

# *Vote State Services*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of State Services (M66)

ADMINISTERING DEPARTMENT: State Services Commission

MINISTER RESPONSIBLE FOR STATE SERVICES COMMISSION: Minister of State Services

# Details of Appropriations

## Details of Annual and Permanent Appropriations

Titles and Scopes of Appropriations by Appropriation Type	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Departmental Output Expenses</b>			
<b>E-government Development and Operations (M66)</b> The development, operations and evaluation of e-government services, infrastructure and initiatives in the State sector.	23,295	814	24,109
<b>Government Shared Network (M66)</b> The development, deployment and operation of Telecommunications infrastructure, architected to government standards, for the shared use of public sector agencies.	10,083	3,138	13,221
<b>State Services Development, Governance and Performance (M66)</b> Chief executive appointment and performance management services, advice on governance and performance of the State Services, leading and reinforcing integrity and conduct, support to the Minister of State Services, and operational services to client departments.	12,059	19	12,078
<b>State Services People Capability (M66)</b> The development, implementation and evaluation of initiatives to ensure the State Services is an employer of choice, and to develop the skills of State servants at all levels.	12,190	947	13,137
<b>Total Departmental Output Expenses</b>	57,627	4,918	62,545
<b>Non-Departmental Output Expenses</b>			
<b>Development of On-line Authentication Services (M66)</b> Services provided by the Office of the Privacy Commissioner in the development of on-line authentication services.	116	-	116
<b>Total Non-Departmental Output Expenses</b>	116	-	116
<b>Benefits and Other Unrequited Expenses</b>			
<b>Mainstream Supported Employment Programme (M66)</b> A supported employment programme for people with disabilities, which aims to assist its clients to gain permanent employment in the State sector.	4,566	(1,000)	3,566
<b>Total Benefits and Other Unrequited Expenses</b>	4,566	(1,000)	3,566
<b>Other Expenses to be Incurred by the Crown</b>			
<b>KiwiSaver: State Sector Employer Contributions (M66)</b> This appropriation is limited to funding compulsory employer contributions to KiwiSaver on behalf of State Sector employers.	-	1,000	1,000
<b>Payment and Remuneration of Chief Executives (M66)</b> The payment of salaries and costs relating to the employment of: chief executives of Public Service and related organisations; and chief executives in transition.	12,361	(3)	12,358
<b>Settlement of Legal Liabilities (M66)</b> The settlement of legal liabilities incurred by now-disestablished government departments and other Crown settlements.	196	-	196

	2007/08		
	Estimates Budget \$000	Supplementary Estimates Budget \$000	Total Budget \$000
<b>Titles and Scopes of Appropriations by Appropriation Type</b>			
<b>State Sector Retirement Savings Scheme (M66)</b>	102,093	(2,418)	99,675
Employer contributions to State Sector Retirement Savings Scheme, to provide superannuation for State sector employees who are not members of the Government Superannuation Fund.			
<b>Total Other Expenses to be Incurred by the Crown</b>	114,650	(1,421)	113,229
<b>Capital Expenditure to be Incurred by the Department</b>			
<b>State Services Commission - Capital Expenditure PLA (M66)</b>	-	12,358	12,358
This appropriation is limited to the purchase or development of assets by and for the use of the State Services Commission, as authorised by section 24(1) of the Public Finance Act 1989			
<b>Total Capital Expenditure to be Incurred by the Department</b>	-	12,358	12,358
<b>Total Annual and Permanent Appropriations</b>	176,959	14,855	191,814

# Details of Projected Movements in Departmental Net Assets

## State Services Commission

Details of Net Asset Schedule	2007/08 Estimates Projections \$000	2007/08 Supplementary Estimates Projections \$000	Explanation of Projected Movements in 2007/08
Opening Balance	27,786	19,707	Supplementary Estimates opening balance reflects the audited results as at 30 June 2007.
Capital Injections	5,000	12,579	Capital injections reflect \$5 million Cabinet-approved funding for the pilot programme for the Authentication - Identity Verification Service less \$2 million transferred to 2008/09 as a capital transfer plus \$1.875 million capital transfer for the Authentication programme from 2006/07. The remaining \$7.704 million has resulted from a technical change in the treatment of GSN programme funding.
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	-	(9,049)	The deficit has resulted from a technical change in the treatment of the funding for the GSN programme and reflects the net deficit for the GSN operating activity for the 2007/08 year.
Other Movements	-	-	
Closing Balance	32,786	23,237	

