



DEPARTMENT *of the*
PRIME MINISTER *and* CABINET

Te Tari o Te Pirimia me Te Komiti Matua

Annual Report

for the year ended 30 June 2016

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Chief Executive's Overview

It has been a year of challenges and new opportunities for the Department of the Prime Minister and Cabinet (DPMC). I am proud the staff of DPMC have risen to the occasion and delivered to a high standard across the range of our functions.

Our core business is enabling effective executive government. Traditionally this has meant providing, on a daily basis, advice and support to the Prime Minister, Cabinet and the Governor-General. As ever in 2015/16, we provided high-quality, integrated, advice and support across a range of complex, integrated policy areas that spanned the breadth of government. Our analysis and support provided decision-makers with a key advantage, and helped translate government priorities into action.

In the past few years, our role has grown, and we now have responsibilities to a wider range of Ministers – including the Minister supporting Greater Christchurch Regeneration, the Minister of Civil Defence, the Minister for Communications and the Minister Responsible for the Government Communications Security Bureau (GSCB) and the New Zealand Security Intelligence Service (NZSIS).

To meet these diverse needs, we are a department made up of several discrete business groups, brought together by our unique position at the centre of New Zealand's system of democratic government.

The Policy Advisory Group (PAG) has continued to support the Prime Minister in his role as leader of Government and Chair of Cabinet. The PAG are high-performing advisors, who seek to ensure policy coherence across the wide range of government policy, by working across portfolios and directly to the Prime Minister.

In August 2016 the Prime Minister launched three new quality policy frameworks, the result of the year's work led by the Policy Project, a team hosted within DPMC. These frameworks have been co-designed for and by the policy community to support agencies to improve their policy quality and capability, and will have a meaningful impact on the quality of policy advice Ministers receive.

A big focus has been leading the disestablishment of the Canterbury Earthquake Recovery Authority (CERA) on 18 April 2016, and the transition of a range of functions into local and central government agencies. For DPMC this involved establishing the Greater Christchurch Group (GCG) and becoming the lead central government agency supporting the regeneration of greater Christchurch.

The transition from CERA to DPMC was a mammoth task. I would like to thank all the staff involved in this for their professionalism and hard work throughout this process. In particular, I acknowledge the contribution of Michelle Mitchell, who was a Deputy Chief Executive at CERA and then Director of the GCG in DPMC. Michelle's passing in January 2016 was a loss for her family, for us and for the regeneration of greater Christchurch. Our thoughts remain with her family.

Hosting CERA as a departmental agency for 14 months leading up to the transition ensured we were able to hit the ground running post 18 April. We now have staff across Christchurch and Wellington supporting the regeneration efforts, an additional member of the Executive Leadership Team and are more outward facing than ever before. Our focus in this space over the coming year is to support the new regeneration agencies and local government to complete the transition back to more traditional governance arrangements.

The Security and Intelligence Group (SIG) has continued to mature, and focus its efforts around the Officials Committee for Domestic and External Security Coordination (ODESC). Our goal in this area remains for New Zealand to have a world-class national security sector, and we are justifiably proud of the well-coordinated, forward-leaning and effective system that we now have. To progress this we have coordinated the Government and sector's response to an independent review of New Zealand's intelligence agencies, and led the refresh of New Zealand's Cyber Security Strategy.

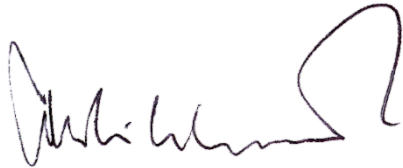
In tandem with this, we continue to grow in the resilience space. The synergies between the GCG, Ministry of Civil Defence and Emergency Management (MCDEM), the SIG and the PAG continue to grow. The Ministry of Civil Defence and Emergency Management, which became part of DPMC in April 2014, is now fully embedded in the Department.

It has been a big year for Government House, supporting Lieutenant-General the Right Honourable Sir Jerry Mateparae and Lady Janine through a busy series of engagements, as well as preparing Governor-General Designate Dame Patsy Reddy to take up office. As a Department, we wish Sir Jerry all the best, and thank him for his services to New Zealand over the past five years.

