introducing a decision-making framework for when we investigate. We published a short guide on our website to help public servants and the public understand how we decide to investigate matters of integrity and conduct.
- **Supporting better conflict of interest practices** by reviewing and reissuing the model standards. We also worked with the Integrity Champions–a network of over 60 senior public servants–to develop practical tools, including a Conflict of Interest Conversation Guide.

- **Developing a toolkit for managing unauthorised disclosures**, based on lessons learned and good practice examples. The toolkit includes guidance on investigations and was shared via the Integrity Champions network.
- **Providing integrity advice** to agencies, public servants, and the public. We received over 250 requests for advice last year, covering topics such as the code of conduct and conflicts of interest.
- **Collaborating with DPMC's National Security Group** to coordinate policy and awareness-raising activities aimed at strengthening resilience to foreign interference, including mitigating insider threats.

Providing clear guidance on expected standards of behaviour and transparency around investigations supports our strategic goal of maintaining and enhancing the trust and legitimacy of the Public Service.

Investigation breaches

The Commission investigates possible breaches of conduct standards both to hold agencies and chief executives to account, and to help agencies learn from mistakes.

In the past year, the Commission completed two investigations into integrity and conduct matters:

- **Fire and Emergency New Zealand (FENZ)**: This review led to ongoing work to improve how complaints are handled. The Commission supported the development of new support mechanisms for complainants and worked with the Integrity Champions network to strengthen agency practices around speaking up and managing complaints.
- **Protection of Personal Information (PPI)**: This investigation found that systems failed to safeguard third-party data, with allegations that personal information—originally collected for Census 2023 and Covid-19 vaccinations—was misused by third-party providers during the 2023 election. The Commissioner ensured accountability at both agency and individual levels and required immediate action was taken to address process gaps.

In response to the PPI inquiry, the Commission worked with digital, data, and procurement leads to develop a new mandatory standard for sharing personal information with third parties. Procurement guidance was also updated to strengthen conflict of interest management throughout the procurement lifecycle, including subcontractors.

The broader work on conflict of interest management, noted earlier, was also part of this response.

During the past financial year, the Commissioner issued one certificate under Schedule 3, Clause 8 of the Public Service Act 2020, enabling certain provisions of the Inquiries Act 2013 to apply to the FENZ review. A similar certificate was issued for the PPI inquiry in the previous year, as reported in the 2024 Annual Report.

Promoting open and transparent government

As noted in our Strategic Intentions, the Commission regularly reports on public sector compliance with the *Official Information Act* (OIA) and the proactive release of Cabinet papers.

As part of our leadership role, we host the Official Information Forum—a community of practice for OIA practitioners across the Public Service. Seven events are held each year: four for experienced practitioners and three for new practitioners. These are delivered in partnership with the Office of the Ombudsman. These sessions are well attended, with around 100 participants per event. Strengthening OIA capability supports our strategic goal of increasing trust in the Public Service.

The Commission also leads New Zealand's involvement in the Open Government Partnership (OGP), an international network of governments and civil society organisations committed to strengthening open government. New Zealand's fourth OGP National Action Plan was finalised in December 2024. The OGP Independent Reporting Mechanism Results Report assessment of the plan considered three of the eight commitments were fully or substantially completed, and a further five had limited completion. One commitment was not started.

Awards and recognition

Through our awards and honours programme, we celebrate outstanding examples of service and integrity in practice. In November 2024, eight *Public Service Medals* and ten *Public Service Commissioner's Commendations for Excellence* were presented by the Minister for the Public Service and the Public Service Commissioner at a ceremony held in the Banquet Hall at Parliament.

Plain language

Under the Plain Language Act 2022 public service agencies and Crown agents must report annually to the Commissioner on their compliance with the Act.

In 2025, we collected compliance information through a survey. 71 agencies responded, showing strong support for using plain language and confirming that they are meeting their obligations.

All agencies have appointed plain language officers. Staff receive training through workshops, online modules, drop-in sessions, and intranet guidance. Plain language expectations are also embedded into everyday communications and management practices — for example, through style guides, checklists, feedback, and peer review processes.

The Commission supported the Government in developing and introducing the Plain Language Act Repeal Bill. The intent of the Bill is to remove the administrative requirements of the Plain Language Act, while allowing agencies to continue pursuing plain language outcomes in ways that suit their context.

Public Service Fale

The Public Service Fale was set up in 2020 to help Public Service Commissioners from across the Pacific Islands strengthen their public sectors and promote good governance. The Commission hosts the Fale and the Ministry of Foreign Affairs and Trade (MFAT) funds the programme through the International Development Cooperation Programme.

During the reporting period, the Fale:

- Helped build public service capability across the Pacific
- Strengthened regional collaboration and leadership development
- Deepened engagement with individual countries to better meet their needs
- Built a strong reputation as a trusted and relevant partner in regional development.

Key Priority: End of Assignment Evaluation and Business Case for Future funding

Funding for the first five years of the Fale Programme ends in December 2025. As required by MFAT, we delivered on the 2025 End-of-Assignment Evaluation which showed strong engagement from senior Pacific leaders and highlighted the following results:

- **Improved responsiveness to country needs:** 86% of respondents said the Fale's focus on individual country needs had either significantly improved or was already delivered to a high standard.
- **Progress toward outcomes and lasting impact:** Between 86–96% of Pacific Commissioners agreed that the Fale has strengthened leadership capacity, regional collaboration, and the ability to implement management practices, especially those that promote integrity and ethical behaviour. 79% expressed confidence that these improvements would be sustained.
- **Confidence in future relevance:** 90% of Pacific Commissioners were confident in the Fale's ability to meet emerging needs. Future priorities include expanding peer-to-peer learning, strengthening collaboration with regional partners, and aligning more closely with MFAT and regional governance goals.

In August, the Public Service Fale received funding for a further five years, covering the period from 2026 to 2030.

Key priority: deepen bilateral engagement and service delivery

The evaluation found that the Fale has built credibility and trust among Pacific Commissioners through its consistent responsiveness and reliable support. This trust is reflected in the high number of country-specific requests received.

In Phase 2, the Fale will need to work strategically and sustainably - maintaining its reputation for delivery while balancing available resources. Aligning the work programme with MFAT's country planning processes will be essential.

Key priority: operationalise the Advancing Partnerships Plan

At the 2024 Pacific Public Service Leaders Conference, Pacific Commissioners endorsed the Fale to lead formal coordination with partners. This approach helps make the most of international development cooperation (IDC) funding and ensures support is tailored to specific needs.

The Fale has started delivering on this plan by:

- Delivering programmes with the Singapore Public Service Commission and the Australian Public Service Commission
- Strengthening coordination with regional partners, including the Pacific Islands Forum Secretariat, the University of the South Pacific, and the United Nations Office on Drugs and Crime
- Initiating a partnership between public service learning institutes in Fiji, Vanuatu, Solomon Islands, and Papua New Guinea
- Hosting the New Zealand Customs Service, the Pacific Maritime Safety Programme, and the Ministry for Primary Industries to deliver digital training via the Fale's e-platform, FaleOnline.

Crown Response Office

The Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-based Institutions was established in 2018.

The Royal Commission released its interim redress report*, He Purapura Ora, he Māra Tipu: From Redress to Puretumu Torowhānui in 2021.*

In June 2024, the Royal Commission delivered its final report, *Whanaketia – Through Pain and Trauma, From Darkness to Light: Whakairihia ki te tihi o Maungārongo*. One of its key recommendations was to establish a Care System Office located within a central agency to coordinate, monitor, and report on the Government's response.

In September 2024, the Government set up the Crown Response Office (the Office). It sits within the Public Service Commission and is led by a functional chief executive who reports to the Lead Coordination Minister. The Office is responsible for:

- Advising on policy, legislative change, and redress design, and working with the Treasury on investment advice
- Engaging with stakeholders, including survivors, and providing secretariat support to relevant reference groups
- Coordinating, monitoring, and reporting on the implementation of recommendations and Cabinet decisions across government
- Providing secretariat support for the group of responsible chief executives, with accountabilities set through the response plan.

In Budget 2025, the Office received funding for a further two years to support its time-bound work.

Achievements

Published the Crown response to the Royal Commission

The Royal Commission made 95 recommendations in its 2021 interim report and 138 in its final report in 2024.

Of the 233 total recommendations:

- 207 are directed to the Crown
- 26 are directed to faith-based institutions and other organisations in the care and justice systems

The recommendations span multiple agencies and cover areas such as redress, care safety, oversight, litigation, human rights frameworks, and community empowerment.

The Crown's response was published in May 2025. It outlines actions already taken and sets out the next phases of work to address the remaining recommendations. Its publication supports transparency and accountability.

Delivered Crown Public Apology to Survivors of Abuse, Neglect, and Torture

On 12 November 2024, the Prime Minister and seven public sector leaders[1] formally apologised to survivors of abuse in care.

The public apology began with a ceremony at Parliament, livestreamed to concurrent Crown-led events in Auckland, Wellington, and Christchurch, and a survivor-led, Crown-supported event at Pipitea Marae in Wellington.

The Crown Response Office managed the delivery of the Crown-led events across all four locations. It also supported the survivor-led event, which included:

- A nationwide media campaign to invite survivors to register
- Coordination of registration, travel, and accommodation
- Provision of wellbeing and care support
- Livestreaming of the event
- Accessibility support for deaf and disabled attendees.

More than 1,500 people attended the public apology across the five locations.

Coordinated Budget 2025 package to Improve the Redress System and Strengthen the Care System

The Government committed $774 million in Budget 2025 to improve the redress system and strengthen the care system—ensuring it can prevent, identify, and respond to abuse in the future.

The Crown Response Office coordinated eight agencies to develop the budget bid, supporting a whole-of-government approach to delivering lasting change.

Budget 2025 also includes investments to:

- Improve safeguarding measures to reduce abuse and harm to children and young people in care
- Improve capability across the care workforce
- Upgrade mental health and addiction services
- Support targeted initiatives through the social investment model to prevent entry into care
- Improve systems to prioritise and respond to complaints more effectively.

Developed a Torture Redress Scheme for Eligible Lake Alice Psychiatric Hospital Child and Adolescent Unit Survivors

In July 2024, the Government formally acknowledged that some children and young people at Lake Alice Psychiatric Hospital were subjected to torture. In December 2024, it confirmed its approach to redress.

The Office led the development and delivery of a torture redress scheme offering two options:

- A fixed payment of $150,000
- An individualised payment pathway, with claims assessed by an independent arbiter

The scheme also includes a written apology acknowledging the abuse, and information about available support and rehabilitation services.

As of 30 June 2025:

- 85 fixed payments had been processed
- 39 individuals had registered for the individualised pathway

[1] Acting Chief Executive of Oranga Tamariki, Director-General of Health, Acting Secretary of Education, Chief Executive of the Ministry of Social Development, Solicitor-General, Commissioner of the New Zealand Police, and Public Service Commissioner.

The Office also worked with the Ministry of Health to support the implementation of an urgent payment of $20,000 to eligible survivors of the Lake Alice Unit who are terminally ill to help provide end of life care and assist with funeral expenses.

Funded Support Initiatives for Survivors

In February 2025, the Office launched a $2 million fund to support non-government organisations and community groups delivering initiatives for survivors. The fund also supports local authorities in caring for or memorialising unmarked graves.

By 30 June:

- 22 non-government organisations received funding
- One local authority received funding for grave care and memorialisation.

This fund is administrated by the Department of Internal Affairs and the finances are captured in their Annual Report.

Access to Care Records

The Office also partnered with Citizens Advice Bureau New Zealand to design and maintain a website for people seeking information about accessing records from their time in State or non-State care.

The website went live on 2 February 2025. Between February and June:

- 27,400 visits were recorded
- 74,000 individual page views occurred
- 249 care record request forms were completed, resulting in 692 requests to care organisations.

In March 2025, the Office published a Care Records Framework to:

- Help care record holders manage and preserve records
- Support care-experienced individuals in accessing their records
- Guide the creation of new care records.

Year-end reporting on appropriations

Te tuku pūrongo mutunga-tau mō ngā tahua pūtea

Our role in the Public Service

The Commission is part of the Executive Branch of government. We help current and future governments deliver their policies, provide high-quality public services, and act in the long-term interests of New Zealand. We also promote active citizenship and make sure the system operates within the law.

The Public Service Commissioner leads the Public Service and wider public sector to work as one system, focused on delivering better outcomes and services for New Zealanders.

Our purpose is to lead and oversee the Public Service. We make sure it meets its responsibilities, acts with a spirit of service, and earns the trust and confidence of the public. We take a stand when needed, support public servants in their roles, and uphold the integrity of the system.

We also uphold the core principles that guide public servants: being politically neutral, giving free and frank advice, appointing people based on merit, promoting open government, and acting as stewards of the system. People join the Public Service to make a difference and we support them to do just that.

Statement of compliance

We prepared this Statement of Service Performance to meet the requirements of the Public Finance Act 1989. It aligns with:

- generally accepted accounting practice in New Zealand, as it relates to service performance reporting
- the performance expectations set out in the 2024/25 Estimates and Supplementary Estimates of Appropriation for Vote Public Service
- the Treasury's guidance: *Annual Reports and End-of-Year Performance Reporting – Guidance for Reporting under the Public Finance Act 1989* (April 2025)

To the best of our knowledge, this Statement fairly reflects the Commission's service performance for the year ended 30 June 2025.

Continuously improving our performance measures

We're focused on improving the quality, relevance, and transparency of our performance information. Each year, we review and refine our measures to make sure they're meaningful, aligned to our outputs, and fit for purpose.

Our performance framework is based on principles from the Office of the Auditor-General. We assess each measure against five criteria: relevance, reliability, understandability, comparability, and importance. This helps us make good decisions and ensures our reporting is clear to Parliament and the public.

To support consistency and accuracy, we maintain a data dictionary for each measure. These documents explain how data is collected, calculated, and recorded, strengthening our internal controls and external assurance.

Te Mana Arataki | Executive Leadership Team receives quarterly reports on performance against our Estimates measures. This provides oversight and supports accountability.

You can find our output performance measures on pages 30-64.

Changes to measures and targets

As part of our annual planning and budget cycle, we review our performance measures and targets. This includes:

- responding to audit and review recommendations from the previous year
- making sure the scope of performance information matches the level of funding
- aligning measures with the intended outcomes of each appropriation

Deputy Chief Executives review all proposed changes. The Chief Executive approves them, and the responsible Minister confirms them through the Estimates process.

These steps help keep our performance framework aligned with our strategic intentions and ensure it meets the expectations of PBE FRS 48—especially around the appropriateness, consistency, and completeness of performance information.

Changes to our output measures for 2024/25

Leadership of the Public Management System

We retired one output measure in 2024/25 to reflect changes in how we support leadership development across the Public Service. Development Boards, which previously supported this measure, have been paused while agencies focus on embedding more consistent and effective talent practices.

The retired measure was:

- *The Commission strengthens senior leadership and management capability of the Public Service through Development Boards, which support the identification and development of talent for senior leadership roles.*

This change reflects the evolving context of leadership development and helps ensure our measures stay relevant and meaningful.

Changes to our output measures for 2025/26

Leadership of the Public Management System

We've updated two output measures for 2025/26 to improve clarity and keep them relevant.

1. **Revised Target – Performance Improvement Reviews**

We've revised the target for this measure to reflect a more flexible approach, agreed with the Minister:

Previous target:

- *The Commission completes a minimum of 3-6 Performance Improvement Reviews for the financial year and the reviews are published online.*

Updated target:

- *The Commission completes an agreed number of Performance Improvement Reviews for the financial year, as agreed with the Minister, and the reviews are published online.*

This change allows greater flexibility to reflect agency readiness and system-wide priorities, while maintaining transparency through publication.

2. **Revised Description: Follow-up engagement**

We've updated the description of a second output measure to better reflect the purpose and scope of follow-up activity after Performance Improvement Reviews.

Previous description:

- *Follow-up engagement with chief executives are held on progress an agency has made against the implementation plan within 6 months of review publication.*

Updated description:

- *Follow-up engagement with chief executives are held on progress an agency has made against the findings and recommendations of the review, within 6 months of Performance Improvement Review publication.*

This change improves clarity and ensures the measure reflects the full scope of post-review engagement.

Removal and consolidation of output measures for 2025/26

We're retiring five output measures in 2025/26. These changes reflect the completion of time-bound initiatives, shifts in work programmes, and our focus on streamlining the performance framework. They support a more integrated, outcome-focused approach aligned with the intent of the Public Service Act.

1. **Public Service Diversity**

Retired measure:

- *The Public Service reflects the communities we serve: Ethnic diversity in the Public Service workforce continues to be maintained.*

Rationale:

- *This measure has been retired in favour of a broader focus on ensuring the Public Service has the diversity of talent, skills, and experience needed for high performance and representation of the communities we serve.*

2. **Contractor and Consultant Expenditure**

Retired measure:

- *Contractor and consultant operating expenditure (OPEX) across the public sector is reduced by $400 million from 2022/23 expenditure levels by 30 June 2025.*

Rationale:

- *This initiative was completed during 2024/25. As a time-bound measure, it has been removed from the framework to reflect its planned conclusion. The Commission will continue to monitor contractor and consultant expenditure consistent with the Government's expectations.*

3. **Chief Executive Performance Management**

We've consolidated three output measures into one to better reflect our support for chief executive development and performance.

Retired measures:

- *The Commission works with Public Service chief executives to agree individual development plans: 100% of chief executives have an agreed development plan.*
- *Public Service chief executive expectations are set annually by the Public Service Commissioner and take account of the Government's priorities, targets and work programme.*
- *The Commission works with Public Service chief executives to set performance expectations for supporting the Crown in its relationships with Māori and developing capability to engage with Māori and understand Māori perspectives: 100% of agreed performance expectations include a requirement to develop and maintain the capability of the Public Service to engage with Māori and understand Māori perspectives.*

Replacement measure:

The Commission works with Public Service chief executives to agree individual development plans and set performance expectations that take account of the Government's priorities, targets, and work programme.

Rationale:

This change provides a more integrated way to measure our support for chief executive development and performance. While Māori–Crown capability is no longer a standalone measure, it remains a core expectation in chief executive performance agreements.

These updates help keep our performance information relevant and focused, and support transparency and accountability in line with PBE FRS 48.

Statement of Service Performance

This section explains how the Public Service Commission performed in 2024/25 against the intentions in our *Strategic Intentions 2024–2028*. It reports on the performance measures and standards published in the 2024/25 Estimates and Supplementary Estimates of Appropriations for Vote Public Service.

The results in this Statement of Service Performance have been audited by the Auditor-General, in line with the Public Finance Act 1989 and the Public Audit Act 2001.

Performance Framework

Our performance framework, *Tā Tātou Ratonga Tūmatanui – The Public Service We Are Building Together* (see page 12), shows how our work—through appropriations and activities—connects to the outcomes we aim to achieve for New Zealanders.