# *Information Supporting the Supplementary Estimates*

## *Vote State Services*

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MINISTER(S) RESPONSIBLE FOR APPROPRIATIONS: Minister of State Services (M66)

ADMINISTERING DEPARTMENT: State Services Commission

MINISTER RESPONSIBLE FOR STATE SERVICES COMMISSION: Minister of State Services

## Part 1 - Summary of the Vote

### Part 1.3 - Trends in the Vote

#### Summary of Financial Activity

	2007/08				
	Estimates \$000	Supplementary Estimates			Total \$000
		Departmental Transactions \$000	Non- Departmental Transactions \$000	Total Transactions \$000	
<b>Appropriations</b>					
Output Expenses	57,743	4,918	-	4,918	62,661
Benefits and Other Unrequited Expenses	4,566	N/A	(1,000)	(1,000)	3,566
Borrowing Expenses	-	-	-	-	-
Other Expenses	114,650	-	(1,421)	(1,421)	113,229
Capital Expenditure	-	12,358	-	12,358	12,358
Intelligence and Security Department Expenses and Capital Expenditure	-	-	N/A	-	-
<b>Total Appropriations</b>	<b>176,959</b>	<b>17,276</b>	<b>(2,421)</b>	<b>14,855</b>	<b>191,814</b>
<b>Crown Revenue and Receipts</b>					
Tax Revenue	-	N/A	N/A	-	-
Non-Tax Revenue	11,581	N/A	N/A	(350)	11,231
Capital Receipts	-	N/A	N/A	-	-
<b>Total Crown Revenue and Receipts</b>	<b>11,581</b>	<b>N/A</b>	<b>N/A</b>	<b>(350)</b>	<b>11,231</b>

#### Analysis of Significant Trends

Expense transfers for E-government initiatives from 2006/07 to 2007/08 are the biggest contributor to the increase in appropriation over the period. In addition, an appropriation of \$1 million has been approved by Cabinet in the period to cover KiwiSaver employer contributions. This has been partially offset by reductions in utilisation of Benefits and Other Unrequited Expenses and Other Expenses. Departmental Capital expenditure is now included as an appropriation.

## Part 2 - Details and Expected Performance for Output Expenses

### Part 2.1 - Departmental Output Expenses

#### E-government Development and Operations (M66)

##### *Scope of Appropriation*

The development, operations and evaluation of e-government services, infrastructure and initiatives in the State sector.

##### *Expenses and Revenue*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	23,295	814	24,109
Revenue from the Crown	20,865	1,349	22,214
Revenue from Others	2,430	(535)	1,895

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

Appropriation changes have resulted from Authentication programme expense transfers of \$3.700 million from 2006/07 to 2007/08 and \$3 million from 2007/08 to 2008/09. Delays in agency implementation of the Government Logon Service resulted in delays in revenue received.

#### Government Shared Network (M66)

##### *Scope of Appropriation*

The development, deployment and operation of Telecommunications infrastructure, architected to government standards, for the shared use of public sector agencies.

##### *Expenses and Revenue*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	10,083	3,138	13,221
Revenue from the Crown	-	-	-
Revenue from Others	10,083	(5,911)	4,172

*Reasons for Change in Appropriation*

An expense transfer of \$2.934 million from 2006/07 to 2007/08 increased funds available in the 2007/08 year. A technical change in the accounting treatment of the Government Shared Network funding occurred in October 2007 resulting in a reduction in revenue from others. Delay in completion of the project has resulted in delays in receipt of revenue from third parties and reduced direct expenditure.

