

27 February 2024

██████████
Public Service Association

By email: ██████████

Tēnā koe ██████████,

Official Information Act request

Thank you for your request under the Official Information Act 1982 (OIA) about information received regarding fiscal or change management, which we received on 9 February 2024.

You said:

We are making a request under the Official Information Act. We would be grateful if you can provide us with copies of:

1. Any correspondence received by you between 1 December 2023 and today from your agency's responsible minister, the Minister of Finance, Treasury, or any other Minister or Agency regarding the fiscal sustainability programme, including any savings required by your agency.
2. Any letters of expectation or guidance from Te Kawa Mataaho received by you between 1 December 2023 and today regarding change management or employment relations.

In responding to your request, we have weighed up the factors in the OIA, including the purposes in [section 4](#) and the principle of availability in [section 5](#).

Response to your request

Correspondence received from Ministers or agencies regarding fiscal sustainability

Attached is a letter from our monitoring agency, the Department of Internal Affairs, about the Government's fiscal objectives.

We have not received correspondence from any minister or agency specifically regarding savings required by our agency.

Letters or guidance from Te Kawa Mataaho regarding change management or employment relations

Within the scope of your request is a draft Government Workforce Policy Statement from Te Kawa Mataaho that we were consulted on. This draft document is under

active consideration by the responsible Minister. Accordingly, this document is withheld under section 9(2)(f)(iv). However, we understand that the Public Service Association has already received a copy of the same draft Government Workforce Policy Statement.

Publication of response

This response may be published on the Classification Office's [website](#). If it is published there, your personal information will be redacted.

Right of review

You have the right to make a complaint and seek a review by the Ombudsman of this response under [section 28\(3\) of the OIA](#). Information about this process is available at ombudsman.parliament.nz or freephone 0800 802 602.

Thank you for your interest in our mahi.

Ngā mihi nui,
Te Mana Whakaatu—Classification Office



11 January 2024

45 Pipitea Street

Wellington 6140

dia.govt.nz

Caroline Flora
Chief Censor
Classification Office

Tēnā koe Caroline

FISCAL OBJECTIVES ACROSS THE TERM AND BUDGET 2024

The Crown has been in operating deficit since 2019/20 and there is an ongoing challenging fiscal environment. High inflation and interest rates are creating significant cost of living pressures for New Zealanders and putting pressure on Government finances. Our economy relies on a fiscal strategy that sees a steady path to return to surplus, supporting monetary policy to bring inflation down. Strict fiscal management will be necessary to get the government books back in order and ensure limited funds are directed towards the highest value investments. The Government expects all public sector organisations to play their part in this, including statutory Crown entities, Crown entity companies, State Owned Enterprises (SOEs) and Public Finance Act Schedule 4A companies.

I have been asked to write to you to ensure you are aware of this context and the steps being taken to address it.

As part the Government's immediate actions, it will be making decisions to reduce public expenditure, including consultant and contractor expenditure. Meeting the Government's fiscal objectives while also delivering better public services requires looking at all public expenditure, not just that of departments. A target level of savings for Budget 2024 has been established for all agencies. The responsible department will be required to quickly identify these savings.

Government agencies and other public organisations should expect enhanced scrutiny of Crown funding. Crown entities are also expected to operate efficiently, effectively and in a financially responsible manner, ensuring that they act as a successful going concern. You should be able to demonstrate that activities funded from Crown revenue are:

- As efficient as possible;
- Making a difference for New Zealanders.

As your Crown entity receives funding from the Crown, including funding for the purchase of goods or services, I would be grateful if you could:

- work proactively with my monitoring department to identify material savings and efficiency improvements for your entity, including trade-offs and impacts on their ability to carry out the entity's functions.

- work proactively with my monitoring department to identify how cost pressures can be managed within existing funding envelopes.
- Provide information to my department so that the Government can be assured that expectations are being met while continuing to deliver for New Zealand.

Officials from the Department will be in touch shortly to discuss next steps. We understand your current fiscal position and our aim will be to consider and determine how the Classification Office can contribute to the Crown's fiscal objectives.

For the duration of this term, it is expected that there will be a greater focus on reprioritisation and managing cost drivers, while delivering improved performance. This applies to both departmental and non-departmental appropriations.

Ngā mihi



Paul James ([he/him](#))

Tumu Whakarae mō Te Tari Taiwhenua | Secretary for Internal Affairs

[Government Chief Digital Officer](#) | [Secretary for Local Government](#)

Te Tari Taiwhenua | Department of Internal Affairs

Released under the Official Information Act 1982