Our strategic outcomes are:

- Better outcomes and improved public services for New Zealanders
- Maintaining and enhancing public trust in public services

We deliver these outcomes through our operating model, which reflects the core areas of our work as the lead agency for the public management system. The model includes four key elements:

1. **System design** – Strengthening institutions, policy settings, and tools to improve how government works
2. **System leadership** – Aligning agencies around shared priorities and long-term goals
3. **Workforce and employment relations** – Building a modern, inclusive, and capable Public Service workforce
4. **Culture** – Embedding Public Service values, Te Tiriti o Waitangi obligations, and a strong spirit of service

Together, these elements guide how we lead the system. Our work across all four areas helps lay the foundations for better outcomes and services and supports the trust New Zealanders place in public services.

Te Kawa Mataaho Public Service Commission's Statement of Performance (for the year ended 30 June 2025)

Leadership of the Public Management System

This appropriation supports the design, capability, and performance of the public management system to deliver public services. It also provides advice and services that help Ministers carry out their portfolio responsibilities related to the system.

2024 Actual $000		2025 Actual $000	2025 Unaudited Budget $000	2025 Unaudited Supps $000	2026 Unaudited Forecast $000
40,759	**Expenses**	**34,116**	**32,722**	**35,704**	**32,269**
31,979	Revenue Crown	27,282	28,026	27,282	27,586
8,168	Revenue Department	6,278	3,846	6,756	3,833
823	Revenue Other	1,319	850	1,666	850
40,970	**Total Revenue**	**34,879**	**32,722**	**35,704**	**32,269**

The increase of $2.982 million between the 2025 Budget and the 2025 Supplementary Estimates is mainly due to:

- **$3.726 million in revenue from other departments and third parties,** including:
  - $1.126 million for secondments from the Commission to other agencies
  - $980,000 for the Health Assurance Review (fully recovered from Health NZ)
  - $767,000 from the Ministry for Regulation for shared services provided by the Commission
  - $596,000 for the investigation into Fire and Emergency New Zealand (fully recovered), and the inquiry into the protection of personal information (jointly funded by seven Public Service agencies, including the Commission).
- **$356,000 transferred from 2023/24 to 2024/25** to help the Commission manage the costs of change processes that occurred early in 2024/25.

This is offset by a **$1.1 million transfer from 2024/25 to outyears** to help the Commission manage cost pressures such as inflation and remuneration increases.

Actual expenditure for the year was higher than originally budgeted, due to the inclusion of the items above in the 2025 Supplementary Estimates. However, it was $1.588 million less than the 2025 Supplementary Estimates, mainly due to the Health Assurance Review and lower revenue in the Commission's recoverable functions.

This is also reflected in actual revenue being $825,000 less than the 2025 supplementary budget.

This appropriation supports a higher-performing public sector by funding policy advice and leadership of the public management system. It helps ensure the Public Service works together, learns what works, and uses that knowledge to improve services for New Zealanders.

It also ensures the Public Service has the people, institutions, and approaches needed to meet the needs of New Zealanders—now and in the future.

What we achieved

System Design - supporting democratic Government

As a department of the Crown, the Commission is accountable to the Minister for the Public Service for delivering its functions. This includes improving how agencies work together, responding to matters of public interest, supporting the Minister's stewardship role, and providing free and frank advice—including on long-term policy implications.

We regularly advise the Minister for the Public Service and other Ministers on machinery of government issues to help ensure the Public Service is organised to meet challenges and deliver better outcomes for New Zealanders.

Policy advice and system stewardship

These measures assess the quality and impact of the Commission's advice on how the Public Service is designed and organised. A technical assessment checks that advice meets high standards, while the Minister's satisfaction reflects its usefulness, responsiveness, and alignment with government priorities.

Together, these measures provide a rounded view of performance—ensuring the Commission delivers sound advice and supports the Minister to steward the system and respond to both current and future challenges.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Technical quality of policy advice papers assessed using the Policy Quality Framework	70%	75%	74%	76% or 3.8/5	75% or 3.75/5

Commentary

The Commission's timing and approach to its policy quality assessment for 2024/25 included running a single policy panel in July Chaired by an external senior policy manager. Changes made in 2023/24 to improve efficiency (by reducing the number of people involved in the panel and the number of papers that are sampled, as well as simplifying the sampling approach) were continued. The average policy quality score for 2023/24 was 3.75 / 5 = 75%.

Measurement approach

- The policy advice provided by the Commission is regularly reviewed by Policy Quality Panel, following the guidelines set out in the Policy Quality Framework (PQF) developed by the Department of the Prime Minister and Cabinet (DPMC).
- The panel is made up of experienced advisors from across the organisation who have direct experience using the PQF in their own work. In 2024/25 the panel was Chaired by a senior policy manager from outside the organisation. This diverse membership and independent view ensured that multiple perspectives inform the assessment process. To maintain impartiality, any panel member involved in preparing a paper being reviewed does not participate in scoring that paper.
- Policy advice papers are selected for review based on a clear process outlined in our internal guidelines, Guidance – Quality of Policy Advice Assessment. This begins with a comprehensive list of all papers submitted to Ministers. Highly operational papers, which fall outside the scope of this review, are removed. From the remaining papers, a random sampling method is used to select a representative range across the organisation. If multiple papers on the same topic from the same author are selected, only one is kept through a further random selection, and a replacement is chosen to ensure variety.
- The panel reviews this sample of policy advice against the Policy Quality Framework, scoring each paper. These scores are then used to calculate:
    - » The average quality score of the sampled papers
    - » The proportion of papers scoring 3 out of 5 or higher
    - » The proportion of papers scoring 4 out of 5 or higher
- This approach provides an objective and transparent measure of the quality of policy advice the Commission delivers to Ministers, supporting our commitment to continuous improvement and high standards.

Relevance

- This measure is a requirement under the Policy Project, led by the Department of the Prime Minister and Cabinet. It reflects our commitment to improving the quality, accountability, and transparency of the policy advice we provide to the Minister.
- As a central agency, our leadership in the public management system spans all areas of our strategic intentions. By maintaining high standards of policy advice, we help to deliver better outcomes and services for New Zealanders, and we contribute to building public trust and confidence in the Public Service.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Minister for the Public Service has satisfaction with policy advice	80%	90%	98%	70%	**83%**

Commentary

The Minister for the Public Service provided feedback indicating she is largely satisfied with the policy advice received throughout the year. She expressed full trust and confidence in the officials' she engages with and in the quality of advice provided.

Measurement approach

- The Minister for Public Service is surveyed annually to measure their satisfaction with the policy advice provided by the Commission during the reporting period. The policy advice referred to includes papers submitted to the Minister for presentation to, and approval by, Cabinet.
- The survey focuses on four key areas:
  - General satisfaction with the advice provided
  - Quality of the policy advice
  - Overall trust in the advice and the Commission
  - Overall confidence in the Commission's policy work
- Each area is assessed through questions scored on a scale from 1 to 5. To calculate the overall satisfaction score for the reporting period, we apply a weighted average to the results from these four themes. This method ensures that the combined score fairly reflects the relative importance of each theme.
- This survey is an important part of how we monitor and improve the quality and effectiveness of the policy advice we provide to Ministers.

Relevance

- This measure is a requirement of a policy project led by the Department of the Prime Minister and Cabinet. It evaluates how satisfied the Minister is with the quality and support of policy advice provided by the Commission.
- By monitoring and responding to the Minister's feedback, we demonstrate our leadership across the public management system, aligned with our strategic intentions. Our effective leadership and high-quality policy advice help deliver better outcomes and services for the public, while building trust and confidence in the Public Service.

System Leadership: Chief executive and agency performance management

One of the most important ways the Commission supports our strategic goals is through the Commissioner's role as the employer of Public Service chief executives. This includes:

1. Appointing chief executives and reviewing their performance—both in leading their agencies and fulfilling their responsibilities under the Public Service Act 2020 or other relevant legislation
2. Reviewing the performance of Public Service agencies, where appropriate, based on the chief executive's role and responsibilities.

Strong leadership is essential for a high-performing Public Service—one that can respond to the complex and changing needs of New Zealanders. We help ensure the Public Service has the right people, skills, and leadership to meet today's challenges and continue improving into the future.

There are currently 40 Secretaries and Chief Executives in the Public Service. This includes acting roles, but excludes Deputy Public Service Commissioners and roles where we support the appointment process on behalf of others (such as Statutory Deputy Police Commissioners).

In 2024/25, the Commission completed the formal appointment process for six new chief executives, one reappointment, and two transfers.

Appointment and success planning

These measures show how the Commission supports stability and quality in Public Service leadership—through robust, compliant processes and planning for future leadership needs.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission meets its statutory requirements for appointment, reappointment and transfer of Public Service chief executives: • 100% of appointment, reappointment and transfer of Public Service chief executives meets statutory requirements	100%	100%	100%	100%	**100%**

Commentary

The requirements the Commissioner must meet when appointing, reappointing, and transferring Public Service chief executives are set out in the *Public Service Act 2020*. The Commission retains evidence that these requirements have been met in a register that identifies the statutory requirements for each appointment and the supporting evidence demonstrating compliance with the Act.

Depending on the nature of the appointment, reappointment, or transfer, this evidence may include correspondence with Ministers and the Governor-General to advise of vacancies, receive feedback on role priorities, provide updates at relevant stages of the process (such as after shortlisting and interviews), and advise of the Public Service Commissioner's (or Deputy Public Service Commissioner's) recommendation regarding the appointment. It may also include public notification of the role.

Auditors review a sample of chief executive appointments, and the supporting evidence is used to indicate compliance across all appointments.

Measurement approach

- The Commission retains documentation to demonstrate compliance with all legislative and procedural requirements for chief executive appointments. This evidence can be made available to auditors upon request.
- While the individual assessments of candidates and the internal deliberations of selection panels are confidential and not shared, overall compliance is recorded in the Commission's register of chief executive appointments. This register includes a consolidated statement confirming that "the Commission has complied with all requirements" for each appointment.
- Depending on the nature of the appointment, reappointment, or transfer, supporting evidence may include:
  - » Correspondence with Ministers and the Governor-General regarding vacancies, recommendations, and final decisions
  - » Public advertisements of the chief executive role
  - » Records of selection panel formation, meeting dates, and related documentation
- To provide assurance over the process, the Commission undertakes an annual review of a sample of chief executive appointments. Evidence from these samples is used to confirm and indicate compliance across all appointments made during the year.

Relevance

- The Public Service Act 2020 sets out the Commissioner's role in appointing leaders within the Public Service. Specifically, the Commissioner must follow the requirements outlined in Section 44(d) and Schedule 7 of the Act when appointing, reappointing, or transferring chief executives.
- This measure supports the Commission's commitment to trust and legitimacy, as well as its system leadership role.
- Ensuring that the appointment process for chief executives is transparent, fair, and robust is essential to maintaining public trust and confidence in the Public Service.
- A clear and well-governed appointment process aligns with the Commission's vision of a Public Service that acts constitutionally, ethically, and in the best interests of New Zealanders.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
A succession plan is developed for the chief executive position of Public Service agencies: • 100% of chief executive positions have a succession plan	100%	100%	100%	100%	**100%**

Commentary

The Commission maintains comprehensive records for all chief executive positions appointed by the Public Service Commissioner. These records include details of current incumbents, term expiry dates, and potential successors.

Measurement approach

- The Commission maintains a comprehensive record for all chief executive positions it appoints within the Public Service.
- This record includes details such as the specific role, the current incumbent, the expiry date of their current term, and identified potential successors.
- Keeping this information up to date supports effective succession planning and ensures continuity of leadership across the Public Service.
- It also enables the Commission to proactively manage leadership transitions and maintain a strong, stable pipeline of talent for critical senior roles.

Relevance

- This measure supports system leadership by focusing on the development of current chief executives and identifying and preparing potential successors.
- Building and maintaining a strong pipeline of capable, high-performing leaders ensures continuity in senior leadership roles across the Public Service.
- Having the right leadership in place is critical to delivering high-quality outcomes and services for New Zealanders. Strong, effective leaders drive performance, foster innovation, and support a cohesive and responsive Public Service.
- This approach helps ensure the Public Service is not only delivering for Aotearoa New Zealand today but is also well positioned to respond to future challenges and opportunities.

Performance expectation setting

This group of measures shows how the Commission sets clear expectations for chief executives to support a responsive and inclusive Public Service. These expectations reflect government priorities and Te Tiriti o Waitangi obligations, and help ensure the Public Service is prepared for future challenges.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Public Service chief executive expectations are set annually by the Public Service Commissioner and take account of the Government's priorities, targets and work programme (see Note 1)	100%	New measure	New measure	New measure	**100%**

Commentary

All performance expectations agreed with Public Service chief executives include specific expectations related to the Government's priorities, targets, and work programmes.

Measurement approach

- The Public Service Commissioner sets clear expectations for chief executives and monitors their progress through a well-established process that tracks delivery against these expectations.
- Performance expectations apply only to permanent appointments.

Relevance

- Expectations for Public Service chief executives are designed to lift the overall performance of the public sector by ensuring delivery on Government priorities. These expectations help ensure that chief executives are providing strong leadership within their agencies and are effectively managing core functions.
- They also form the foundation for how the Public Service Commissioner assesses chief executive performance throughout the year. The goal is to drive improved results across the public sector, with a strong focus on both service delivery and long-term financial sustainability.

Note 1

- This is a new performance measure introduced in 2024/25, aligned with a specific component of the Commission's work programme and government priorities. As this is the first year the data has been collected, there is no reliable comparative data available for prior periods.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission works with Public Service chief executives to set performance expectations for supporting the Crown in its relationships with Māori and developing capability to engage with Māori and understand Māori perspectives: • 100% of agreed performance expectations include a requirement to develop and maintain the capability of the Public Service to engage with Māori and understand Māori perspectives	100%	New measure	100%	100%	**100%**

Commentary

The Commission develops and agrees on performance expectations with Public Service chief executives using a standard template that includes a common set of enduring expectations. These include a requirement to develop and maintain the capability of the Public Service to engage with Māori and understand Māori perspectives.

All agreed performance expectations during the period included this requirement, with the exception of two chief executives in short-term acting arrangements. While performance expectations were formally agreed with these acting chief executives, they were in a different format and did not include the standard enduring expectations.

Measurement approach

- The Public Service Act 2020 confirms that a core role of the Public Service is to support the Crown in its relationships with Māori under te Tiriti o Waitangi | the Treaty of Waitangi. The Act also places clear responsibilities on Public Service leaders to grow and sustain the capability of the Public Service to engage meaningfully with Māori and to understand Māori worldviews, perspectives, and aspirations.
- The Commission reinforces this commitment by incorporating expectations related to Māori–Crown relationships into the performance objectives of Public Service chief executives. In doing so, we are actively modelling and promoting the behaviours and leadership required to strengthen these important relationships across the wider public sector.

Relevance

- This measure supports two key areas: strengthening public trust and legitimacy in the Public Service and fulfilling our responsibilities to support the Crown in its relationships with Māori under te Tiriti o Waitangi | the Treaty of Waitangi.
- The performance standard is based on both the agreed policy intent and the statutory requirements set out in the Public Service Act 2020. It reflects our ongoing commitment to a high-performing, accountable, and culturally responsive Public Service.

Chief executive development and performance monitoring

These measures show how the Commission supports a high-performing Public Service by developing strong leadership and holding chief executives accountable for their performance.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission works with Public Service chief executives to agree individual development plans: • 100% of chief executives have an agreed development plan	100%	100%	100%	100%	**94%**

Commentary

This measure was not fully met in 2024/25. Of the 34 permanent Public Service chief executives, 32 (94%) had agreed development plans in place. The remaining two chief executives commenced during the reporting period and have been engaging with the Commission on development priorities; however, their development plans had not been finalised and signed off by year-end. In addition, development plans were agreed for three acting chief executives, though these are not included in the results reported against this measure.

Measurement approach

- To meet this measure, all Public Service chief executives appointed by the Commission must have a current development plan in place.
- The Commission works directly with each chief executive to agree on and finalise their individual development plan. This agreement is confirmed either through the chief executive's signature on the document or by other formal means of commitment to the plan's content.
- The Commission maintains a central log to track the status of these development plans. This log records when each plan is established and ensures it remains current for every Public Service chief executive.
- This process supports accountability for leadership development and ensures there is a consistent and documented approach to chief executive growth and performance across the system.
- Development plans apply to both permanent and acting chief executives.

Relevance

- This measure supports the goal of strengthening system-level leadership within the Public Service.
- Actively developing current chief executives and preparing potential successors helps ensure there is a strong pipeline of capable, high-performing leaders ready to step into senior roles as needed.
- Having a pool of well-prepared leaders enables the effective deployment of talent across agencies, which in turn supports the delivery of better outcomes and higher-quality services for the public.
- Ultimately, this contributes to building a highly skilled and future-ready Public Service that delivers value for Aotearoa New Zealand and its people.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
• Public Service chief executives will have their performance accounted for in assessing eligibility for performance pay (see Note 2)	100%	New measure	New measure	New measure	**Not Achieved**

Commentary

This measure was not achieved during the reporting year, as the performance-based pay system for Public Service chief executives—intended to link pay to performance—was not implemented.

Measurement approach

- This measure is based on the annual performance assessments of Public Service chief executives, carried out by the Public Service Commissioner. These assessments consider how well each chief executive has met the specific expectations set for them over the year.
- To ensure a well-rounded view, the Commission draws on a wide range of information and evidence, including feedback and insights from Ministers.
- The results of these assessments help determine whether a chief executive qualifies for a performance payment and, if so, to what extent. A formal performance assessment is completed and documented for every chief executive who is eligible for performance pay.

Relevance

- This measure reflects the Government's policy of linking performance pay to the achievement of results by Public Service chief executives.
- Performance payments are tied to how well chief executives deliver on key performance indicators and specific expectations outlined in their agreed performance agreements with the Public Service Commissioner. These agreements set clear priorities and provide a basis for assessing performance throughout the year.

Note 2

- This is a new performance measure introduced in 2024/25, linked to a specific component of the Commission's work programme and government priorities. As this is the first year data has been collected, no reliable comparative information is available for prior years.

Performance improvement and system oversight

These measures show how the Commission leads system-wide improvement—looking beyond individual performance to help agencies deliver better outcomes for New Zealanders.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission completes a minimum of 3 performance improvement reviews for the financial year and the reviews are published online (see Note 3)	3-6	New measure	New measure	New measure	**1**

Commentary

During the reporting year, the Commission completed one full review (Ministry of Transport) and one rapid review (Oranga Tamariki) using the Performance Improvement Review Framework. The rapid review has not been counted toward the performance result.

Due to the redeployment of resources to support key Ministerial priorities—including assistance to agencies requiring turnaround—the Commission did not meet the target of completing a minimum of three reviews. The completed reviews are available on the Commission's website.

Measurement approach

- Count the number of final Performance Improvement Reviews published on the Public Service Commission's website between 1 July and 30 June. Confirm the publication date using the date shown on the cover page of each report.
- This confirms whether the Commission met its target of completing and publishing at least 3 reviews for the financial year.