As well as maintaining its excellent support of the Cabinet decision-making process, the Cabinet Office implemented the new CabNet system which went live in August 2015. CabNet is a world-leading, digital support tool that ensures Cabinet material can be accessed in a more efficient, timely and secure way.

My ambition is that DPMC is viewed as an exemplar of executive and policy leadership, trusted by government to undertake projects and work with agencies from across the sector. This year we have used the opportunity presented by the transfer of functions from CERA to build our corporate capability and infrastructure, and to integrate our workforce by focusing on our shared values, culture and vision of a confident, well-governed, and secure New Zealand.

The success of the Department is the result of the hard work done every day by our staff. Thank you to all of you, and to your families and the people who support you to carry out your work.

A handwritten signature in black ink, appearing to read 'Andrew Kibblewhite', with a large, stylized flourish at the end.

Andrew Kibblewhite
CHIEF EXECUTIVE

Guide to this Report

This Annual Report covers the activities of the Department of the Prime Minister and Cabinet (DPMC) and Canterbury Earthquake Recovery Authority (CERA) from 1 July 2015 to 30 June 2016.

A	<p style="text-align: center;">Part A – Our Strategic Direction</p> <p>Summarises our strategic direction as described in DPMC’s Strategic Intentions, our structure and the functions we undertake.</p>
B	<p style="text-align: center;">Part B – Our Performance Story</p> <p>Outlines our key achievements during the 2015/16 financial year, how we have delivered against our strategic direction, and progress building organisational health and capability.</p>
C	<p style="text-align: center;">Part C – Prime Minister and Cabinet</p> <p>Includes the Appropriation Statements and Financial and Performance Reporting Against Appropriations for Vote Prime Minister and Cabinet.</p>
D	<p style="text-align: center;">Part D – Canterbury Earthquake Recovery</p> <p>Includes the Appropriation Statements and Financial and Performance Reporting Against Appropriations for Vote Canterbury Earthquake Recovery.</p>
E	<p style="text-align: center;">Part E – Consolidated Financial Statements</p> <p>Reports on the financial resources used by DPMC and CERA to deliver the goods and services purchased by our Ministers.</p> <p>The Financial Statements are followed by a financial commentary, supplementary information and notes to the Financial Statements that provide more detailed information.</p>
F	<p style="text-align: center;">PART F – Other Information</p> <p>This section includes further information, such as supplementary statistical information and a list of acronyms used in this report.</p>

Part A – Our Strategic Direction

Summarises our strategic direction as described in DPMC's Strategic Intentions, our structure and the functions we undertake.

WHAT WE SOUGHT TO ACHIEVE

The vision of DPMC is to advance a confident, well-governed and secure New Zealand.

A confident New Zealand has a strong sense of nationhood, and trusts institutions and systems to work together in the public interest.

A well-governed New Zealand has Cabinet decision-making informed by the best available advice and evidence, and a Governor-General supported to carry out the functions of the office.

A secure New Zealand responds to hazards and risks in a timely and effective way. It proactively builds resilience with a reliable, risk-based and integrated national security and civil defence management system.

This vision contributes to the Government's priorities:

- A confident nation invests in a stronger and more competitive economy.
- Good governance and improved decision-making creates an environment where New Zealand's public services can continually improve.
- Building resilience strengthens New Zealand's economic and public sector institutions.

DPMC has particular responsibility for supporting the regeneration of greater Christchurch, as the coordination point for central government's regeneration work programme, and as the host of the CERA departmental agency until its disestablishment on 18 April 2016.

The Government's priorities

- Responsibly manage the Government's finances
- Build a more competitive and productive economy
- Build better public services that all New Zealanders can rely on
- Rebuild greater Christchurch

