

DEPARTMENT OF THE PRIME MINISTER AND CABINET

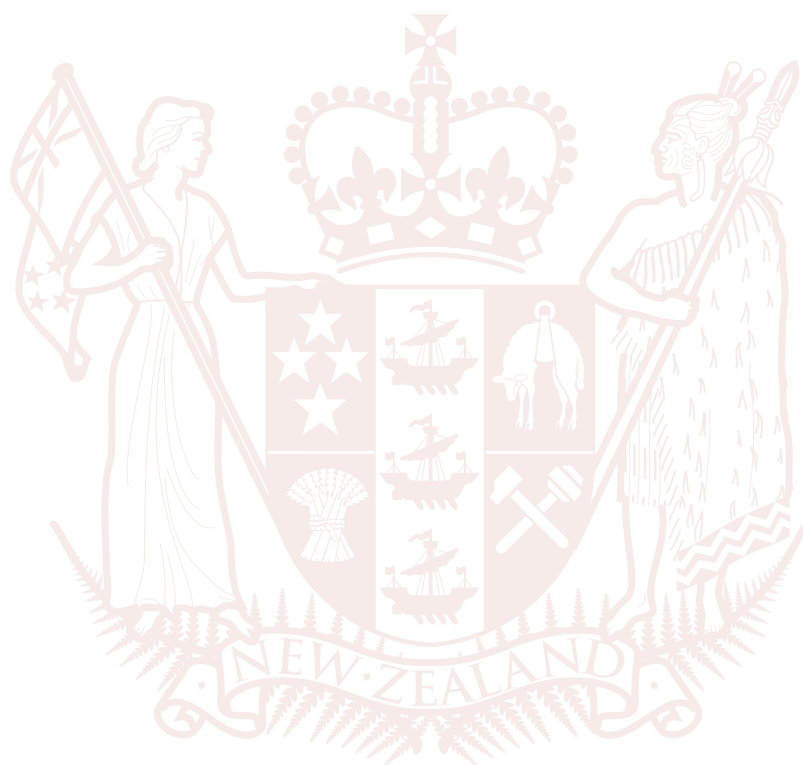
# Statement of Intent

For the Year Ending 30 June 2006

*Presented to the House of Representatives*

*Pursuant to Section 39 of the Public Finance Act 1989*

ISSN: 1176-2217





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# Directory

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# Senior management

## Chief Executive

Maarten Wevers, CNZM

## Corporate Services Unit

Brent Anderson – Manager

## Policy Advisory Group

Andrew Kibblewhite – Director

## Cabinet Office

Diane Morcom – Secretary of the Cabinet and  
Clerk of the Executive Council  
Martin Bell – Deputy Secretary of the Cabinet  
Rebecca Kitteridge – Deputy Secretary of the Cabinet

## Domestic and External Security Group

David Hill, CNZM – Director

## External Assessments Bureau

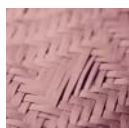
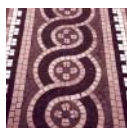
David Kersey – Director  
Hessel Baas – Assessments Manager  
Gregory Baughen – Assessments Manager  
Graeme Roberts – Assessments Manager

## Government House

Tia Barrett – Official Secretary  
Don Smith – Manager, Support Services



# Introduction



The Department of the Prime Minister and Cabinet's Statement of Intent provides

an overview of the department's plans and strategic direction for the next three years as discussed and agreed with the Prime Minister.

Our purpose in the Statement of Intent is to show how the department's activities and interventions contribute to its overall outcome of "good government, with effective public service support" within the goals that the government has set for the public sector. The Statement of Intent continues to be an important step forward in the department's processes for priority setting, managing for outcomes, performance reporting, and accountability for its activities.

There are two main sections to the Statement of Intent: the Outcomes Framework and the Statement of Forecast Service Performance and Forecast Financial Statements.