Relevance

- Performance Improvement Reviews (PIRs) support a culture of continuous improvement across the Public Service. They help ensure that agencies and systems are well positioned to deliver on Government priorities and achieve better outcomes for New Zealanders.
- PIRs also provide valuable insights that inform broader changes across the Public Service, helping to strengthen performance at both the agency and system level.

Note 3

- This is a new performance measure introduced in 2024/25, aligned with a programme of work established in 2023. As this is the first year data has been collected, there is no reliable comparative information available for prior years.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Follow-up engagement with chief executives are held on progress an agency has made against the implementation plan within 6 months of review publication (see Note 4)	100%	New measure	New measure	New measure	100%

Commentary

During this performance year, the Commission conducted follow-up engagements within six months of publishing each report for the three most recent Performance Improvement Reviews: the Ministry for Pacific Peoples, Inland Revenue, and the Ministry of Transport.

Measurement approach

- This measure ensures that timely follow-up engagement takes place after each Performance Improvement Review is published.
- To assess this, we:
    - » Identify and count all final Performance Improvement Reviews published during the financial year that meet the defined scope.
    - » Review the implementation engagement log, which is maintained in a spreadsheet, to confirm whether engagement meetings were held for these reviews.
    - » Verify that for each published review, an engagement meeting focused on the implementation plan occurred within six months of the review's publication date, and within the same financial year.
- This process helps ensure that action plans following each review are actively discussed and progressed in a timely manner.

Relevance

- This measure focuses on the follow-up process after each Performance Improvement Review. It aims to support chief executives in progressing the actions needed to address the findings and areas for improvement identified in the reviews. By doing so, it helps ensure that recommendations lead to meaningful and timely changes within agencies.
- Performance Improvement Reviews play a key role in promoting a culture of continuous improvement across the Public Service. They help ensure that agencies and systems are well-equipped to deliver on Government priorities and achieve positive outcomes for New Zealanders. Additionally, these reviews provide valuable insights that support broader efforts to enhance performance across the entire Public Service.

Note 4

- This is a new performance measure introduced in 2024/25, related to a programme of work established in 2023. As this is the first year data has been collected, there is no reliable comparative data available for prior years.

Transparency and public accountability

This standalone measure reinforces the Commission's commitment to transparency and public trust in the management of senior Public Service roles.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission reports the remuneration of Public Service chief executives every financial year: • 100% of all chief executive remuneration published	100%	100%	100%	100%	**100%**

Commentary

At Cabinet's request, the Commission publishes twice-yearly reports on the remuneration of senior leaders across the public sector. This includes Public Service chief executives and secretaries; chief executives of departmental agencies; Crown agents and other statutory Crown entities; tertiary education institutions; Offices of Parliament; and non-Public Service departments. These reports are publicly available on the Commission's website.

Measurement approach

- The Commission previously published a single annual report outlining chief executive expenditure. However, this approach did not reflect the differing remuneration cycles across chief executive roles.
- To improve accuracy and timeliness, the Commission transitioned to quarterly reporting partway through the 2019/20 financial year. Under this revised approach, expenditure is reported each quarter for chief executives whose remuneration cycles were renewed during that period.
- These quarterly reports are published on the Commission's website and can be cross-referenced with the official list of Public Service departments to ensure completeness and transparency.

Relevance

- This measure supports both the principles of trust and legitimacy, as well as the culture of the Public Service.
- By monitoring and proactively publishing chief executive remuneration reports, the Commission promotes transparency and reinforces a culture of openness and accountability across the system.
- This transparency helps build public confidence in the integrity of the Public Service and supports its commitment to acting constitutionally, ethically, and in the best interests of New Zealanders.

Workforce and Employment Relations: Enabling Public Service capability and workforce

The Commission works with Public Service leaders to build a capable, inclusive workforce that reflects the diversity of the communities it serves. We also promote fair and equitable employment, including by supporting the good employer requirements in the Public Service Act 2020.

The Leadership Development Centre (LDC) is the main organisation delivering leadership development across the public sector. Its focus is on growing great Public Service leaders—united by a spirit of service and skilled in working together to deliver better outcomes for New Zealanders.

Strengthening public service leadership

These measures show how the Commission supports system-wide leadership capability through participation in nationally coordinated programmes. This helps build a more capable and future-ready Public Service.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission strengthens Public Service leadership through all Public Service departments being members of the Leadership Development Centre (LDC): • All Public Service departments are members of LDC	100%	100%	100%	100%	**100%**

Commentary

All public service departments are members of the Leadership Development Centre.

Measurement approach

- All Public Service departments, as defined under the Public Service Act 2020, are members of the LDC.
- As part of this membership, each department pays an annual subscription fee to support the services and programs offered by the LDC. This subscription enables the LDC to deliver leadership development initiatives that benefit the entire Public Service.

Relevance

- This measure supports the development of strong system leadership across the Public Service. The Leadership Development Centre (LDC) focuses on building outstanding Public Service leaders who are connected by a shared spirit of service. These leaders are equipped with the skills to collaborate effectively and deliver positive outcomes for New Zealanders.
- This approach contributes to the vision of a Public Service led by highly skilled and capable leaders who are ready to face future challenges. It also fosters a unified leadership culture grounded in a common mission and set of values.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission through the Leadership Development Centre strengthens leadership practices by delivering Te Putanga | Leadership in Practice: • 80% of Te Putanga | Leadership in Practice programme participants agree or strongly agree it made them effective leaders	80%	New measure	96%	96%	**93.5%**

Commentary

Te Putanga Leadership in Practice is a 9 month leadership development programme targeting mid-career, high talent public service leaders. Participants are typically at the point of their career where they will start to lead others beyond their technical domain. This performance measure is based on the evaluation results from 3 cohorts that completed the programme during the reporting year.

Measurement approach

- At the end of each Te Putanga | Leadership in Practice cohort, participants are asked to complete an evaluation survey to provide feedback on their experience. The survey includes a statement: “Te Putanga made me an effective leader,” which participants rate on a scale from 1 to 5 (where 1 = strongly disagree and 5 = strongly agree).
- Responses of 4 or 5 are interpreted as agreement or strong agreement with the statement, indicating a positive impact on the participant’s leadership effectiveness.
- The Commission collects and analyses the responses, reporting on the proportion of participants who selected a rating of 4 or 5. This provides a consistent and measurable indicator of the programme’s effectiveness in building leadership capability across the Public Service.

Relevance

- This measure supports our role in building strong leadership capability across the Public Service.
- The Leadership Development Centre (LDC) delivers Te Putanga | Leadership in Practice, a flagship nine-month development programme tailored for experienced Public Service leaders. The programme is designed to help leaders strengthen their impact, broaden their strategic influence, and lead effectively across the wider system.
- Each year, the LDC typically runs three to four cohorts of this programme, ensuring ongoing investment in a diverse group of leaders who are equipped to meet the complex challenges facing the Public Service.

Workforce system stewardship and engagement

These measures show how the Commission supports workforce planning across the Public Service—by collecting workforce data and working with HR leaders to shape coordinated, evidence-based policy.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Heads of Human Resources surveyed across the Public Service agree or strongly agree that the Commission engages responsively with them and supports a coordinated approach to workforce issues across the system (see Note 5)	70%	New measure	New measure	New measure	**52%**

Commentary

This was the first time the Commission conducted the Heads of HR satisfaction survey, with 21 of 43 invited respondents participating—resulting in a response rate of 49%. The performance measure, "Heads of Human Resources across the Public Service agree or strongly agree that the Commission engages responsively with them and supports a coordinated approach to workforce issues," was not met, with 52% of respondents agreeing, against a target of 70%.

While the response rate was lower than expected, we appreciated the engagement and the 11 respondents who provided additional qualitative feedback. This feedback was constructive and consistent in its themes. A key insight was that many respondents interpreted the primary survey statement as a reflection on the Commission as a whole, rather than specifically on the Heads of HR engagement channel or the Workforce Group. This likely influenced the overall rating and highlights the importance of clear and targeted survey design.

Feedback pointed to a perceived lack of coordination within the Commission and opportunities for improved system alignment. These themes were reflected across both the quantitative results and open-ended responses, and they provide valuable direction for our ongoing improvement efforts.

We are grateful for the insights provided and will use this feedback to inform future engagement approaches. Based on this experience, we do not intend to repeat the specific survey question in its current form, as it was not interpreted as intended.

Measurement approach

- This measure is assessed through an annual satisfaction survey completed by Heads of Human Resources (HoHR) from Public Service Leadership Team agencies. While the survey may include a range of questions to gather data and identify areas for improvement, the primary focus for this measure is on the following statement:
- The Public Service Commission supports a coordinated approach to workforce issues across the Public Service, by engaging responsively with Heads of HR.
- Respondents are asked to rate their level of agreement with this statement using a five-point scale:
- Strongly Disagree, Disagree, Neutral, Agree, Strongly Agree.
- The results help the Commission understand how well it is supporting a cohesive, system-wide approach to workforce matters, and where further improvements may be needed.

Relevance

- The Public Service Commission plays a key system leadership role in guiding and strengthening Human Resources (HR) across the Public Service.
- Through the HR Head of Profession model, the Commission works to:
  - » Lift the quality of HR practices across agencies by setting expectations and sharing good practice.
  - » Promote the use of common tools and guidance, helping agencies align their HR approaches and work more effectively together.
  - » Grow and lead communities of practice, bringing HR professionals together to learn, share knowledge, and build capability across the system.
  - » Create strong channels for collaboration, enabling agencies to share information, solve problems collectively, and respond consistently to workforce challenges.
- This leadership helps create a more connected, capable, and consistent HR system that supports the wider goals of the Public Service.

Note 5

This performance measure was introduced in 2024/25. There is no data from previous years, as the 2024 survey was the first time this information was collected.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission collects and publishes Public Service workforce data annually.	Published no later than 15 December	Achieved	Achieved	Achieved	**Achieved**

Commentary

The 2024 annual workforce data was published on 10 October 2024.

Measurement approach

- Each year, the Commission collects and reports on workforce information across Public Service departments. This includes data on staff numbers, pay, senior leadership, diversity, and workplace wellbeing.
- Because the report is published annually—no later than 15 December—it reflects information from the previous calendar year. The Commission is assessed based on its actions during the current reporting period, specifically the timely preparation and publication of the report. The measure does not assess the workforce data itself, but rather the Commission's performance in delivering the report.

Relevance

- This measure relates to the Public Service workforce. Regular reporting of workforce data helps track progress and highlight areas that need more attention.
- It supports the Public Service to identify opportunities for improvement—particularly in diversity and inclusion—so that we continue building a workforce that reflects and connects with the communities we serve.

This measure shows how the Commission supports an inclusive and representative Public Service workforce, in line with the good employer requirements in the Public Service Act 2020.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Public Service reflects the Communities we serve: • Ethnic diversity in the Public Service workforce continues to be maintained	In line with NZ Population	New Measure	New Measure	Improving	**Improving**

Commentary

The ethnic composition of underrepresented groups in the Public Service has been improving. There has been a notable increase in the Asian workforce representation to 16.5%, up from 15.9% in 2024. However, this remains below the national population level of 17.3%.

Pacific and MELAA populations have seen steady increases, with both groups now exceeding their respective 2023 population proportions. In contrast, Māori representation in the Public Service workforce declined slightly in 2025 to 16.6%, remaining below the national population level of 17.8%.

See note below for an explanation of the ‘European' and ‘Other' categories.

Group	NZ Population 2023	Public Service Workforce 2024	Public Service Workforce 2025	Percentage Difference: 2025 Public Service Workforce vs 2023 Population Data
European	67.8%	62.2%	61.5%	6.3% (below census 2023)
Māori	17.8%	16.7%	16.6%	1.2% (below census 2023)
Asian	17.3%	15.9%	16.5%	0.8% (below census 2023)
Pacific	8.9%	11.0%	11.4%	2.5% (below census 2023)
MELAA	1.9%	2.3%	2.5%	0.6% (below census 2023)
Other	1.1%	6.7%	6.7%	Not counted

Public Service workforce data is sourced from administrative (payroll) records, and differences in collection methodologies help explain some of the variation compared to New Zealand population figures sourced from the Stats NZ 2023 Census. For example, the lower European representation in the Public Service workforce is likely related to a higher proportion of individuals identifying with the ‘Other' ethnicity category.

The quality of Public Service workforce data collection has been improving over time, and some of the observed changes in ethnic diversity may reflect improvements in data quality rather than actual shifts in workforce composition. The proportion of employees who have disclosed their ethnicity has increased from 86.1% in 2014 to over 90% in the past eight years.

Measurement approach

- This measure looks at how well the ethnic diversity of the Public Service workforce reflects the broader New Zealand population.
- It compares the proportion of different ethnic groups working in the Public Service with the proportion of those same groups in the general population.
  - » **Public Service data** is based on ethnicity information collected from the payroll systems of all government departments and departmental agencies.
  - » **Population data** comes from Stats NZ and is based on Census estimates as at March 2023.
- This comparison helps track progress toward building a Public Service that better represents the diverse communities it serves.

Relevance

- This measure focuses on the quality and impact of the Commission's system leadership. It reflects how effectively we are working with public service leaders to build a highly capable workforce that represents the diversity of New Zealand society. Under section 44(c) of the Public Service Act 2020, the Commission has a responsibility to lead and support this work across the system.
- To support this goal, the Commission has adopted a refreshed approach focused on three key areas to attract, develop and retain the diversity of talent and experience needed to deliver high performing public services:
  - » Valuing diversity of thought and experience
  - » Attracting and retaining the widest possible pool of capable talent
  - » Comprehensively applying the merit principle.
- These focus areas are designed to complement and reinforce one another, supporting ongoing progress toward a Public Service that is more diverse, inclusive, and fair.
- As part of this work, the Commission collects data from departments and agencies including workforce ethnicity data. This data provides valuable insights and helps track progress.
- The measure itself compares the representation of ethnic groups in the Public Service workforce to the representation of those same groups in the wider New Zealand population, using Stats NZ data (as at March 2023). This allows us to assess how well the Public Service reflects the communities it serves and where further focus is needed.

Fiscal responsibility and workforce sustainability

This measure shows how the Commission supports agencies to build a Public Service workforce that is effective, financially sustainable, and aligned with system-wide priorities.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Contractor and consultant operating expenditure (OPEX) across the public sector is reduced by $400 million from 2022/23 expenditure levels by 30 June 2025	On-track	New Measure	$2.16 billion	On-track	**On-track**

Commentary

In the nine months to 31 March 2025, all monitored agencies made good progress towards the Government's target to reduce contractor and consultant operating expenditure (OPEX) by $400 million from 2022/23 levels by 30 June 2025. Based on current projections, monitored agencies expect to achieve a reduction of over $650 million by year-end.

Contractor and consultant OPEX is included in the Public Service workforce data for 2023/24 and final results for 2024/25 will be published in October 2025.

Measurement approach

- The Commission tracks contractor and consultant operating expenditure (OPEX) on a quarterly basis, with the aim of reducing this spend over time. A clear downward trend is expected in the data.
- Each year, total contractor and consultant expenditure is published alongside the Public Service workforce data.
- By 30 June 2025, total operating expenditure on contractors and consultants should be $400 million lower, based on the 2022/23 baseline.
- The baseline figure for 2022/23 is $2,161 million, which reflects the total contractor and consultant OPEX across:
    - » Government departments
    - » Departmental agencies
    - » Crown entities (including Crown agents, Autonomous Crown Entities (ACEs), and Independent Crown Entities (ICEs))
    - » New Zealand Police
    - » New Zealand Defence Force
    - » Ministry of Housing and Urban Development (MHA, up until its disestablishment)

Relevance

- This measure reflects the quality and impact of the Commission's leadership across the Public Service workforce system. The effectiveness of our system leadership directly influences the results.
- The Commission plays a key role in setting expectations for the makeup of the Public Service workforce and monitoring progress toward those expectations. This includes providing guidance on workforce composition—such as the balance of permanent staff, contractors, and consultants—and ensuring spending on the workforce is responsible and sustainable.
- Through this measure, we assess how well the Commission is supporting agencies to build a workforce that is fit for purpose, financially sustainable, and aligned with system-wide goals.

Culture: Oversight of performance and integrity of the system

Our performance framework focuses on what matters most to New Zealanders: better services, better outcomes, and trust in the Public Service. The Commission's annual report includes examples of how the Public Service has delivered on these goals.

We track progress by measuring public trust in the Public Service. Research shows that trust is shaped by people's personal experiences—how reliable and responsive services are—and by their perceptions of agency behaviour and integrity.

Trust and confidence in the public service

These measures provide insight into public sentiment and the Commission's ongoing work to monitor and strengthen trust. Quarterly reporting supports a proactive approach to understanding public expectations and experiences.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Kiwis Count trust and confidence survey is run by the Commission with reporting provided quarterly to identify the public's perceptions and experiences of trust and confidence in public services	Released within 8 weeks of receipt of the data	Achieved	Achieved	Achieved	**Achieved**

Commentary

The updated budget standard implemented in 2023 to allow additional time for analysis following survey collection has now been embedded. This reflects the increased complexity of the survey and ensures high-quality reporting continues to support quarterly insights into public trust and confidence in public services.

Measurement approach

- The research provider notifies the Commission when the quarterly data is ready for receipt. The date of this notification marks the beginning of an eight-week period for processing and reporting.
- To meet the performance expectation, the publication date for the quarterly results must fall within eight weeks of the Commission receiving the data availability notification. This confirms that the result was delivered within the required timeframe.

Relevance

- The Kiwis Count survey is a key tool for measuring public trust and confidence in the Public Service. It provides reliable, independent data on how well the Public Service is upholding constitutional principles, acting ethically, and delivering better services and outcomes for New Zealanders.
- This measure helps assess the Public Service's effectiveness in building trust by linking New Zealanders' confidence to the actual service experiences they report. It also offers insights into what drives public trust, helping agencies adapt and improve how services are delivered.
- Kiwis Count trust and confidence results are collected and reported on a quarterly basis. These results are published on the Commission's website and are publicly accessible.
- Regular and timely publication of this data ensures transparency and accountability to the public and supports the ongoing integrity of performance reporting.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Respondents in the Kiwis Count trust and confidence survey for the financial year agree, or strongly agree that, based on their last service experience, they could trust public servants to do what is right	80%	81%	82%	80%	**80%**

Commentary

The Kiwis Count survey has been operating for a number of years and the measure stated here is consistent with the range of trust scores from the past 10 years. This means that 80% of the respondents to the survey agree that they can trust public servants to do what is right. This is a strong result and reflects the quality of public services in NZ.