**State Services Development, Governance and Performance (M66)***Scope of Appropriation*

Chief executive appointment and performance management services, advice on governance and performance of the State Services, leading and reinforcing integrity and conduct, support to the Minister of State Services, and operational services to client departments.

*Expenses and Revenue*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	12,059	19	12,078
Revenue from the Crown	11,067	19	11,086
Revenue from Others	992	-	992

**State Services People Capability (M66)***Scope of Appropriation*

The development, implementation and evaluation of initiatives to ensure the State Services is an employer of choice, and to develop the skills of State servants at all levels.

*Expenses and Revenue*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	12,190	947	13,137
Revenue from the Crown	7,450	17	7,467
Revenue from Others	4,740	930	5,670

*Reasons for Change in Appropriation*

Administration expenditure for KiwiSaver (CAB Min (08) 7/1) has increased the baseline by \$150,000 per annum. Increased appropriation has largely resulted from expense transfers totalling \$1.200 million from 2006/07 to 2007/08 and \$400,000 from 2007/08 to 2008/09, funded from third-party revenue.



## Part 2.2 - Non-Departmental Output Expenses

### Development of On-line Authentication Services (M66)

#### *Scope of Appropriation*

Services provided by the Office of the Privacy Commissioner in the development of on-line authentication services.

#### *Expenses*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	116	-	116

## Part 3 - Details for Benefits and Other Unrequited Expenses

### Part 3.2 - Non-Departmental Benefits and Other Unrequited Expenses

#### Mainstream Supported Employment Programme (M66)

##### *Scope of Appropriation*

A supported employment programme for people with disabilities, which aims to assist its clients to gain permanent employment in the State sector.

##### *Expenses*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	4,566	(1,000)	3,566

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

Utilisation of the Mainstream Supported Employment Programme has been less than forecast with a resulting reduction in expenditure on benefits.

## Part 5 - Details and Expected Results for Other Expenses

### Part 5.2 - Non-Departmental Other Expenses

#### KiwiSaver: State Sector Employer Contributions (M66)

##### *Scope of Appropriation*

This appropriation is limited to funding compulsory employer contributions to KiwiSaver on behalf of State Sector employers.

##### *Expenses*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	-	1,000	1,000

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

Cabinet has approved the appropriation to fund compulsory employer contributions to KiwiSaver on behalf of State Sector employers (CAB Min (08) 7/1).

##### *Expected Results*

	2007/08		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Approved employers are reimbursed for employer contributions to KiwiSaver correctly and on time.	Meet	Meet	Meet

#### Payment and Remuneration of Chief Executives (M66)

##### *Scope of Appropriation*

The payment of salaries and costs relating to the employment of: chief executives of Public Service and related organisations; and chief executives in transition.

##### *Expenses*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	12,361	(3)	12,358

## State Sector Retirement Savings Scheme (M66)

### *Scope of Appropriation*

Employer contributions to State Sector Retirement Savings Scheme, to provide superannuation for State sector employees who are not members of the Government Superannuation Fund.

### *Expenses*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Total Appropriation	102,093	(2,418)	<b>99,675</b>

### *Reasons for Change in Appropriation*

Projected decrease in uptake of State Sector Retirement Savings Scheme has resulted in a projected reduction in reimbursement of employer contributions to government departments.

## Part 6 - Details and Expected Results for Capital Expenditure

### Part 6.1 - Departmental Capital Expenditure

#### State Services Commission - Capital Expenditure PLA (M66)

##### *Scope of Appropriation*

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

##### *Capital Expenditure*

	2007/08		
	Estimates \$000	Supplementary Estimates \$000	Total \$000
Forests/Agricultural	-	-	-
Land	-	-	-
Property, Plant and Equipment	-	5,325	5,325
Intangibles	-	7,033	7,033
Other	-	-	-
Total Appropriation	-	12,358	12,358

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

Technical change.

##### *Expected Results*

	2007/08		
	Estimates Standard	Supplementary Estimates Standard	Total Standard
Investment in assets to support the achievement of departmental outcomes.	Meet	Meet	Meet