The Outcomes Framework covers:

- the role and purpose of the Department of the Prime Minister and Cabinet (DPMC)
- the reasons why DPMC has chosen its current set of outcomes – and the operating issues, wider "environmental" factors, and risks that influence the department's ability to achieve those outcomes

- how DPMC intends to achieve its outcomes – the strategies and key activities it will adopt, who it will be working with, and the performance indicators it will use to measure its progress
- the key factors in managing for successful outcomes – the steps DPMC is taking to develop the department's staff and operational capabilities, and its approach to managing risk and creating a workplace that attracts and retains highly motivated staff members.

The Statement of Forecast Service Performance and Forecast Financial Performance section sets out the DPMC's forecast service performance and forecast financial statements for the year ending 30 June 2006.





# Chief Executive's overview

The Department of the Prime Minister and Cabinet's overall responsibility is to help provide, at an administrative level, the "constitutional and institutional glue" that underpins our system of parliamentary democracy. It provides a broad mix of activities – from wide-ranging assessments and policy advice to support for centre-of-government functions and public-sector leadership – that together allow the government of the day to conduct its business in pursuit of its mandated political objectives.

## Developing our Statement of Intent

In this year's Statement of Intent we seek to bring greater clarity to the various linkages between our outcomes, outputs, key interventions and activities, and the government's goals for the public sector. For each of our contributing outcomes we describe those aspects of the department's activities that are undertaken in support of the Prime Minister, the Governor-General, or executive government more widely. We also outline the operating environments we work in, the other agencies we collaborate with to achieve our outcomes, and the department's key capability requirements.

The department's fundamental purpose is to support the Prime Minister, the Governor-General and the Cabinet. This support role is clearly reflected in the outcomes we seek to achieve and the nature of our day-to-day activities. In this Statement of Intent we describe the mix of our key policy and service-delivery roles, our interaction with central agencies and other departments, and some of the ways we currently assess our performance.

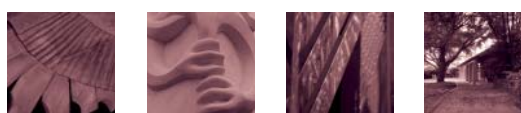
We have a continuing need to identify and develop appropriate performance indicators – with the aim of better measuring the progress towards our outcomes. Appropriate research and evaluation methods will provide assurance that our systems, processes and activities are effective in achieving their purpose. The department also attaches significance to the ongoing role of internal and independent external audit, in part because the department is now receiving an additional \$1 million funding a

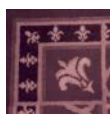
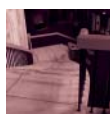
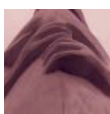
year to build capability. We will report in our annual report on the steps we have taken to that end.

Since its inception in 2003, the Statement of Intent has taken a central place in our departmental planning processes. We shall continue to develop the thinking behind our role and activities, and how we describe what the department seeks to achieve on a year-by-year basis. For the first time this year, we include reference to work on a shared outcome statement. This is a joint initiative with the Treasury and the State Services Commission (SSC), under which all three central agencies have agreed to commit themselves to the pursuit of some common objectives. We expect that in our annual report next year we will be able to demonstrate enhanced collaboration amongst the central agencies, and progress towards achievement of the shared outcome.

## Our outcomes

The department's main outcome remains "good government, with effective public service support". This outcome can only be achieved if DPMC works effectively across government with the entire range of public-sector agencies. A robust whole-of-government approach is therefore the essential underpinning of the department's effectiveness.





*there is little doubt that we will become a more effective organisation by working more closely with our central-agency counterparts.*

The department's work streams are brought together through four key contributing outcomes:

1. Decision making by the Prime Minister and Cabinet is well informed and supported.
2. Executive government is well conducted and continues within accepted conventions and practices.
3. The Governor-General is well supported.
4. The management of domestic and external security and other risks is well planned, informed and co-ordinated.

This year DMPC will be focusing on the shared outcome with Treasury and the SSC: "a high-performing, trusted and accessible state sector, delivering the right things in the right way at the right price".