Measurement approach

- Approximately 2,000 people participate in the national Kiwis Count survey each quarter, resulting in around 8,000 responses annually.
- These participants are selected from Dynata's online panel, which is carefully designed to reflect the demographic distribution of New Zealand's population. This ensures the survey results are representative and reliable.
- All respondents who confirm they have used or had contact with a public service organisation within the past 12 months are asked the question: *"Overall, you can trust them to do what is right."*
- Respondents answer using a numeric scale from 1 to 5, where 1 means "strongly disagree" and 5 means "strongly agree." There is also an option to select "Not Applicable" (N/A).
- For reporting purposes, responses with a rating of 4 or 5 are considered as agreement or strong agreement that public service organisations can be trusted to do what is right.
- The Commission collates responses from the entire financial year and reports the proportion of respondents who selected 4 or 5 as a percentage. This percentage reflects the overall level of public trust in the Public Service.

Relevance

- The quality of the Commission's leadership across the public management system directly influences performance on this measure. Strong, effective leadership plays a critical role in building and maintaining public trust.
- The Kiwis Count survey provides reliable data on New Zealanders' trust and confidence in the Public Service. This measure assesses how well the Public Service is promoting trust by acting in a constitutional and ethical manner, delivering better outcomes, and improving the quality of services.
- It also links levels of public trust to individuals' actual service experiences, offering valuable insight into what drives trust. These insights help the Public Service to adapt and improve how services are designed and delivered, ensuring responsiveness to the needs and expectations of New Zealanders.

Transparency and access to information

This measure supports transparency across the Public Service. We publish data on how agencies comply with the Official Information Act (OIA) and share information about the size and structure of the Public Service workforce.

To make this easier to access, we now publish a schedule of expected data releases every six months. The latest schedule—covering January to June 2025—is available on the Commission's website.

This measure reflects the Commission's commitment to open government. By making data publicly available, we support accountability and promote good OIA practices across agencies.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission publishes Official Information Act (OIA) request statistics for government agencies that are subject to the Act every six months within three months of the end of the reporting period or as otherwise agreed with the Office of the Ombudsman.	100%	Achieved	Achieved	Achieved	**Achieved**

Commentary

Six monthly reporting on OIA request statistics have been published within 3 months of the reporting period:

- Statistics for January – June 2024 was published on 11 September 2024.
- Statistics for July – December 2024 was published on 13 March 2025
- Statistics for January – June 2025 were published on 25 September 2025

Measurement approach

- The statistics published by the Commission include the following key elements related to Official Information Act (OIA) performance:
    - » The total number of OIA requests completed by agencies during the six-month reporting period.
    - » The number and proportion of these requests where agencies met the legislative deadlines for responding.
    - » The number of responses that agencies proactively published on their websites to promote transparency.
    - » The number of OIA complaints made to the Ombudsman that were formally notified to the relevant agencies.
    - » The final determinations issued by the Ombudsman where a deficiency was found in how an agency handled an OIA request.
- In 2022, the Commission expanded its reporting to include additional measures such as the use of extensions, transfers, refusals, and the average time taken to respond to requests.
- The Commission publishes the report, along with the data collected from agencies, within three months after the end of each reporting period.
- If extraordinary circumstances prevent the Commission from meeting this deadline, alternative reporting arrangements are agreed upon with the Office of the Ombudsman.

Relevance

- This measure relates to culture, specifically focusing on openness and transparency.
- Under the Official Information Act (OIA), New Zealanders have the right to access information held by public agencies.
- Reporting on the number of OIA requests received, as well as how the agency responds to them, helps demonstrate the Public Service's commitment to openness and accountability.
- This supports the Commission's vision to act constitutionally and ethically, promoting democratic government and encouraging active participation by citizens.

Celebrating public service values and integrity

As part of our leadership role in promoting good Official Information Act (OIA) practices, the Commission supports agency capability through the Official Information Forum—a community of practice for OIA practitioners. Over the past year, we held six forum events. Four were co-hosted with the Office of the Ombudsman and focused on providing new OIA practitioners with practical tools and resources. A total of 1,111 public servants from departments and statutory Crown entities attended.

At the heart of the Public Service is a shared commitment to serving the community. The Spirit of Service Awards celebrate and strengthen this commitment by recognising the passion, integrity, and dedication public servants bring to their work.

These activities reflect the Commission's role in building a positive and ethical Public Service culture. Through recognition and capability-building, we help foster a values-led environment and support behaviours that build public trust.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission recognises the contribution of public servants by coordinating annual awards and recognition events and publicising the recipients within one month of the awards	100% of recipients of Public Service medals are recognised and publicised within one month of the medal's award	100%	100%	100%	**100%**

Commentary

On 7 November 2024 eight Public Service Medals and ten Public Service Commissioners Commendation for Excellence were conferred by the Minister for the Public Service and by the Public Service Commissioner at a ceremony at the Banquet Hall, Parliament. Award recipients were published on the Commission's website and notified in the New Zealand Gazette on 8 November 2024.

Measurement approach

- The Commission maintains an official register of all individuals who have received the New Zealand Public Service Medal. This register includes the date each medal was formally presented.
- Where appropriate and in line with privacy considerations, the Commission publicly acknowledges recipients within one month of the award being presented. Public recognition is managed carefully to ensure individuals are only named when it is suitable to do so.

Relevance

- This measure supports the development of a strong and unified public service culture. It aligns with Part 1 of the Public Service Act 2020, which outlines the purpose, principles, values, and spirit of service that guide the public service.
- By recognising recipients of the New Zealand Public Service Medal, the Commission honours individuals who exemplify the spirit of service. Celebrating their contributions reinforces the vision of a public service that is ethical, constitutional, and deeply connected to the communities it serves.

Public Service Fale

This appropriation supports stronger public sectors in Pacific Island countries and territories through the establishment and delivery of the Public Service Fale.

2024 Actual $000		2025 Actual $000	2025 Budget $000	2025 Supps $000	2026 Forecast $000
3,952	**Expenses**	**3,940**	**4,000**	**4,194**	**2,000**
3,952	Revenue Department	3,940	4,000	4,194	2,000
3,952	**Total Revenue**	**3,940**	**4,000**	**4,194**	**2,000**

The increase of $194,000 between the 2025 Budget and the 2025 Supplementary Estimates reflects revenue received in 2023/24 from the Ministry of Foreign Affairs and Trade (MFAT) that was not spent. The Ministry agreed that the Commission could use this funding in 2024/25.

Actual expenditure for the year was lower than both the original and supplementary budgets due to minor underspends in personnel and overseas travel.

This appropriation supports stronger Pacific public services that are trusted, adaptable, results-driven, inclusive, and people-centred.

What we achieved

Strengthening the Pacific Public Service

The Public Service Fale was established in 2020 to support Pacific Public Service Commissioners in strengthening their public sectors and promoting good governance across the region. The programme is funded by the MFAT through the International Development Cooperation Programme.

Strategic impact and alignment with pacific goals

This measure reflects the Fale's core purpose—responding to the needs of Pacific partners. It captures direct feedback from Pacific Public Service Commissioners on the relevance and value of the Fale's support, reinforcing its Pacific-led approach.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Pacific Public Service Commissioners who agree the Public Service Fale supports their goals and strengthens public services in their country	80%	New Measure	New Measure	82%	**96%**

Commentary

The Fale conducted an independent end of assignment evaluation during the first quarter of 2025 as required by the Programme's Memorandum of Understanding (MOU) between the Ministry of Foreign Affairs and Trade (MFAT) and the Public Service Commission. The Public Service Fale's annual end of year survey was incorporated into this overall evaluation and all Pacific Public Service Commissioners, or equivalents, within the 16 Pacific Island Forum Countries and Territories that the Fale supports were surveyed.

This is the second year that this measure has been evaluated, and this year's positive variance is noted. The number of Pacific Public Service Commissioners evaluated is small, therefore elasticity of results is high, though it is evident from free text comments that Pacific Commissioners felt they were well supported during this year.

Measurement approach

- The Fale works with 16 Pacific Island Forum Countries and Territories. To gather feedback and insights on the impact of the Public Service Fale's work, an annual survey seeking feedback from the Senior Pacific Public Service Leaders that the Fale works with in each country.
- This approach ensures the Fale receives input from key leaders who are directly involved in or connected to its work in each country.

Relevance

- This measure evaluates the quality and impact of the Fale's work across Pacific public services.
- According to the MOU between the MFAT and the Public Service Commission, the primary goal is to strengthen Pacific public services, so they become more trusted, adaptable, results-focused, gender inclusive, and centered on serving people.
- This measure contributes to understanding how well this goal is being met. It also assesses whether the Public Service Fale has been effective and efficient in delivering services and support, ensuring it provides real value and makes a positive difference in public service development throughout its partner nations.

Regional engagement and collaboration

This measure shows how the Fale builds strong relationships and supports knowledge sharing across Pacific nations and territories. Supporting the annual conference is a clear example of ongoing regional collaboration.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission through the Public Service Fale supports relationship building and knowledge exchange between Pacific countries and territories: • The Public Service Fale supports delivery of the Annual Pacific Public Service Commissioners Conference	1	0	0	1	1

Commentary

The Fale supported the delivery of the Annual Pacific Public Service Commissioners' Conference, held in Apia, Samoa in November 2024.

Measurement approach

- This is a quantitative measure that tracks the successful delivery of the annual conference for Pacific Public Service Commissioners.
- It focuses on measurable aspects such as whether the conference took place as planned, the number of participants, the range of sessions delivered, and other key outputs that demonstrate the event was effectively organised and executed.

Relevance

- Providing funding and support for the delivery of the annual Pacific Public Service Commissioners' Conference is a key commitment outlined in the Memorandum of Understanding (MOU) between the Ministry of Foreign Affairs and Trade (MFAT) and the Public Service Commission.
- This ensures the conference is well-resourced and successfully delivered each year, supporting collaboration and development among Pacific public service leaders.

System leadership and capability development

These measures assess the quality and impact of the Fale's capacity-building efforts. They show how the Fale is equipping Pacific public servants with system leadership skills that support long-term public sector development across the region.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
The Commission through the Public Service Fale supports Pacific Public Service Commissioners to develop system leadership capability: • Percentage of Pacific public servants who have completed Public Service Fale leadership programmes / courses / webinars/ workshops would recommend future participation to a colleague	80%	New Measure	New Measure	100%	**98.7%**

Commentary

During this reporting period, participants of the Fale's Integrity and Ethics, Joint Training and Foundations of Leadership programmes in both the Cook Islands and Tuvalu were surveyed.

This is the second year this measure has been evaluated, with results again showing a strong positive response. A greater range of programmes was included this year when compared to the last reporting period where a moderate sample size was achieved. The two year trend indicates that a significant majority of participants would recommend the Fale's leadership programmes to their colleagues, demonstrating continued high regard for their value and impact.

Measurement approach

- The programmes included for this measure vary from year to year and are dependent on the leadership programmes requested for delivery by Pacific Public Service Commissions during the measurement year.
- Programmes are evaluated using a standardised Public Service Fale evaluation survey, which includes a question on students views on recommending the programme to others.

Relevance

- This measure assesses the quality and impact of services delivered to strengthen leadership in the public sector.
- Providing these support services is a key commitment outlined in the Memorandum of Understanding (MOU) between the Ministry of Foreign Affairs and Trade (MFAT) and the Public Service Commission.
- The measure helps ensure that the services provided are effective and contribute meaningfully to building stronger, more capable public sector organisations.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Percentage of participants agree the Public Service Fale mentoring programme improved leadership development	80%	New Measure	New Measure	100%	100%

Commentary

Evaluation feedback from participants in Cohorts 7 and 8 of the Fale Mentoring Programme informed this year's measure. While participant numbers were lower than the previous year and results may be more variable, feedback across both years shows the programme is well regarded. A strong majority of participants agreed that the mentoring programme contributed to their leadership development, indicating its continued value and relevance.

Measurement approach

1. This measure reports the proportion of participants who agree that the Public Service Fale mentoring programme has helped improve their leadership development. This feedback helps demonstrate the programme's effectiveness and areas for ongoing improvement.
2. It is usual for two cohorts to be evaluated during the reporting period, one that has completed the 9-month programme and one at month completed and one at month 4-6.

Relevance

- This measure evaluates the quality and impact of services that promote the sharing of knowledge and expertise, as well as support for building collaborative relationships.
- Providing these services is a key responsibility outlined in the Memorandum of Understanding (MOU) between the Ministry of Foreign Affairs and Trade (MFAT) and the Public Service Commission.
- The measure ensures that these efforts effectively facilitate learning, cooperation, and partnership across public services, helping to strengthen capabilities and connections within the system.

Responding to the Abuse in Care Inquiry

This appropriation supports the Government's response to the Abuse in Care Inquiry.

2024 Actual $000		2025 Actual $000	2025 Budget $000	2025 Supps $000	2026 Forecast $000
-	**Expenses**	**5,922**	**-**	**10,241**	**18,500**
-	Revenue Crown	10,241	-	10,241	18,500
-	**Total Revenue**	**10,241**	**-**	**10,241**	**18,500**

The increase in the budgeted expenditure between the 2025 budget and the 2025 supplementary estimates was $10.241 million. This is due to an increase of:

- $9.431 million due to fiscally neutral transfers from Vote Oranga Tamariki to transfer the functions of the Crown Response Office from Oranga Tamariki to the Public Service Commission
- $410,000 due to a drawdown from the Lake Alice Unit torture-redress payments tagged operating contingency to assist with administration costs of the Lake Alice redress process
- $400,000 due to a drawdown from the Crown Response Office – Tagged Operating Contingency for the appointment of a Functional Chief Executive of the Crown Response Office.

Actual expenditure for the year was higher than the original budget due to the Crown Response Office transferring from Oranga Tamariki during the financial year. However, expenditure is lower than the supplementary budget due to vacancy lag throughout the year and efficiency savings on the public apology.

This appropriation supports the implementation of the Crown's response to the recommendations of the Royal Commission of Inquiry into Abuse in Care.

What We Achieved

Establishing the Crown Response Office

In 2024, the Crown Response Office (the Office) was established following a recommendation in Whanaketia. The recommendation called for a central government agency to coordinate, monitor, and report on the Government's response to the Royal Commission. The Office is based within the Commission.

Establishment and policy effectiveness

This measure reflects the Office's early focus on delivering high-quality, responsive policy advice to support the Minister's leadership and the Government's coordinated response. As the Office is newly established, this measure serves as an early indicator of the quality, clarity, and usefulness of advice provided to inform ministerial decisions and stewardship responsibilities.

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
Minister for Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of faith-based institutions has satisfaction with policy advice (see Note 6)	80%	New Measure	New Measure	New Measure	73%

Commentary

The Lead Coordination Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in Sate Care and in the Care of Faith-based Institutions provided feedback on the Crown Response Office's performance for the six months ended 30 June 2025 following the creation of the Crown Response Office within the Public Service Commission.

The Minister's feedback identified areas of improvements around meeting milestones and ensuring the coherency of advice across the Crown Response Office which we will continue to work on.

Measurement approach

- The Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions is surveyed annually to assess satisfaction with policy advice provided during the reporting period. Policy advice papers provided to the Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions for presentation to, and endorsement by, Cabinet.
- The survey covers four themes: general satisfaction, quality of policy advice, overall trust, and overall confidence.
- Each theme has questions scored out of 5. We use a weighted average on the result of each theme to determine the overall result for the reporting period.

Relevance

- This measure is a requirement under the policy project led by Department of Prime Minister and Cabinet.
- The Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions is surveyed to assess satisfaction with the Crown Response Office's policy advice received during the financial year.

Note 6

- This is a new performance measure introduced in 2024/25 following the transfer of the Crown Response Office from Oranga Tamariki to the Public Service Commission. As this is the first year the data has been collected under the Commission's responsibility, no reliable comparative data is available for prior years.

Our organisation

Te Kawa Mataaho – Tō mātou whakahaere

A high performing and sustainable organisation

The Public Service Commission provides leadership and oversight of the Public Service. Our focus is to ensure the Public Service operates as a unified system, dedicated to delivering the outcomes and services that New Zealanders want, need, and expect—while maintaining high levels of public trust and confidence.

We lead by setting clear expectations, demonstrating integrity, and modelling the standards of conduct central to our work. As system leaders, we establish direction, share best practices, and guide agencies to achieve meaningful results and deliver services that matter to New Zealanders.

To maintain our leadership role and deliver on strategic priorities, the Commission is committed to building a high-performing and sustainable organisation. Our approach centres on five key areas:

- **developing assurance and accountability**, by role-modelling best practice and keeping our organisation safe, resilient, and sustainable.
- **maintaining strong fiscal responsibility**, by ensuring resources are efficiently deployed to priority areas of Government work.
- **providing a modern and flexible workplace** that supports productivity and wellbeing through an inclusive, respectful, and positive environment. This includes providing trusted advice, tools, and information.
- **digitally enabling our work** through the Information Systems Strategic Plan, improving workforce and system performance data, and ensuring insights support effective decision-making.
- **growing an agile, diverse, and capable** workforce by building cultural competency and eliminating pay gaps. This includes implementing our Diversity, Equity and Inclusion Plan and Te Angitū, our Māori Capability Strategy and Action Plan.

Keeping our organisation safe, resilient, and sustainable

Strengthening Governance to Support Leadership and Accountability

As part of our commitment to building a high-performing and sustainable organisation, the Commission has strengthened its governance arrangements and ways of working to better support our leadership and operating model. These changes reinforce accountability and enable more effective, efficient decision-making.

To support this, three sub-committees were established, focusing on investment, people, and system leadership. These committees provide coordinated oversight of key organisational priorities, strengthen internal accountability, and ensure decisions are timely, well-informed, and aligned with our strategic intentions and operational needs.

This governance approach ensures the Commission is well positioned to lead the Public Service system while maintaining a strong organisational foundation.

Health, Safety and Wellbeing

The Commission continues to prioritise the health, safety, and wellbeing of its people as part of maintaining a safe, resilient, and sustainable organisation.

In 2024/25, the Health, Safety and Wellbeing Committee was refreshed, including a shift to a regular six-weekly meeting schedule. The Committee reports to the newly established People Committee and plays a vital role in supporting leadership and accountability for health and safety. Its responsibilities include:

- reviewing hazard and risk reporting
- managing significant hazards and implementing mitigations
- investigating incidents, accidents, and near misses
- overseeing new health, safety, and wellbeing initiatives.

Reported health and safety incidents at the Commission remain low, and risks are actively identified and managed.

Reflecting the nature of its work, the Crown Response Office (CRO) maintains bespoke health, safety, and wellbeing practices. Employees often engage with distressing material and, in some cases, directly with survivors of abuse in care. CRO has a dedicated Health, Safety, Wellbeing and Accessibility Committee that meets monthly, with a strong focus on psychosocial wellbeing. Support includes trauma-informed services, regular team check-ins, and specialist drop-in sessions hosted by wellbeing experts.

CRO employees working in high-exposure areas are trained in trauma-informed practice and supported through regular reflective sessions. These initiatives ensure the unique wellbeing needs of CRO staff are actively managed and appropriately resourced.

The Commission also participates in the Te Iho Health and Safety Committee, alongside other agencies in the shared premises, to coordinate building-wide safety and emergency planning.

Maintaining strong fiscal responsibility

The Commission implemented a Fiscal Sustainability Programme to reduce non-personnel costs and restructure the organisation (see Implementing the Government's Priorities on pages 13-17). Since the restructure, we've focused on helping managers understand their responsibilities and practice sound financial management. The Commission has achieved $1.2 million in non-personnel savings through relocating to Te Iho, renegotiating software licences, and reducing contractor and consultant costs.

Providing a modern and flexible workplace

We continue to modernise our physical workplace to make more efficient use of our property footprint and support greater collaboration across the Public Service. In 2024, our flexible office layout enabled us to host and support the establishment team for the Ministry for Regulation, providing adaptable space to grow. We also worked with the Government Property Group to support the development of Te Iho (formally Bowen House)—a central hub designed to enable co-location and collaboration between agencies.

On 17 April 2025, the Commission relocated to Te Iho. This move aligns with the expiry of our lease at the Reserve Bank building and reflects our commitment to a unified and modern Public Service. Te Iho provides a shared, flexible workplace that encourages connection between agencies, optimises space use, and reduces operating costs through shared services.

The transition marks a significant step toward a more efficient, sustainable, and collaborative workplace for the future.

Digitally enabling our work through the information systems strategic plan

The Commission delivered a series of strategic digital initiatives to strengthen organisational capability and modernise key systems. A key achievement was the launch of a new cloud-based customer relationship management (CRM) solution for the Leadership Development Centre (LDC). This replaced an ageing on-premises system, significantly improving usability, functionality, and data management.

The Commission also completed the digital migration of the CRO, following its transfer from Oranga Tamariki. This transition aligned CRO's systems and infrastructure with the Commission's broader digital operating model, enabling greater consistency and integration.

In parallel, the Commission continued to modernise its technology environment. This included implementing a Zero Trust cybersecurity solution to strengthen security, completing the rollout of Windows 11 across the organisation, and migrating the Commission, LDC, and CRO websites to a new hosting platform to improve performance and resilience.

Growing an agile, diverse and capable workforce

We successfully settled a new three-year collective agreement with the Public Service Association (PSA), reflecting our commitment to constructive and collaborative employment relations.

We updated our flexible working and working-from-home policy to support a modern, adaptable work environment. We also progressed the action plan for the Public Service Census, reinforcing our focus on evidence-based workforce planning, people development and performance.

Good employer responsibilities

The Commission is committed to being a good employer by promoting equal access to employment opportunities for all, free from discrimination based on age, ethnicity, gender, disability, or other personal characteristics. We recruit on merit and appoint the best person for each position.

Our goal is to foster an inclusive, high-performing workplace where everyone can participate, reach their full potential, and be fairly recognised for their contributions. This approach strengthens both individual and organisational performance, including through learning and development opportunities.

Other aspects of our equal employment opportunities programme are outlined in the following sections below:

- Commitment to building Māori Crown relations capability and te reo Māori vitalisation
- Workforce diversity

The Commission's policy suite supports transparency, inclusivity, and bias checks:

- Our recruitment policy encourages diverse selection panels and peer involvement.
- Hiring managers ensure respectful, timely, and accessible communication with candidates.
- Our Health, Safety and Wellbeing policy reflects the different dimensions of wellbeing.
- Our Speaking Up and Positive Safe Workplace documents outline processes for raising concerns.
- Our remuneration policy includes checks to ensure fairness in salaries and pay increases.

To support our commitment, the Commission launched an updated unconscious bias training module in March 2025, now mandatory for all hiring managers.

We also remain focused on achieving equity for current employees. The Commission's gender pay gap decreased from 14.3% to 10.1% over the past 12 months. The gap is primarily due to fewer male employees in business support and early-career roles. Our remuneration process includes a step to check whether gender or ethnic pay gaps require action.

Commitment to building Māori Crown relations capability and te reo Māori revitalisation (Te Angitū)

Our Māori capability strategy, Te Angitū, focuses on building foundational cultural capability across the Commission. We want our people to confidently understand, value, and participate in te ao Māori in ways that support the Crown's relationship with Māori. This reflects our responsibility under the Public Service Act 2020 to build and maintain capability to engage with Māori and understand Māori perspectives.

Te Angitū draws on the work of Te Arawhiti to transform leadership through Whāinga Amorangi—a multi-year, cross-agency programme to lift Māori–Crown relations capability across the Public Service. It includes priority areas such as te reo Māori, Aotearoa New Zealand history, and understanding Te Tiriti o Waitangi. Te Angitū also incorporates Te Mahere Reo Māori, our Māori language plan, as part of Maihi Karauna—the Crown's strategy for Māori language revitalisation.

We provide foundational Māori cultural competency training that includes te reo Māori, tikanga, and Te Tiriti o Waitangi, and we support an active waiata group.

Events such as Te Wiki o te Reo Māori and Matariki are celebrated across the Commission. These events offer capability-building opportunities and encourage all teams to engage with and learn about te ao Māori.

We also participate in sector hui organised by Te Arawhiti, and agency-wide hui led by Te Taura Whiri i te Reo Māori | Māori Language Commission.

Results from the Public Service Census show:

- **78%** of employees understand how the Commission's Te Tiriti o Waitangi responsibilities apply to our work.
- **67%** feel confident identifying aspects of our work that may disadvantage Māori.
- **72%** are comfortable supporting tikanga Māori in the workplace, including using te reo Māori, participating in karakia, hui, and mihi.

Workforce diversity

Diversity, equity, and inclusion reflect and value the communities we serve—across gender, ethnicity, disability, Rainbow communities, age, and other dimensions of diversity.

Our Diversity, Equity and Inclusion Plan aligns with the Public Service Act 2020, which promotes diversity, inclusiveness, and good employer practices. It supports our commitments under Kia Toipoto | Public Service Pay Gaps Action Plan 2021–24 and Papa Pounamu, the programme that brings together diversity and inclusion initiatives across the Public Service.

Highlights from the past year include:

- A significant reduction in the pay gap for Pacific employees, and the maintenance of a negative gap for Māori employees.
- Increased collaboration and recognition of intersectionality among our Employee-Led Networks (ELNs), with a calendar of shared events and celebrations.
- Employee engagement in refreshing internal policies, applying best practice guidance to remove bias.
- Enhanced relationships through celebrations such as Matariki, Mental Health Awareness Week, and Pacific Language Weeks.
- An active Neurodiversity Network providing education and helping to establish INDIGO, a public sector support network.
- Reconfirmation of the Rainbow Tick accreditation for the Commission.

Public Service Commission Demographic Profile

The Commission ended the 2024/25 year with 193.7 full-time equivalent (FTE) employees as at 30 June 2025. Changes to the Commission's FTE over the past 12 months reflect two key developments: a reduction in positions due to the Fiscal Sustainability Programme, and an increase following the Commission's appointment as host agency for the Crown Response Office in December 2024.

Workforce

	June 2024	June 2025
Headcount	183	202
Female %	67%	68%
Full Time Equivalents	175.1	193.7
Female Leaders %	56%	61%
Average Age	45.8	46.5
Male %	32%	31%
Fixed Term % of Employees	8%	24%
Male Leaders %	44%	39%
Length of Service (years)	4.5	5.2
Gender Pay Gap	14.27%	10.15%

* Information is gathered from 30 June 2024 - 30 June 2025

Ethnicities

	June 2024	June 2025
Disclosed Ethnicities	97.3%	91.1%
European	83.7%	78.3%
Māori	10.1%	13.6%
Asian	10.1%	9.2%
Pacific	9.0%	13.0%

Our carbon footprint

Carbon emissions and sustainability reporting

We are committed to role modelling best practice in reducing emissions and contributing to climate change action.

Total annual emissions and their source

In 2024/25, we emitted 316 tCO2-e (tonnes of carbon dioxide equivalent). Most emissions came from air travel (57%) and staff commuting (23%).

This was a decrease of 12 tCO2-e compared with our 2023/24 total of 328 tCO2-e. The main drivers of this decrease were reductions in both electricity and natural gas following the Commission sharing floor space with the Ministry for Regulation and moving to new premises in April 2025 (Te Iho).

However, an increase in commuting emissions has offset these decreases due to the Commission's FTE growing from the transfer of the Crown Response Office to the Commission in December 2024.

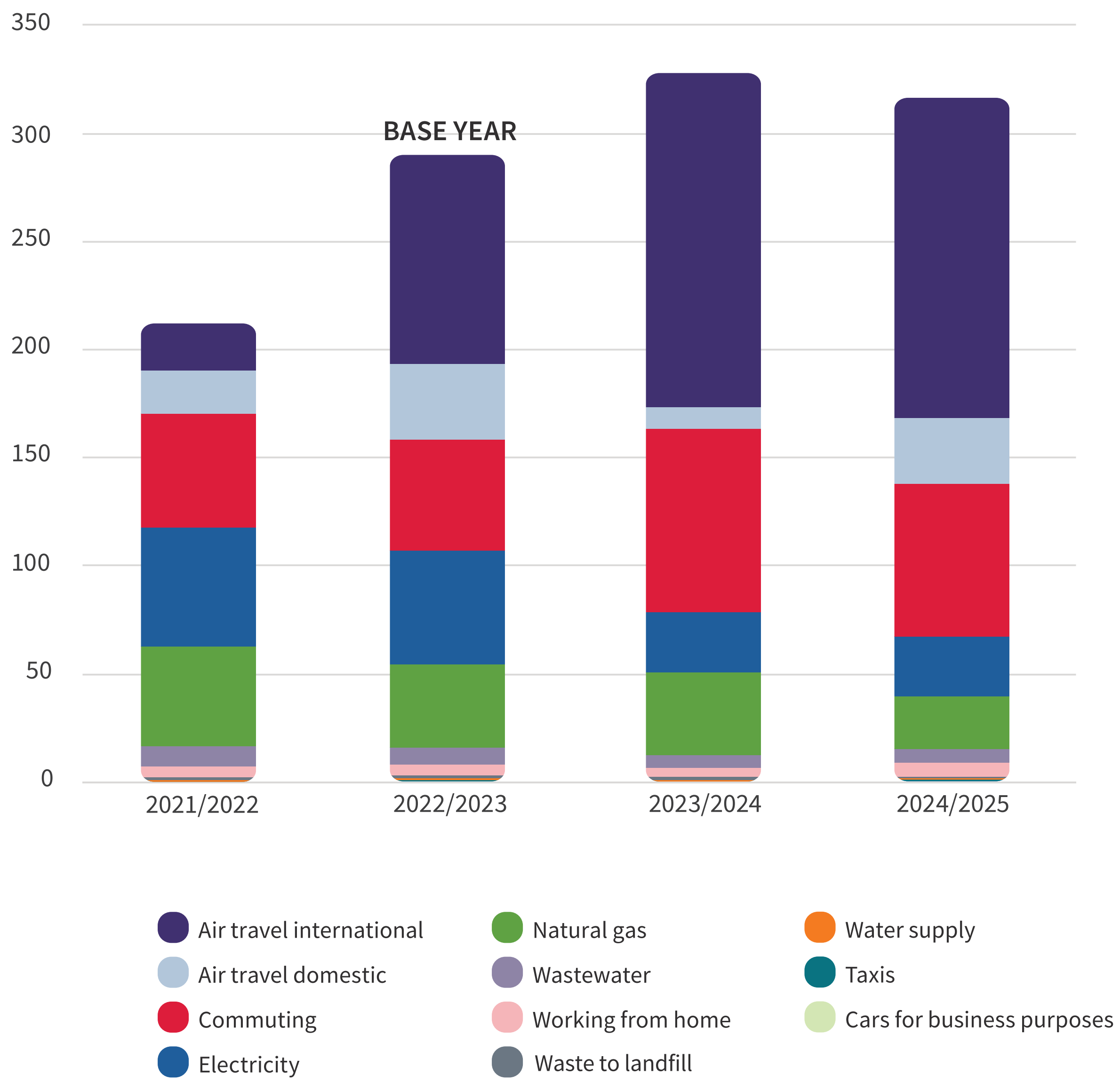
The table below compares our 2024/25 and 2023/24 emissions with our 2022/23 base year.

		2022/23		2023/24		2024/25	
Category	**Scope**	**(tCO2-e)**	**%**	**tCO2-e**	**%**	**(tCO2-e)**	**%**
Category 1: Direct emissions	Scope 1	0.00	0%	0.00	0%	0.00	0%
Category 2: Indirect emissions from imported energy	Scope 2	14.06	5%	7.61	3%	7.42	2%
Category 3: Indirect emissions from transportation	Scope 3	195.15	66%	253.47	77%	255.36	81%
Category 4: Indirect emissions from products used by organisation		87.32	29%	66.94	20%	53.36	17%
Category 5: Indirect emissions associated with the use of products from the organisation		0.00	0%	0.00	0%	0.00	0%
Category 6: Indirect emissions from other sources		0.00	0%	0.00	0%	0.00	0%
Total gross emissions		**296.53**	**100%**	**328.02**	**100%**	**316.14**	**100%**

Total emissions by activity, 2021/22 - 2024/2025

The graph opposite compares emissions by activity between 2021/22 and 2024/25. It shows that international air travel and commuting continue to be the main contributors to the Commission's emissions.

Commuting increased in 2024/25 due to the transfer of the Crown Response Office to the Commission. The graph also highlights reductions in electricity and natural gas consumption over the same period.



Emissions intensity

The Commission measures emissions intensity by FTE and expenditure. Both measures decreased in 2024/25, driven by lower emissions from electricity and natural gas use, while FTE and expenditure remained relatively stable.

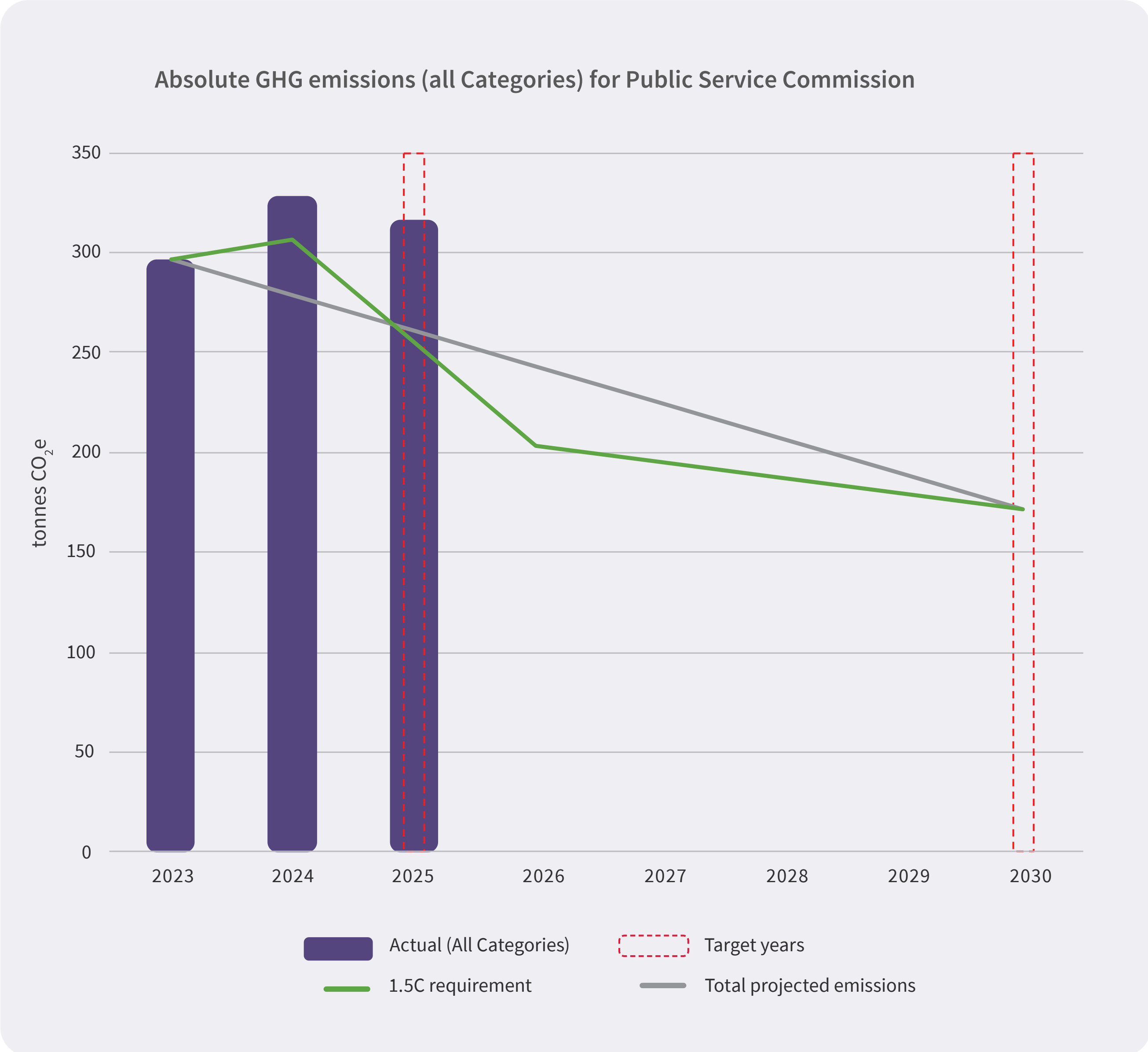
GHG emissions per FTE	2022/23	2023/24	2024/25
Gross emissions	296.53	328.02	316.14
Public Service Commission FTE	199.0	175.1	193.7
Total Gross emissions per FTE	**1.49**	**1.87**	**1.63**

GHG emissions per $1m expenditure	2022/23	2023/24	2024/25
Gross emissions	296.53	328.02	316.14
Public Service Commission expenditure ($m)	43.377	44.591	43.978
Total gross emissions per million dollars of expenditure	**6.84**	**7.36**	**7.19**

Our reduction targets

Our carbon emissions forecast predicted a sharp decrease in 2024/25, driven by expected reductions in travel, electricity, natural gas, and commuting. While emissions did decrease, we did not meet our target.

This was largely due to continued high emissions from air travel and the transfer of the Crown Response Office to the Commission. We will revise our carbon plan in 2025/26, acknowledging the need for an updated forecast as we work towards our 2030 target.



Our plans for the future

Future reduction plans

The Commission has identified air travel as its most significant source of emissions. We will refresh our travel policy in 2025/26 and continue to refine the budgeting and forecasting tools we have in place for air travel. These efforts also support our commitment to fiscal sustainability.

Improving our data

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

- Enhancing the accuracy of our carbon forecasting to better complement our inventory. Our current forecasts are high level, but we aim to add more detail.
- Adjusting our inventory to separate emissions by function within the Commission. This will provide more detailed reporting, particularly useful for understanding the impact of the Crown Response Office and the Public Service Fale.