Our outcomes require us to

- be aware of current and emerging issues relevant to our work
- conduct thorough and robust analysis
- provide soundly based advice
- disseminate the government's decisions in a clear and timely way
- engage in an open and constructive manner across the whole of government.

As noted above, an innovation this year is the inclusion of an outcome shared with the two other central agencies. The central agencies have complementary roles, and the effectiveness of these roles will be improved if they are pursued in support of each other and the wider public service. From DPMC's perspective, there is little doubt that we will

become a more effective organisation by working more closely with our central-agency counterparts.

The agencies this year have agreed, for the first time, to work jointly in a number of new ways. We want to develop the areas of synergy between us. We will define areas in which our effectiveness can be enhanced by working together on particular projects. We also need to be clear about those matters that are more effectively achieved separately. As a first step, we are moving to ensure that matters such as planning are tackled in a more collaborative manner. Other steps such as shared training and development initiatives will also be taken, as part of building wider central-agency linkages.

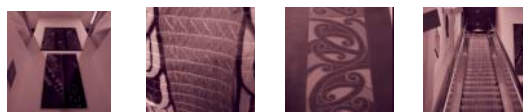
The central agencies all have a key role to play in aligning the activities of the public service with the government's goals and making sure that ministers receive the best possible advice before making decisions.

DPMC continues to have a leadership role in co-ordinating the Sustainable Development Programme of Action, in partnership with local government, industry, iwi, non-governmental organisations, and central government agencies.

## **Continuity of executive government – a key task in 2005/06**

DPMC provides a range of services that support the continuing operation of executive government – both during the term of a government and between administrations. Many of these services are delivered

*DPMC continues to work to ensure that the government is as well informed as it can be about its external circumstances*



by the Cabinet Office, which has a key role in ensuring that constitutional processes are maintained and operate effectively in support of New Zealand's system of government. Responsibilities that support the continuity of executive government are at the forefront of our work preparations for the coming year. In particular, there is a requirement to ensure that the processes and conventions relating to the election, and any government-formation period following the election, are understood and upheld. We have a corresponding requirement to manage the process associated with the change of Governor-General in 2006.

Many aspects of New Zealand's constitution operate on the basis of long-standing conventions and practices. Some of our conventions remain closely linked to those we have inherited, whilst others have developed a distinct New Zealand character. It is the Cabinet Office within DPMC that is charged with ensuring that the constitutional practices and arrangements that support the continuity of executive government are conducted and upheld in accordance with our constitutional framework.

## Security and risk management

Security and risk management are increasingly prominent issues for governments worldwide. DPMC's role is to offer the Prime Minister, and ministers, a whole-of-government view about risks and major security issues that are of interest to New Zealand. Continuing, co-ordinated effort across a significant number of government agencies is required for New Zealand to manage security risks,

and keep abreast of international expectations in this field. In recent years, the focus of international security concern has broadened from its more traditional focus on international tension to include the activities of trans-national groups or movements, terrorist groups, and trans-national criminal networks. These groups and movements represent a kaleidoscope of causes and issues.

Environmental, bio-security and international health risks also pose identifiable threats to New Zealand's wellbeing and standard of living. New Zealand's increasing inter-connectedness with the outside world through trade, tourism and globalisation makes these risks ever present.

The department's work in better understanding the international environment, from a New Zealand perspective, and in co-ordinating the government's preparedness and response to security risks of many kinds remain core functions. DPMC continues to work to ensure that the government is as well informed as it can be about its external circumstances, and can respond rapidly to a wide range of security or other risks.

## Improving our capability

In last year's annual report, we reported on the additional funding the department was appropriated





*our goal is a highly effective  
and aligned organisation*

in order to expand its capability in key areas. We had sought greater financial resources to allow us to better respond to immediate crises and to increase our technological capability and staff development.

In the past, because of its place at the centre of the government system, DPMC has been the home to a number of special policy units established to deal with particular issues. Recent examples include the Climate Change project team and the Foreshore and Seabed Group. These were both issues that required a whole-of-government response by government. The ability to manage policy-development challenges of this nature is something that the department must maintain.