Independent verification

The Commission's greenhouse gas emissions data and calculations have been independently verified against **ISO 14064-1:2018** by **Toitū Envirocare** (Enviro-Mark Solutions Limited), a wholly owned subsidiary of **Manaaki Whenua | Landcare Research**, a Crown Research Institute.

We are proudly a **Toitū carbonreduce** organisation, meaning we measure, manage, and reduce our emissions in line with ISO 14064-1:2018 and Toitū requirements.

Toitū carbonreduce certification is accredited by the **Joint Accreditation System of Australia and New Zealand (JAS ANZ)** under **ISO 14065.**

A copy of our Toitū carbonreduce certification disclosure is available on the Toitū website.

Our Financials

Ko ā mātau mahi pūtea

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 2025 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 2026 and its operations for the year ending on that date.

Brian Roche

Sir Brian Roche KNZM

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

30 September 2025

Independent Auditor's Report

To the readers of the Public Service Commission's annual report for the year ended 30 June 2025

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

- The annual financial statements of the Commission that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, the statement of comprehensive revenue and expenses, 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 on pages 86 to 114.
- The end-of-year performance information for appropriations of the Commission for the year ended 30 June 2025 on pages 28 to 64.
- The statements of expenses and capital expenditure of the Commission for the year ended 30 June 2025 on pages 83 to 85; and
- The schedules of non-departmental activities which are managed by the Commission on behalf of the Crown on pages 115 to 119 that comprise:
    - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2025;
    - the schedules of expenses; and revenue and receipts for the year ended 30 June 2025; and
    - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- The annual financial statements of the Commission:
    - fairly present, in all material respects:
        - its financial position as at 30 June 2025; and
        - its financial performance and cash flows for the year ended on that date; and
    - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.

- The end-of-year performance information for appropriations:
    - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation; determined in accordance with generally accepted accounting practice in New Zealand; and
    - fairly presents, in all material respects:
        - what has been achieved with each appropriation; and
        - the actual expenses or capital expenditure incurred in relation to each appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
    - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- The statements of expenses and capital expenditure have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.
- The schedules of non-departmental activities which are managed by the Commission on behalf of the Crown have been prepared, in all material respects, in accordance with the Treasury Instructions. The schedules comprise:
    - the assets, liabilities, commitments, and contingent liabilities and assets as at 30 June 2025; and
    - expenses, and revenue and receipts for the year ended 30 June 2025.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

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, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information 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:

- Annual financial statements that fairly present the Commission's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand
- End-of-year performance information for appropriations that:
  - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with each appropriation received; determined in accordance with generally accepted accounting practice in New Zealand;
  - fairly presents what has been achieved with each appropriation;
  - fairly presents the actual expenses or capital expenditure incurred in relation to each appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.
- Statements of expenses and capital expenditure of the Commission, that are prepared in accordance with section 45A of the Public Finance Act 1989.
- Schedules of non-departmental activities, prepared in accordance with the Treasury Instructions, of the 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.

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 Estimates of Appropriations for the Government of New Zealand for the Year Ending 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

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 whether the end-of-year performance information for appropriations:
    - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
    - fairly presents what has been achieved with the appropriation.
- We evaluate whether the statements of expenses and capital expenditure have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Public Service Commissioner.
- 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 all of the information included in the annual report other than 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.

The Minister's report on relevant non-departmental appropriations that is appended to the Commission's annual report is not part of the Commission's annual report. The Public Finance Act 1989 does not require the information in the Minister's report to be audited and we have performed no procedures over the information in the Minister's Report.

Independence

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

Anthony Heffernan
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Appropriation statements | Ngā tauākī pāhao

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

For the year ended 30 June 2025

	2025 Actual $000	2025 Budget $000	2025 Supps $000	2026 Forecast $000	Location of End-of-year performance information
Public Service Commission					
Departmental Capital Expenditure					
Public Service Commission – Capital Expenditure under Permanent Legislative Authority	512	423	623	367	The Commission's Annual Report
Non-departmental Other Expenses					
Open Government Partnership	200	200	200	200	Exempt
Remuneration and Related Employment Costs of Chief Executives	21,151	20,049	22,167	20,780	
Total Non-departmental Other Expenses	**21,351**	**20,249**	**22,367**	**20,980**	
Departmental Output Expenses					
Leadership of Public Management System	34,116	32,722	35,704	32,269	The Commission's Annual Report
Public Service Fale	3,940	4,000	4,194	2,000	
Responding to the Abuse in Care Inquiry	5,922	-	10,241	18,500	
Total Departmental Output Expenses	**43,978**	**36,722**	**50,139**	**52,769**	
Multi-Category Expenses and Capital Expenditure					
Lake Alice Unit Torture-Redress Payments MCA					
Non-departmental Output Expenses					
Support for Survivors of Torture at the Lake Alice Child and Adolescent Unit	428	-	2,010	550	Lead Coordination Minister's report in relation to selected non-departmental appropriations for year ended June 2025 (appended to the Commission's Annual Report)
Non-departmental Other Expenses					
Redress Payments for Survivors of Torture at the Lake Alice Child and Adolescent Unit	26,500	-	19,560	150	
Total Lake Alice Unit Torture-Redress Payments	**26,928**	-	**21,570**	**700**	
Total Annual and permanent appropriations for the Commission	**92,769**	**57,394**	**94,699**	**74,816**	

Reconciliation of Appropriations to Comprehensive Revenue and Expenses

	Leadership of Public Management System	Public Service Fale	Responding to the Abuse in Care Inquiry	Comprehensive Revenue / Expenses
Revenue Crown	27,282	-	10,241	37,523
Revenue Department and Other	7,597	3,940	-	11,537
Eliminations of inter-entity transactions	(65)	-	-	(65)
Total Revenue after Eliminations	**34,814**	**3,940**	**10,241**	**48,995**
Expenses	34,116	3,940	5,922	43,978
Eliminations of inter-entity transactions	(65)	-	-	(65)
Expenses after eliminations	**34,051**	**3,940**	**5,922**	**43,913**

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 2025

	Actual 2025 $000	Appropriation Voted 2025 $000	Unappropriated 2025 $000
Lake Alice Unit Torture Redress Payments Multi-Category Appropriation	26,928	21,570	**5,358**

Expenses and capital expenditure incurred without appropriation or outside scope or period of appropriation

Lake Alice Unit Torture-Redress Payments

This expenditure relates to redress payments to survivors of torture at the Lake Alice Child and Adolescent Unit. There were two separate breaches in this appropriation:

- $19.560 million (which was resolved in February)
- $5.358 million (which was authorised in June but too late to change appropriations).

Explanations for these instances of unappropriated expenditure are provided below:

This expenditure relates to redress payments to survivors of torture at the Lake Alice Child and Adolescent Unit. On 18 December 2024, the Government announced the process for redress for survivors of torture at the Lake Alice Child and Adolescent Unit. The Public Service Commission sought a Multi-Category appropriation in February 2025 to make these payments. A subsequent investigation into the technical accounting treatment determined that the expense for the payments needed to be recognised on 18 December 2024, as this was the date the Government confirmed an obligation to survivors. This was before the Public Service Commission had received approval for the Multi-Category appropriation, resulting in unappropriated expenditure.

In June 2025, a separate instance of unappropriated expenditure occurred. Cabinet agreed to increase the Lake Alice Unit Torture Redress Payments Multi-Category appropriation. The appropriation needed to be increased to accommodate the emergence of additional confirmed claimants who had not previously applied for any redress for abuse at the Lake Alice Unit and so had been unknown to the Crown. The appropriation also needed to increase to accommodate the fiscal envelope determined by Ministers and the Attorney General for payments to survivors on the individual pathway. The incurring of this expenditure under Imprest Supply was approved by Cabinet before the expenditure was incurred, but it was identified too late for inclusion in the Appropriation (2024/25 Supplementary Estimates) Bill and is thus unappropriated expenditure requiring validation. (2024: Nil)

Statement of Departmental Capital Injections for the year ended 30 June 2025

2024 Actual capital injections $000		2025 Actual capital injections $000	2025 Appropriation $000
-	Capital injection	-	-

Statement of Departmental Capital Injections for the year ended 30 June 2025

The Commission has not received any capital injections during the year without authority or in excess of authority (2024: Nil).

Financial Statements for the Public Service Commission
Ngā Tauākī Pūtea a Te Kawa Mataaho
(for the year ended 30 June 2025)

The financial statements show the Commission's revenue and expenses for the year ending 30 June 2025, along with its assets, liabilities, commitments, and contingent liabilities as at that date. Read these statements alongside the notes, which explain key details.

Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2025

2024 Actual $000		Notes	2025 Actual $000	2025 Budget Unaudited $000	2025 Supps Unaudited $000	2026 Forecast Unaudited $000
	Revenue					
38,737	Revenue Crown	2	37,523	28,026	37,523	46,086
13,665	Revenue other	2	11,472	8,696	12,616	6,683
52,402	**Total revenue**		**48,995**	**36,722**	**50,139**	**52,769**
	Expenditure					
41,128	Personnel costs	3	33,877	30,153	31,322	33,882
212	Capital charge	4	202	219	202	177
687	Depreciation and amortisation expense	6, 7	606	591	600	539
10,103	Other operating expenses	5	9,228	5,759	18,015	18,171
52,130	**Total expenditure**		**43,913**	**36,722**	**50,139**	**52,769**
272	**Net surplus/(deficit)**		**5,082**	**-**	**-**	**-**
-	**Other comprehensive revenue** *Item that will not be reclassified to net surplus/(deficit)*		-	-	-	-
-	Gain on artworks revaluations	15	-	-	-	-
272	**Total comprehensive revenue**		**5,082**	**-**	**-**	**-**

Explanations of major variances against budget are detailed in Note 19.

The accompanying notes form part of these financial statements.

Statement of Financial Position

as at 30 June 2025

2024 Actual $000		Notes	2025 Actual $000	2025 Budget Unaudited $000	2025 Supps Unaudited $000	2026 Forecast Unaudited $000
	Assets					
	Current Assets					
12,886	Cash and cash equivalents		15,308	12,632	11,005	11,177
3,028	Debtor Crown		3,028	3,028	3,028	3,028
3,442	Debtors and other receivables	8	1,154	2,655	3,442	3,442
65	Prepayments		119	37	65	65
19,421	**Total current assets**		**19,609**	**18,352**	**17,540**	**17,712**
	Non-current assets					
617	Property, plant and equipment	6	436	1,191	906	1,011
796	Intangible assets	7	883	436	530	253
1,413	**Total non-current assets**		**1,319**	**1,627**	**1,436**	**1,264**
20,834	**Total assets**		**20,928**	**19,979**	**18,976**	**18,976**
	Liabilities					
	Current Liabilities					
3,821	Creditors and other payables	9	1,512	3,837	3,821	3,821
3,962	Revenue in advance	10	3,919	5,768	3,962	3,962
417	Return of operating surplus	16	5,289	-	-	-
724	Provisions	12	380	451	724	724
4,117	Employee entitlements	11	3,719	3,035	4,117	4,117
13,041	**Total current liabilities**		**14,819**	**13,091**	**12,624**	**12,624**
	Non-current liabilities					
269	Employee entitlements	11	233	219	269	269
269	**Total non-current liabilities**		**233**	**219**	**269**	**269**
13,310	**Total liabilities**		**15,052**	**13,310**	**12,893**	**12,893**
7,524	**Net assets**		**5,876**	**6,669**	**6,083**	**6,083**
	Equity					
5,742	Taxpayers' funds	15	4,702	6,427	5,841	5,841
1,540	Memorandum accounts	15	932	-	-	-
242	Artwork revaluation reserves	15	242	242	242	242
7,524	**Total equity**		**5,876**	**6,669**	**6,083**	**6,083**

Explanations of major variances against budget are detailed in Note 19.

The accompanying notes form part of these financial statements.

Statement of Changes in Equity

for the year ended 30 June 2025

2024 Actual $000		Notes	2025 Actual $000	2025 Budget Unaudited $000	2025 Supps Unaudited $000	2026 Forecast Unaudited $000
7,669	Balance as at 1 July		7,524	7,669	7,524	6,083
	Comprehensive revenue / (expense)					
272	Net surplus/(deficit) for the year		5,082	-	-	-
-	Capital withdrawal		(1,441)	(1,000)	(1,441)	-
-	Return of operating surplus to the Crown	16	(5,289)	-	-	-
(417)						
7,524	**Balance as at 30 June**		**5,876**	**6,669**	**6,083**	**6,083**

Explanations of major variances against budget are detailed in Note 19.

The accompanying notes form part of these financial statements.

Statement of Cash Flows

for the year ended 30 June 2025

2024 Actual $000		Notes	2025 Actual $000	2025 Budget Unaudited $000	2025 Supps Unaudited $000	2026 Forecast Unaudited $000
	Cash flows from operating activities					
38,737	Receipts from Crown		37,523	28,026	37,523	46,086
11,071	Receipts from other revenue		13,769	8,696	12,616	6,683
(9,776)	Payments to suppliers		(9,972)	(5,759)	(18,015)	(18,171)
(40,591)	Payments to employees		(34,137)	(30,153)	(31,322)	(33,882)
(212)	Payments for capital charge		(202)	(219)	(202)	(177)
498	Goods and services tax (net)		(863)	-	-	-
(273)	Net cash flows from operating activities	13	6,118	591	600	539
	Cash flows from investing activities					
-	Sale of property, plant and equipment		1	-	-	-
(24)	Purchase of property, plant and equipment		(150)	(423)	(623)	(367)
(122)	Purchase of intangible assets		(362)	-	-	-
(146)	Net cash flows from investing activities		(511)	(423)	(623)	(367)
	Cash flows from financing activities					
-	Repayment of operating surplus		(417)	(1,100)	(417)	(2,600)
-	Transfer of Social Wellbeing Agency bank balance to Social Investment Agency		(1,327)	-	-	-
-	Capital (withdrawal)/injection		(1,441)	(1,000)	(1,441)	-
-	Net cash flows from financing activities		(3,185)	(2,100)	(1,858)	(2,600)
(419)	Net (decrease) / increase in cash		2,422	(1,932)	(1,881)	(2,428)
13,305	Cash at the beginning of the year		12,886	14,564	12,886	13,605
12,886	**Cash at the end of the year**		**15,308**	**12,632**	**11,005**	**11,177**

Explanations of major variances against budget are detailed in Note 19.

The accompanying notes form part of these financial statements.

Statement of Commitments

as at 30 June 2025

2024 Actual $000		2025 Actual $000
	Non-cancellable operating lease commitments	
1,223	Not later than one year	1,573
405	Later than one year and not later than 5 years	6,293
-	5 or more years	15,733
1,628	**Total non-cancellable operating lease commitments**	**23,599**
1,628	**Total Commitments**	**23,599**

The lease commitment is based on the Co-location Agreement which provides the Commission with an allocation of office space and related services at 1 Bowen Street Wellington based primarily on headcount. For financial reporting purposes, the Co-Location agreement has been treated as an operating lease.

The monthly lease expense is reviewed annually based on PSC's expected headcount and an estimate of the landlords operating and building costs.

The Commission is committed to the ongoing participation in the Co-location Agreement for the initial lease term of 15 years. The Commission may request to exit the arrangement at any time during the lease term, if its continued participation is reasonably impracticable due to a material business change affecting its operations and/or funding.

The lease commitment as disclosed has been calculated using the current monthly lease expense based on the lease term of 15 years.

There were no capital commitments in 2024/25 or 2023/24.

Statement of Contingent Liabilities and Contingent Assets as at 30 June 2025

Unquantifiable Contingent Liabilities and Assets

Personal grievances have been raised by an employee against the Commission which relate to a current employment process. The Commission disputes the claims associated with these grievances. Disclosure of further information may prejudice the Commission's position.

Three proceedings are underway relating to Abuse in Care. All seek declaratory, not financial, relief. Claimants may also be awarded legal costs.

(2024: One unquantifiable contingent liability was reported.)

Quantifiable Contingent Liabilities and Assets

There are no quantifiable contingent liabilities or assets as at 30 June 2025 (2024: There were no quantifiable contingent liabilities or assets).

The accompanying notes form part of these financial statements.

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.

2024 Actual $000		2025 Actual $000	2025 Budget $000	2025 Supps $000	2026 Forecast $000
24	Property, plant and equipment	150	423	623	367
125	Intangibles	362	-	-	-
149	**Total appropriation**	**512**	**423**	**623**	**367**

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

Capital expenditure in 2024–25 for intangible assets related to the launch of a new cloud-based customer relationship management (CRM) solution for the Leadership Development Centre (LDC).

Capital expenditure on property, plant, and equipment supported the purchase of laptops and mobile phones for the Crown Response Office.

Service Critical Assets

The table below outlines how the Commission performed against its unaudited asset performance measures, in accordance with the requirements of Cabinet Office Circular CO (23) (9). These assets are service-critical, and if damaged or destroyed, are likely to have a significantly adverse impact on the delivery of our services.

Asset	Particulars	Assessment of Performance	Indicator	Standard	2023/24	2024/25
Public Service Commission website	The Commission's website is our primary channel for publishing public sector advice, guidance. Data and information.	Websites are operating and available, allowing users to access our advice, guidance, data and information.	Availability	99.9%	99.9%	99.9%
Data warehouse	The Data Warehouse is a cloud storage asset.	The data warehouse is available for successful query execution.	Availability	99.9%	99.9%	99.9%

Notes to the Departmental Financial Statements and Non-departmental Schedules (for the year ended 30 June 2025)

1. Statement of accounting policies

Reporting entity

Te Kawa Mataaho 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, and the Public Service Act 2020.

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 (see pages 115 to 119).

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 and is required to comply with generally accepted accounting practice (GAAP).

The Financial Statements of the Commission are for the year ended 30 June 2025. The Forecast Financial Statements are for the year ending 30 June 2026. The Chief Executive approved these financial statements for issue on 30 September 2025.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Statement of compliance

The 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 GAAP, Treasury Instructions, and Treasury Circulars. The financial statements have been prepared in accordance with and comply with Tier 1 PBE Accounting Standards as applied by public sector entities.

Measurement base

The financial statements have been prepared on an historical cost basis with the exception of Artwork, which is revalued every five years.

The financial statements have been prepared on an accrual basis unless otherwise specified (for example, the Statement of Cash Flows). Under an accrual basis, revenues are recognised when rights to assets are earned rather than when cash is received, and expenses are recognised when obligations are incurred rather than when they are settled.

Presentation currency and rounding

We present the financial statements in New Zealand dollars and round all values to the nearest thousand dollars ($000). Related party transactions are rounded to the nearest dollar (see Note 17).

Comparatives

All comparative amounts are consistent with those included in the previous year's financial statements.

New or amended standards adopted

No new accounting standards were adopted during the year that had a material impact on the financial statements.

Other changes in accounting policies

There have been no other changes in accounting policies since the last audited non-departmental statements and schedules.

Standards issued and not yet effective and not early adopted

No new accounting standards have been issued that are not yet effective or early adopted, and none are expected to materially impact the financial statements when adopted.

Summary of significant accounting policies

We include significant accounting policies in the notes they relate to. Policies that don't relate to a specific note are outlined below.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short-term, highly liquid investments with original maturities of three months or less.

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 (GST)

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.

Foreign currency transactions

Transactions in foreign currencies are initially translated at the foreign exchange rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at balance date are translated to New Zealand dollars at the foreign exchange rate at balance date. Foreign exchange gains or losses arising from translation of monetary assets and liabilities are recognised in the surplus or deficit for the year as reported in the statement of comprehensive revenue and expense.

Budget and forecast figures

Basis of the budget and forecast figures

The 2025 budget figures are for the year ended 30 June 2025 and were published in the 2023/24 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 2024/25.

The 2026 forecast figures are for the year ending 30 June 2026 and are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2025/26.

The forecast financial statements have been prepared as required by the Public Finance Act 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 forecast figures for 30 June 2026 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 9 April 2025. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the underlying assumptions and all other required disclosures.

The Commission regularly updates its forecasts. The updated forecast for the 2026 Supplementary Estimates for the year ending 2026 will be included in the 2026 annual report

Significant assumptions

The forecast figures contained in these financial statements reflect the Commission's purpose, strategic objectives, and expected activities. They are based on a number of assumptions about what might occur during the 2025/26 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, adopted as at 9 April 2025, were as follows:

- The Commission's activities and output expectations will remain substantially the same as the previous year, with a continued focus on the Government's priorities, adjusted for the inclusion of the Crown Response Office for a full financial year.
- Personnel costs are based on current wages and salary levels, adjusted for anticipated remuneration changes.
- Operating costs are based on historical experience and other factors considered reasonable in the circumstances and represent the Commission's best estimate of future costs to be incurred.
- The Social Wellbeing Agency (SWA), a Departmental Agency hosted by the Commission, was disestablished on 30 June 2024. Assets and liabilities relating to SWA were present in the closing balances of the Commission's 2023/24 annual report and are therefore included in the opening balances of the Commission's 2024/25 annual report.

The actual financial results achieved for the year ending 30 June 2026 are likely to vary from the forecast information presented, and the variations may be material. Since the approval of the forecasts, there have been no significant changes or events that would have a material effect on the forecasts.

Cost allocation policy

The Commission allocates the cost of outputs and categories using the following system:

- **Direct costs** are expenses from activities that produce outputs. We charge these directly to the related appropriations.
- **Indirect costs** are expenses that can't be linked to a specific output. We allocate these costs to each appropriation based on full-time equivalent personnel.

We haven't changed our general cost accounting policies since the last audited financial statements.

We apply this cost allocation approach to expenses reported in the Appropriation Statements on page 83.

Critical accounting estimates and assumptions

In preparing these financial statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances

For departmental liabilities, the most significant estimates relate to the measurement of the Holidays Act provision, long service leave, and retiring leave.

The amounts calculated are based on available information and will be reviewed at each future balance date.

Capital management

The Commission's capital is its equity, which comprises taxpayers' funds, memorandum accounts, and revaluation reserves. Equity is represented by net assets.

We manage our revenues, expenses, assets, liabilities, and financial activities prudently.

Equity is managed as a by-product of this financial management and in line with government budget processes, Treasury Instructions, and the Public Finance Act 1989.

Our objective is to manage equity in a way that supports the Commission's goals and ensures we remain a going concern.

2. Revenue

Accounting policy

Revenue Crown

Revenue from the Crown is measured based on the Commission's funding entitlement for the reporting period. 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 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

Performance Improvement Review Programme

Revenue from performance reviews are recognised based on percentage completed at the balance date.

LDC Levies and LDC courses

The Leadership Development Centre (LDC) receives revenue from levies and course fees. Revenue from levies is recognised on a straight-line basis over the year. Revenue from 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 revenue

Revenue received from the Ministry of Foreign Affairs and Trade to fund the operations of the Public Service Fale is recognised as revenue when the obligation to pay the expenses are incurred.

Papa Pounamu levies

Revenue from Papa Pounamu levies is recognised as revenue on a straight-line basis over the year. This revenue has been referred to as Employee-led Network levies in previous years.

Breakdown of other revenue and further information

2024 Actual $000		2025 Actual $000
385	Performance Improvement Review programme	13
2,729	LDC levies	2,478
1,135	LDC courses and other revenue	1,282
3,952	Public Service Fale revenue	3,940
587	Clerical and Administration Pay Equity Claims team delivery revenue	-
799	Papa Pounamu levies (previously called Employee-led Networks)	642
904	Secondments	642
431	Ministry for Regulation (establishment and shared services)	786
632	Investigations	523
-	Health Assurance Review	685
559	Contribution to Equal Pay Taskforce	300
100	Sponsorship of Spirit of Service Awards	150
1,452	Other revenue (including recoveries)	31
13,665	**Total other revenue**	**11,472**

3. Personnel costs

Accounting policy

Salaries and wages

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

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.

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 multi-employer 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.

Breakdown of Personnel costs

2024 Actual $000		2025 Actual $000
38,730	Salaries and wages	32,576
217	Staff training and development	287
1,147	Superannuation contributions to defined contribution plans	913
315	Increase/(decrease) in employee entitlements	(239)
719	Other	340
41,128	**Total personnel costs**	**33,877**

4. Capital charge

Accounting policy

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

Other information

The Commission pays a capital charge to the Crown based on its equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2025 was 5% (2024: 5%).

5. Other operating expenses

Accounting policy

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments for an operating lease that is adjusted annually for inflation are recognised as an expense over the lease term as they are incurred.

The Commission's co-location agreement provides a full-service office provision. This includes both Rental costs and other occupancy costs. For the table below, they are both separated out.

Other expenses

Other expenses are recognised as goods and services are received.

Breakdown of other operating expenses

2024 Actual $000		2025 Actual $000
2,622	Consultancy and contractors	2,294
539	Legal fees	296
167	Fees to Audit New Zealand for audit of financial statements - the Commission	184
1,619	Rental and operating lease costs	1,564
263	Other occupancy costs	92
2,490	IT and communication costs	2,275
635	Travel	839
165	Contractor fees for SWA	-
243	Research and surveys	257
369	Costs paid to the Treasury for CASS	385
991	Other operating costs	1,042
10,103	**Total operating expenses**	**9,228**

6. Property, plant & equipment

Accounting policy

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

Property, plant, and equipment assets are capitalised on the basis of the costs incurred to acquire and bring to use the specific asset. Direct costs include costs by consultants or staff. Staff training costs are recognised as an expense when incurred.

Property, plant and equipment and intangible assets with finite lives are subsequently recorded at cost, less depreciation/amortisation and any impairment losses. The carrying value of property, plant and equipment and intangible assets are amortised on a straight-line basis at rates that will write off the cost of the assets to their estimated residual values over their useful lives.

Depreciation

Depreciation/amortisation begins when an asset is available for use and ceases at the date that an asset is de-recognised. The depreciation/amortisation charge for each period is recognised in surplus or deficit for the period.

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	Until lease expires	As calculated by lease expiry date	Straight line
Furniture and fittings	3 – 5 years	20% – 33.33%	Straight line
Intangible	3 – 5 years	20% – 33.33%	Straight line

Property, Plant and Equipment

	Computer Equipment $000	Office Equipment $000	Leasehold Improvements $000	Works of Art $000	Furniture and Fittings $000	Total $000
Cost						
Balance at 1 July 2023	**1,222**	**114**	**995**	**272**	**1,015**	**3,618**
Additions	12	-	-	-	12	24
Disposals/transfers	-	-	-	-	-	-
Revaluation increase	-	-	-	-	-	-
Other movements	-	-	-	-	-	-
Balance at 1 July 2024	**1,234**	**114**	**995**	**272**	**1,027**	**3,642**
Additions	150	-	-	-	-	150
Disposals/transfers	(683)	(46)	(995)	-	(1,027)	(2,751)
Revaluation increase	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
Balance at 30 June 2025	**701**	**68**	**-**	**272**	**-**	**1,041**
Accumulated depreciation and impairment losses						
Balance at 1 July 2023	**804**	**106**	**865**	**-**	**793**	**2,568**
Depreciation expense	242	8	108	-	99	457
Elimination on disposal	-	-	-	-	-	-
Balance at 1 July 2024	**1,046**	**114**	**973**	**-**	**892**	**3,025**
Depreciation expense	174	-	22	-	135	331
Elimination on disposal	(683)	(46)	(995)	-	(1,027)	(2,751)
Balance at 30 June 2025	**537**	**68**	**-**	**-**	**-**	**605**
Carrying amounts						
At 1 July 2023	418	8	130	272	222	1,050
At 1 July 2024	188	-	22	272	135	617
At 30 June 2025	**164**	**-**	**-**	**272**	**-**	**436**

7. Intangible assets

Software is 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. Security testing of software is capitalised where it is necessary to bring the asset to its usable state. Security testing after this point is an operating expense. 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

Amortisation begins when an asset is available for use and ceases at the date that an asset is de-recognised. The depreciation/amortisation charge for each period is recognised in surplus or deficit for the period

The useful life and associated amortisation rate of computer software is as follows:

Asset Type	Useful Life	Depreciation/Amortisation Rate	Method
Computer software – acquired	3 – 5 years	20% – 33.33%	Straight line
Computer software – internally generated	3 – 5 years	20% – 33.33%	Straight line

Intangible Assets

	Intangible Assets $000	Work in Progress $000	Total $000
Cost			
Balance at 1 July 2023	**836**	**405**	**1,241**
Additions		125	125
Disposals/transfers	402	(405)	(3)
Revaluation increase	-	-	-
Other Movements	-	-	-
Balance at 1 July 2024	**1,238**	**125**	**1,363**
Additions	-	362	362
Disposals/transfers	355	(487)	(132)
Revaluation increase	-	-	-
Other Movements	-	-	-
Balance at 30 June 2025	**1,593**	**-**	**1,593**
Accumulated Amortisation and impairment losses			
Balance at 1 July 2023	**337**		**337**
Amortisation expense	230		230
Elimination on disposal	-	-	-
Balance at 1 July 2024	**567**	**-**	**567**
Amortisation expense	275	-	275
Elimination on disposal	(132)	-	(132)
Balance at 30 June 2025	**710**	**-**	**710**
Carrying amounts			
At 1 July 2023	499	405	904
At 1 July 2024	671	125	796
At 30 June 2025	**883**	**-**	**883**

8. Debtors and other receivables

Accounting Policy

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

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

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

Breakdown of receivables and further information

2024 Actual $000		2025 Actual $000
3,442	Gross receivables	1,179
-	Less: allowance for credit losses	(25)
3,442	**Net Receivables**	**1,154**
2,546	Current	-
412	Past due 31 - 60 days	477
34	Past due 31 - 60 days	380
450	Past due over 91 days not impaired	297
3,442	**Total**	**1,154**

The expected credit loss results from two receivables which the Commission has sufficient reason to believe may not be paid. (2023/24: no provision recognised).

9. Creditors and other payables

Accounting Policy

Creditors and other payables are recorded at their face value.

2024 Actual $000		2025 Actual $000
	Payables under exchange transactions	
1,025	Trade Creditors	199
932	Accrued Expenses	**983**
1,957	*Total Payables under exchange transactions*	*1,182*
	Payables under exchange transactions	
1,864	Taxes Payable	330
1,864	*Total Payables under exchange transactions*	*330*
3,821	**Total Trade Payables and Other Payables**	**1,512**

10. Revenue in Advance

Accounting Policy

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

2024 Actual $000		2025 Actual $000
2,781	LDC Levies and Courses	3,263
48	Public Service Fale revenue	254
276	Clerical and administration pay equity claim team delivery revenue	-
521	Employee Led Networks levies	-
200	Department of Internal Affairs - Innovation Fund	198
-	Health Assurance Review	165
136	Other revenue	39
3,962	**Total Revenue in Advance**	**3,919**

11. Employee Entitlements (Departmental)

Accounting Policy

Short-term employee entitlements

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in are measured based on accrued entitlements at current rates of pay.

These include salaries and wages and related employee expenses accrued up to balance date, annual leave earned to but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

Long-term employee entitlements

Employee entitlements that are not expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlements information; and
- the present value of the estimated future cash flows.

Breakdown of employee entitlements

2024 Actual $000		2025 Actual $000
	Current liabilities	
1,761	Accrued salaries and related expenses	1,566
2,201	Annual leave	1,987
48	Sick leave	53
107	Retirement and long service leave	113
4,117	**Total current portion**	**3,719**
	Non-current liabilities	
269	Long service leave	233
269	**Total current portion**	**233**
4,386	**Total employee entitlement**	**3,952**

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: 3.14%; year 2: 3.47%; year 3+: 5.58%) and the salary-inflation factor (year 1: 2.60%; year 2+: 2.89%).

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.

12. Provisions

Accounting Policy

A provision is recognised for future expenditure of an uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation. Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pretax discount rate based on market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated timing of the future cash outflows.

Restructuring

A provision for restructuring is recognised when an approved detailed formal plan for the restructuring has been announced publicly to those affected or implementation has already begun.

Holidays Act Remediation

A provision for the Holidays Act is recognised when there is sufficient evidence of errors in the payroll system resulting from the Holidays Act which will require remediation payments.

Breakdown of provisions and further information:

2024 Actual $000		2025 Actual $000
	Current portion	
228	Lease Make Good	-
114	LDC Fellowships	104
76	Ria McBride Award	79
276	Restructuring Provision	-
-	Holiday Act Remediaton Provision	197
724	**Total current portion**	**380**
	Non-current portion	
-	*Total non-current portion*	-
724	**Total Provisions**	**380**

The Commission was required at the expiry of the lease term in the Reserve Bank on 30 April 2025 to make good the premises. The $0.228 million provision provided for this was released when the Commission moved to their new premises at Te Iho.

	Lease Make Good	LDC Fellowships	Ria McBride Award	Restructuring Provision	Holidays Act Remediation Provision	Total
	$000	$000	$000	$000	$000	$000
Opening balance at 1 July 2023	228	144	79	-	-	**451**
Additional provisions made	-	-	15	276	-	291
Provisions released	-	-	(18)	-	-	(18**)**
Unused amounts reversed	-	-	-	-	-	-
Balance as at 30 June 2024	**228**	**144**	**76**	**276**	-	**724**
Opening balance at 1 July 2024	228	144	76	276	-	724
Additional provisions made	-	-	15	-	197	212
Amounts reversed	(67)	(40)	(12)	(276)	-	(395)
Unused amounts reversed	(161)	-	-	-	-	(161)
Closing balance at 30 June 2025	**-**	**104**	**79**	-	**197**	**380**

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

2024 Actual $000		2025 Actual $000
272	**Net Surplus (Deficit)**	**5,082**
	Add/(Less) Non-Cash Items	
687	Depreciation and Amortisation	606
687	Total Non-Cash Items	**606**
	Add/(Less) Working Capital Movement	
(815)	(Increase)/Decrease in Receivables and Prepayments	2,234
(2,320)	Increase/(Decrease) in Creditors and Other Payables	(820)
498	Increase/(Decrease) in GST	(1,036))
223	Increase/(Decrease) in Provisions	(344)
1,082	Increase/(Decrease) in Employee Entitlements	(895)
(1,282)	Total Net Movement in Working Capital Items	**(861)**
50	Add/(Less) Movements in Non-current Liabilities	(36)
	Add/(Less) Items Classified As Investing Or Financing Activities	
-	Transfer of Social Wellbeing Agency bank balance to Social Investment Agency	**1,327**
-	(Gain)/Losses on Disposal of Property, Plant and Equipment	-
(273)	**Net Cash Flows from Operating Activities**	**6,118**

14. Change in Organisational Form and Discontinued Operations

Change in Organisational Form– Social Wellbeing Agency

On 29 April 2024, Cabinet agreed to disestablish the Social Wellbeing Agency (SWA) and establish a new Public Service department named the Social Investment Agency (SIA). SWA's last day of operations was 30 June 2024 and SIA was established on 1 July 2024. The existing employees and functions of SWA were transferred to SIA. Contracts held by SWA were also transferred, and existing shared services arrangements continued

The opening 2024/25 balances of the Commission include the assets and liabilities of SWA. These net assets had a value of $61,000, which was the surplus made by SWA. These assets and liabilities were effectively transferred to SIA on 1 July with the $61,000 returned to the Commission for the repayment of surplus.

In June 2025, a $441,000 transfer of capital was made from the Commission to SIA. This was to give SIA the funding required to replace assets previously utilised as SWA which had been held by the Commission.

Financial impact of discontinued operation

The financial effect of SWA as a discontinued operation on the total revenue and expenses of the Commission is summarised below. Due to SWA's operations being transferred on 1 July 2024, no discontinued operations were reported for 2024/25.

2024 Continued activities Actual $000	2024 Discontinued activities Actual $000	2024 Total actual $000		2025 Actual $000
44,802	7,600	52,402	Revenue	48,995
44,591	7,539	52,130	Expenditure	43,913
211	61	272	Net surplus for period	5,082

The impact of SWA operations on the cash flow of the Commission for the year ended 30 June 2024 were not material because SWA largely operated on a break-even basis.

Change in Organisational Form– the transfer of the Crown Response Office

On 2 September 2024, Cabinet approved the transfer of functions from the Crown Response Unit, previously hosted by Oranga Tamariki, to a newly established Crown Response Office (CRO) within the Public Service Commission. This followed a recommendation in Whanaketia to establish a central government agency to coordinate, monitor, and report on the government's response to the Royal Commission.

The CRO is led by a Functional Chief Executive, who reports to the Lead Coordination Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions. The Commission appointed the Functional Chief Executive on 30 October 2024. All 42 staff from the Crown Response Unit transferred to the CRO on 6 December 2024.

CRO was established to implement the work programme arising from the Royal Commission of Inquiry into Abuse in Care. Its functions include policy advice, stakeholder engagement, and coordinating, monitoring, and reporting on implementation.

The Crown Response Unit was funded through Vote Oranga Tamariki for the 2024/25 financial year. All unused funding was transferred to Vote Public Service during the year, into the newly established Responding to the Inquiry into Abuse in Care appropriation.

CRO had no assets and an annual leave liability of $271,661 at the time of the transfer.