The most important resource the department has at its disposal is its staff. It is vital that the department is able to attract and retain motivated staff of high quality, who can step up to the

undoubted challenges of public service at the very core of New Zealand's governmental system. Improvements are being implemented in our recruitment practices to ensure that we are able to continue to secure the talent we need.

The department will also undertake a review of staff training in the coming year – details on this are provided in the Capability section of this Statement of Intent. We also intend to carry out a second annual "climate" survey of staff attitudes to working in the department, as a means of defining possible areas for improvement. Our goal is a highly effective and aligned organisation in which thoroughly professional and motivated staff are able to contribute fully to the service of New Zealand's executive government.

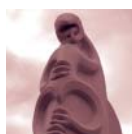
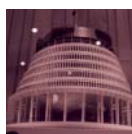
Maarten Wevers, CNZM

Chief Executive

9 May 2005



# The role of the Department of the Prime Minister and Cabinet



DPMC was established in January 1990 to provide impartial, high-quality advice and support

to the Executive (the Prime Minister, the Governor-General, and the Cabinet). The services provided by DPMC flow from the various roles performed by the Prime Minister and the Governor-General in the New Zealand system of government.

## What the DPMC does

DPMC has an explicit set of servicing functions within a whole-of-government context. In two of these servicing roles the department directly services a single person – the Prime Minister in one case, and the Governor-General in the other. DPMC's third servicing role is that of supporting Cabinet collectively.

DPMC supports the Prime Minister's twin roles as leader of the government and chair of Cabinet, and has explicit responsibility for promoting co-ordination across the public service. This co-ordination role extends some of the department's activities across the whole public service and – depending on the issue – further out into local government, industry and the wider community.

### Supporting the Prime Minister and Cabinet

The Prime Minister is the political leader of the government and the country – and its main public "face". The Prime Minister is also the chair of Cabinet, and the person responsible for the effective operation of collective government. These roles combine political and executive responsibilities.

DPMC provides three kinds of direct support to the Prime Minister.

The first of these key areas of support is for issues that are the direct responsibility of the Prime Minister. An important part of this support is for constitutional issues relating to the conduct of executive government – including elections and transitions between administrations – and issues associated with the operation of the Cabinet system.

Secondly, continuing support is provided on current issues across the range of government business. As the political head of the government, the Prime Minister must have an overview of government activity and access to information on any and all issues that arise. DPMC cannot provide this overview and information on its own. It must work with the rest of the public service to provide information and advice on particular issues.

This provides an imperative for DPMC to ensure that the system of public-service support for the government can come together swiftly and ably to support the Prime Minister and other ministers.

Thirdly, DPMC provides administrative support to the Prime Minister. This includes services such as preparing replies to Parliamentary questions, and dealing with Official Information Act requests and other correspondence. In many cases, this involves working directly with other departments and agencies as the Prime Minister's role takes her across all areas of government business.

A totally separate body, the Office of the Prime Minister, also advises the Prime Minister and is the primary point of responsibility for coalition management.

### Supporting the Governor-General

DPMC also supports the Governor-General in carrying out her functions. New Zealand is a constitutional monarchy. This means that the Queen is New Zealand's Head of State; but her powers and those of her representative, the Governor-General, are exercised only on the advice of ministers and the government. The Governor-General is, therefore, a significant

# facilitating government decision making at a strategic and operational level

figure in the constitutional framework, with constitutional, ceremonial, and community roles.

## **Bringing the system together**

A great deal of DPMC's activities focus on facilitating government decision making at a strategic and operational level. A major role is to help co-ordinate the work of the core public service departments and ministries – so that decision making takes account of all relevant viewpoints and is as coherent and complete as possible.

The people who work at DPMC come from a wide range of backgrounds – including being seconded from other government departments or outside organisations. Issues are responded to as required and DPMC may be asked to set up temporary units or task forces to provide advice on a particular issue (or issues) within a specified length of time.