15. Equity

Accounting Policy

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

2024 Actual $000		2025 Actual $000
	Taxpayers' funds	
5,742	**Balance as at 1 July**	5,742
272	Surplus	5,082
-	Capital injections	-
-	Retention of surplus	-
-	Capital withdrawal	(1,441)
145	Transfer of memorandum account net (surplus)/deficit for the year	207
	Transfer of ELN memorandum account to retained earnings	401
(417)	Return of operating surplus to the Crown	(5,289)
5,742	**Balance as at 30 June**	**4,702**
	Artwork revaluation reserves	
242	Balance as at 1 July	242
-	Revaluation gains	-
242	**Balance as at 30 June**	**242**
	Memorandum accounts	
1,685	**Balance as at 1 July**	1,540
(145)	Net memorandum account surpluses/(deficits) for the year	(207)
	Transfer of ELN memorandum account to retained earnings	(401)
1,540	**Balance as at 30 June**	**932**
7,524	**Total equity**	**5,876**

Breakdown of memorandum accounts and further information

2024 Actual $000		2025 Actual $000
	Leadership Development Centre memorandum account	
1,254	**Balance as at 1 July**	1,139
3,864	Revenue	3,760
(3,979)	Expenses	(3,967)
(115)	**Surplus/deficit for the year**	**(207)**
1,139	**Balance as at 30 June**	**932**

2024 Actual $000		2025 Actual $000
	Employee Led Networks memorandum account	
431	**Balance as at 1 July**	401
-	Capital injection	-
799	Revenue	-
(829)	Expenses	-
-	Closure of memorandum account (transfer to retained earnings)	(401)
(30)	**Surplus/deficit for the year**	**-**
401	**Balance as at 30 June**	**-**

These memorandum accounts summarise financial information on the accumulated surpluses and deficits from providing statutory information and conducting accountability reviews on a full cost recovery basis. We expect the balance of the Leadership Development Centre memorandum account to trend toward zero over time. Interim deficits are met either from the Commission's cash reserves or through approved capital injections from the Crown, which are repaid via cash payments during the memorandum account cycle.

The Employee-led Networks memorandum account has been discontinued following the disestablishment of the Employee-led Networks team within the Commission. The work programme undertaken by the Employee-let Networks team has been transferred to other functions within the Commission, and the balance of the memorandum account at closing has been distributed to these functions to fund this activity over the next three years. The memorandum account balance has been transferred to Retained Earnings.

16. 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.

2024 Actual $000		Notes	2025 Actual $000
272	**Net (deficit)/surplus**		**5,082**
	Add back:		
-	Artwork revaluation losses/(gains) recognised in surplus/deficit		-
145	Net operating deficit/(surplus) in memorandum accounts	13	207
-	Net operating deficit in other operating activities		-
417	**Return of operating surplus to the Crown**		**5,289**

17. Related party transactions

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

The Commission is a wholly-owned entity of the Crown. The Government significantly influences the activities 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, is based on the standard terms and conditions that apply to all tax and levy payers

Key management personnel

The Commission Actual 2024	SWA Actual 2024		The Commission Actual 2025
		Leadership Team, including the Public Service Commissioner	
4,144,005	1,060,700	Remuneration	3,412,160
238,825	206,908	Termination benefits	-
9.87	3.33	Full-time equivalent staff	7.25

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 her 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.

The key management personnel compensation includes all members of the Commission who sit on the leadership team. This does not include any members of the Crown Response Office, including the Functional Chief Executive, who do not sit on the Leadership Team.

There were no other related party transactions involving key management personnel or their close family members during the year. No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2024: Nil).

18. Events after balance date

No significant events occurred after balance date that would affect the reader's understanding of the Commission's financial position or performance as at 30 June 2025 (2024: None).

19. Explanation of major variances against budget

The following major budget variations occurred between the 2024/25 actual results and the 2024/25 original (Mains) budget.

Statement of Comprehensive Revenue and Expense

Revenue

Revenue Crown was higher than originally budgeted due to the transfer of the Crown Response Office from Oranga Tamariki to the Commission in November 2024. This was slightly offset by an expense transfer into 2025/26 to assist with cost pressures arising from remuneration increases and inflation.

Revenue other was higher than originally budgeted due to an increase in revenue from other departments. The largest contributions were from recoveries from Health NZ for undertaking the Health Assurance Review, recoveries from the Ministry for Regulation for the provision of shared services, the two investigations carried out by the Commission (where some of the costs are recovered from the respective agencies), and staff on secondment (where the Commission continues to pay staff costs and receives revenue from the secondment agency to cover it).

Expenditure

Personnel and other operating costs were both higher than budgeted due to the transfer of the Crown Response Office, as covered 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.

Variances in the Statement of Changes in Equity result from the transfer of capital from the Commission to the Social Investment Agency (SIA). This is because the Commission was holding assets which belonged to the previous Social Wellbeing Agency which were transferred to SIA during the year.

20. Financial Instruments

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

2024 Actual $000		2025 Actual $000
	Financial assets measured at amortised cost	
12,886	Cash and cash equivalents	15,308
6,470	Receivables (excluding taxes receivable)	4,182
19,356	**Total financial assets measured at amortised cost**	**19,490**
	Financial liabilities measured at amortised cost	
1,957	Payables (excluding income in advance and taxes payable)	1,182
1,957	**Total financial liabilities measured at amortised cost**	**1,182**

Financial instrument risks

The Commission's activities expose it to a variety of financial instrument risks, including credit risk, and liquidity risk. The Commission has policies to manage the risks associated with financial instruments and seeks to minimise exposure from financial instruments. These policies do not allow it to enter any transactions that are speculative in nature.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises from future purchases and recognised liabilities that are denominated in a foreign currency.

The Commission may contract for services internationally but has limited exposure to currency risk because such transactions are concluded on a short-term basis.

Credit risk

Credit risk is the risk that a third party will default on its obligations to the Commission, causing the Commission to incur a loss. In the normal course of its business, credit risk arises from debtors and other receivables and deposits with banks.

The Commission's maximum credit exposure for each class of financial instrument is represented by the total carrying amount of cash and cash equivalents and receivables.

Although cash and cash equivalents as at 30 June 2025 are subject to the expected credit loss requirements of PBE IPSAS 41 *Financial Instruments*, no loss allowance has been recognised because the estimated loss allowance for credit losses is trivial.

The Commission is permitted to deposit funds only with Westpac (Standard & Poor's credit rating of A+), a registered bank, and enter into foreign exchange forward contracts with the New Zealand Debt Management function within Treasury (Standard & Poor's credit rating of AA+).

Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty raising liquid funds to meet its commitments as they fall due. As part of meeting its liquidity requirements, the Commission closely monitors its forecast cash requirements with expected cash drawdowns from the New Zealand Debt Management function within Treasury. The Commission maintains a target level of available cash to meet liquidity requirements.

As at 30 June 2025, expected cash outflows from payables maturing within six months total $1,182,000 (2024: $1,957,000). These figures represent contractual undiscounted cashflows.

Non-departmental Statements and Schedules (for the year ended 30 June 2025)

The following non-departmental statements and schedules record the revenue, expenses, assets, liabilities, and commitments that the Commission manages on behalf of the Crown.

Schedule of Non-departmental Expenses

for the year ended 30 June 2025

2024 Actual $000		2025 Actual $000	2025 Budget Unaudited $000	2025 Supps Unaudited $000	2026 Forecast Unaudited $000
19,492	**Remuneration and related employment costs of chief executives** *Consists of:*	**21,151**	**20,049**	**22,167**	**20,780**
19,395	Remuneration and leave costs	21,035	19,524	21,799	20,380
51	Training and development	116	525	368	400
46	Relocation costs	-	-	-	-
200	Open Government Partnership	200	200	200	200
-	Redress payments to survivors of Lake Alice Child and Adolescent Unit	26,500	-	19,560	150
-	Payments to support survivors of Lake Alice Child and Adolescent Unit	428	-	2,010	550
9	GST Input expense	85	-	-	-
19,701	**Total non-departmental expenses**	**48,364**	**20,249**	**43,937**	**21,680**

Explanation of significant variance against budget are provided in Note 3.

Schedule of Non-departmental Revenue and Receipts

for the year ended 30 June 2025

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

2024 Actual $000		2025 Actual $000	2025 Budget Unaudited $000	2025 Supps Unaudited $000	2026 Forecast Unaudited $000
18,386	Reimbursement of chief executives' remuneration	19,306	18,804	20,422	20,035
18,386	**Total non-departmental revenue**	**19,306**	**18,804**	**20,422**	**20,035**

Explanation of significant variance against budget are provided in Note 3.

The accompanying notes form part of these non-departmental statements and schedules.

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 2025.

Schedule of Non-departmental Assets

as at 30 June 2025

2024 Actual $000		2025 Actual $000	2025 Budget Unaudited $000	2025 Supps Unaudited $000	2026 Forecast Unaudited $000
15,319	Cash	24,630	13,798	15,319	15,319
-	Debtors and other receivables	-	-	-	-
15,319	**Total non-departmental assets**	**24,630**	**13,798**	**15,319**	**15,319**

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

Schedule of Non-departmental Liabilities

as at 30 June 2025

2024 Actual $000		Notes	2025 Actual $000	2025 Budget Unaudited $000	2025 Supps Unaudited $000	2026 Forecast Unaudited $000
60	**Creditors and other payables**		10,226	61	60	60
-	**Provisions**	2	3,750	-	-	-
	Current liabilities – employee entitlements					
854	Salaries and wages		1,187	572	854	854
2,117	Annual leave		1,969	1,971	2,117	2,117
2,971	Total current liabilities – employee entitlements		3,156	2,543	2,971	2,971
	Long-term liabilities					
1,247	Retirement leave		883	835	1,247	1,247
4,218	Total current and long-term provision for employee entitlements		4,039	3,378	4,218	4,218
4,278	**Total non-departmental liabilities**		**18,015**	**3,439**	**4,278**	**4,278**

Explanation 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 2024.

Schedule of Non-departmental Commitments

as at 30 June 2025

There are no non-departmental commitments as at 30 June 2025 (2024: Nil).

Schedule of Non-departmental Contingent Liabilities and Contingent Assets

as at 30 June 2025

There are no non-departmental contingent liabilities and contingent assets as at 30 June 2025 (2024: Nil).

Notes to the Non-Departmental Statements and Schedules (for the year ended 30 June 2025)

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.

The non-departmental balances are consolidated into the Financial Statements of the Government for the year ended 30 June 2025. 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 2025.

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, and in accordance with relevant Treasury Instructions, and Treasury Circulars.

Measurements and recognition rules applied in the preparation of these non-departmental statements and schedules are consistent with NZ GAAP, applying Tier 1 PBE Accounting Standards, as appropriate for public sector entities.

Presentation currency and rounding

The non-departmental statements and schedules are presented in New Zealand dollars (NZ dollars) and all Values are shown in New Zealand dollars and rounded to the nearest thousand ($000), unless stated otherwise

Summary of significant accounting policies

Significant accounting policies are included in the notes to the departmental financial statements and non-departmental schedules on page 93.

Comparatives

All comparative amounts are consistent with those included in the previous year's non-departmental statements and schedules.

New or amended accounting standards

No new accounting standards adopted this year have materially impacted the preparation of the non-departmental statements and schedules

Other changes in accounting policies

There have been no other changes in accounting policies since the last audited non-departmental statements and schedules.

Standards issued and not yet effective and not early adopted

No new accounting standards have been issued that are not yet effective or early adopted, and none are expected to materially impact these non-departmental statements and schedules when adopted in 2025/26.

Budget and forecast figures

Basis of the budget and forecast figures

The 2025 budget figures are for the year ended 30 June 2025 and were published in the 2023/24 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 2024/25.

The 2026 forecast figures are for the year ending 30 June 2026 and are consistent with the best estimate financial forecast information submitted to the Treasury for the BEFU for the year ending 2025/26.

The forecast financial statements have been prepared as required by the Public Finance Act 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 forecast figures for 30 June 2026 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 9 April 2025. The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the underlying assumptions and all other required disclosures.

The Commission regularly updates its forecasts. The updated forecast for the 2026 Supplementary Estimates for the year ending 2026 will be included in the 2026 annual report

2. Provisions

Accounting Policy

A provision is recognised for future expenditure of an uncertain amount or timing when:

- there is a present obligation (either legal or constructive) as a result of a past event;
- it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation; and
- a reliable estimate can be made of the amount of the obligation.

Provisions are not recognised for net deficits from future operating activities.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pretax discount rate based on market yields on government bonds at balance date with terms to maturity that match, as closely as possible, the estimated timing of the future cash outflows.

Lake Alice Redress Payments Provision

In December 2024, the Government announced the redress process for survivors of torture at the Lake Alice Child and Adolescent Unit.

The redress process consists of three components; a one-off payment which recognises an individual's experience of torture as a child, a new written apology which explicitly acknowledges torture, and facilitating access to support and rehabilitative services.

For the one-off payments eligible survivors were provided with two payment pathways:

a) An individual payment process which was open to 30 April 2025, where the payment amount would be assessed by an independent arbitrator; and

b) An expedited payment process open for registration to 30 September 2025, which provides an individual fixed payment of $150,000.

As at the date of approving these financial statements, the Government had made available up to $26.560 million for the one-off payments. The provision recognises the Commission's best estimate of future claims that will be settled from funding as approved by Cabinet at year-end.

Breakdown of provisions and further information

2024 Actual $000		2025 Actual $000
-	Opening balance	-
-	Provision recognised during the year	26,500
-	Payments made to survivors during the year	(12,610)
-	Unpaid claims included in creditors and other payables	(10,140)
-	**Closing balance**	**3,750**

3. Explanation of major variances against budget

Schedule of revenue and schedule of expenses

The variance in the current year actuals and budget is due to the December 2024 announcement of the redress payments to survivors of torture at the Lake Alice Child and Adolescent Unit.

Schedule of assets and schedule of liabilities

The variance in the schedule of assets and liabilities are due to the announcements of redress payments covered above. This significantly increased the Commission's cash, with an increase in payables due to outstanding payments for confirmed claimants, and a provision for projected future claimants.

B.14 (Vote Public Service)

Lead Coordination Minister

Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions portfolio

Vote Public Service

Report in relation to selected non-departmental appropriations for the year ended 30 June 2025

Presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989

Minister's introduction

In accordance with section 19B of the Public Finance Act 1989 (the Act), as a Minister having responsibility for non-departmental appropriations within Vote Public Service in 2024/25, I submit the following report on those non-departmental appropriations in the Vote that were not granted an exemption from reporting under section 15D of the Public Finance Act 1989.

A non-departmental appropriation authorises a Minister to engage providers or suppliers outside of government departments to deliver services or produce outputs. The relevant appropriation is the Lake Alice Unit Torture-Redress Payments Multi-Category Appropriation.

The purpose of this appropriation is to support and enable redress payments to survivors of torture at the Lake Alice Child and Adolescent Unit. This report outlines the intended outcomes of this appropriation, alongside the financial and non-financial performance for the period of 14 February 2025 to 30 June 2025.

The Lake Alice Unit Torture-Redress Payments multi-category appropriation has a single performance measure designed to provide an overall assessment on the performance of the appropriation. The individual categories within the appropriation were granted an exemption from reporting, and are listed in the Appendix at the end of this report.

The performance information in this report has not been audited.

Hon Erica Stanford
Lead Coordination Minister for the Government's Response to the Royal Commission's Report into Historical Abuse in State Care and in the Care of Faith-based Institutions

Summary of performance

Lake Alice Unit Torture-Redress payments

Scope of appropriation

Non-Departmental Output Expenses

- **Support for survivors of torture at the Lake Alice Child and Adolescent Unit**
  This category supports survivors of torture at the Lake Alice Child and Adolescent Unit to access the services they need to engage with the redress process.

Non-Departmental Other Expenses

- **Redress payments for survivors of torture at the Lake Alice Child and Adolescent Unit**
  This category provides redress payments to survivors of torture at the Lake Alice Child and Adolescent Unit.

Intention statement

This appropriation is intended to achieve the successful implementation of the redress package for survivors of torture at the Lake Alice Child and Adolescent Unit.

Financial performance

2024 Actual $000		2025 Actual $000	2025 Unaudited Budget $000	2025 Unaudited Budgets $000	2026 Unaudited Forecast $000
-	**Non-Departmental Output Expenses**				
-	Support	428	-	2,010	550
	Non-Departmental Other Expenses				
	Claims	26,500	-	19,560	150
-	**Total Appropriation**	**26,928**	-	**21,570**	**700**

Commentary

Actual expenditure for the year was $5.358 million higher than the 2025 Supplementary Estimates. This is the result of the emergence of additional confirmed claimants who had not previously applied for any redress for abuse at the Lake Alice Unit and so were unknown to the Crown until that time. Cabinet approved an additional $7 million in funding in June 2025 to meet the latest estimate of the total liability for eligible claimants. This was after the publication of the 2025 Estimates, resulting in $5.358 million of unappropriated expenditure. No expenditure was incurred without authorisation.

Non-financial performance

What We Achieved

Performance Measure	Performance standard	2021/22 Result	2022/23 Result	2023/24 Result	2024/25 Result
A redress system for survivors of torture at the Lack Alice Child Adolescent Unit is operationalised, including: • A one-off redress payment for each eligible survivor • A new apology for each eligible survivor signed by the Prime Minister and Minister for Mental Health, which explicitly acknowledges torture • Support for eligible survivors to engage with the redress process (as required) (see Note 1)	Achieved	New Measure	New Measure	New Measure	Achieved

Commentary

The Crown Response Office made redress payments to 85 claimants in the period to 30 June 2025. The average time from the receipt of documentation from eligible claimants to the payments being made was 2 working days. All redress payments were made within 10 working days.

A new, individualised apology has been drafted for each eligible survivor, explicitly acknowledging the torture they experienced. Apologies are provided once all required signatures have been obtained, and the redress process has been completed.

Support for survivors has been provided in line with their engagement in the redress process. This has included access to legal services, financial advice, counselling, and other wellbeing support tailored to meet the specific needs of each survivor.

Measurement approach

- A comparison between the date all required documents were received from an eligible claimant (or their legal representative), including the statutory declaration, verified bank account details, and signed settlement agreement and the date the payment was made to the claimant.

Relevance

- Central government agencies are committed to paying 95% of domestic invoices within 10 working days.
- Whilst the nature of the measured payment facilitated by the Crown Response Office is not due to receipt of a domestic invoice, the same target and timeframe has been applied as a measure of timeliness.

Note 1

- This new measure was introduced in 2024/25 to align with the Government's response to redress for torture at the Lake Alice Child and Adolescent Unit. On 16 December 2024, Cabinet agreed to provide redress. As this is the first year of data collection, there is no reliable prior-year comparative data.

Appendix: Exemptions from end-of-year reporting

The following categories within the Lake Alice Unit Torture-Redress Payments multi-category appropriation are exempt from end-of-year performance reporting under Vote Public Service.

Lake Alice Unit Torture-Redress Payments

Support for Survivors of Torture at the Lake Alice Child and Adolescent Unit

- An exemption was granted as the appropriation is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(iii) of the PFA, and the annual amount of the category is not likely to exceed $5 million.

Redress Payments for Survivors of Torture at the Lake Alice Child and Adolescent Unit

- An exemption was granted as the category is one from which resources will be provided to a person or entity other than a department, a functional chief executive, an Office of Parliament, or a Crown entity under s15D(2)(b)(ii) of the PFA, and additional performance information is unlikely to be informative because this appropriation is solely for the redress payments to survivors of torture at the Lake Alice Child and Adolescent Unit

Te Kawa Mataaho
Public Service Commission