HOW WE WENT ABOUT ACHIEVING IT: STRATEGIC DIRECTION, OBJECTIVES AND IMPACTS

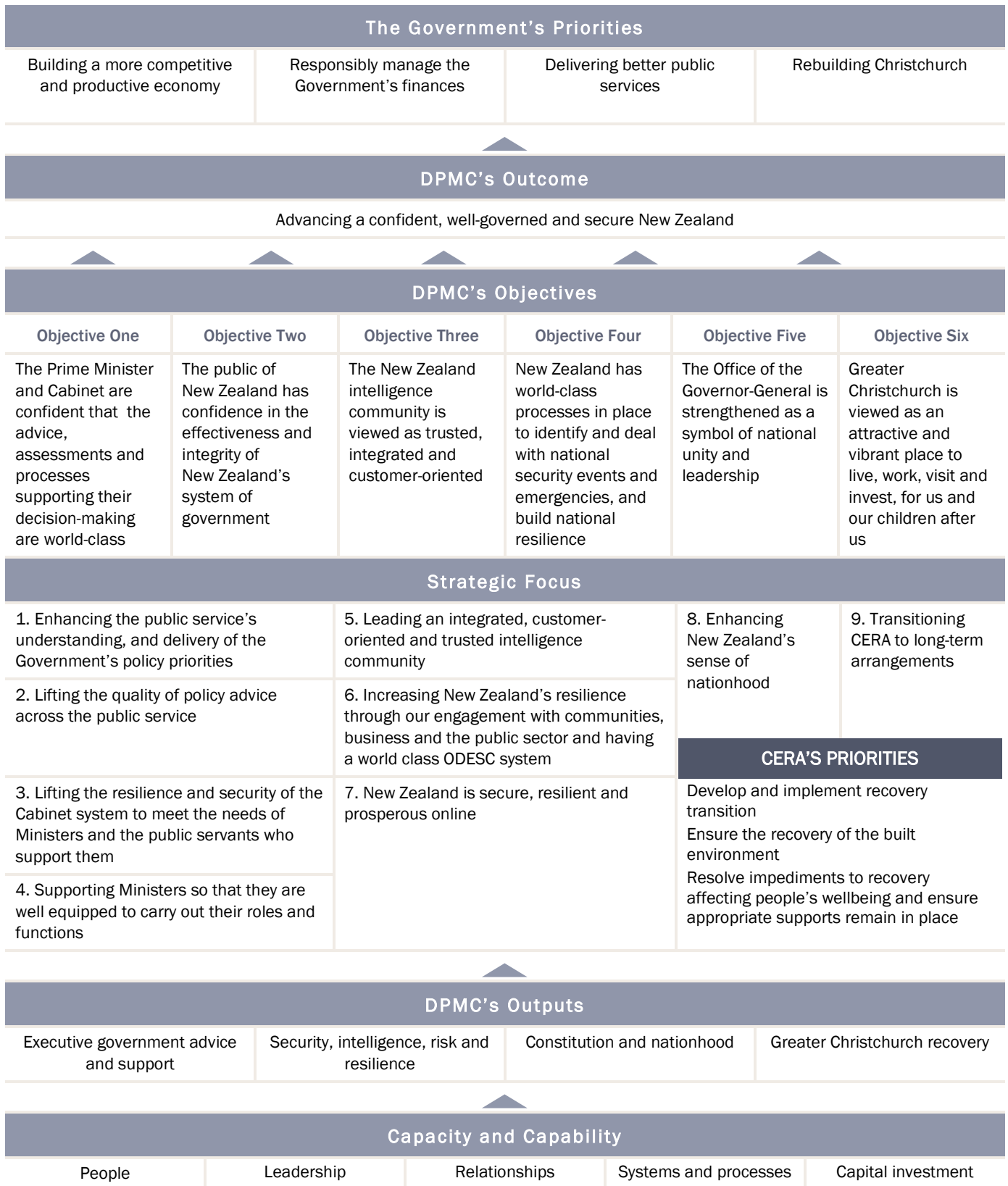
DPMC works at three levels to advance these objectives:

- **Taking the lead** to facilitate the Government's strategic priorities. For example, leading the ODESC system and the civil defence emergency management system.
- **Coordinating across the public service** – the constitutional and institutional 'glue' that holds the system together, and the 'oil' that allows the free flow of information and advice for effective decision-making. For example, coordinating advice for the Prime Minister and Cabinet across agencies to ensure clear choices and trade-offs are presented, coordinating central government's support the regeneration of Christchurch and providing support services to Cabinet and the Governor-General.
- Drawing on close relationships and strategic partnerships with agencies, Crown entities, local government, business, iwi and the wider community to **provide stewardship** across the public sector. For example, as head of the policy profession and as a central agency working alongside the State Services Commission (SSC) and the Treasury.

Underpinning our leadership, coordination and stewardship roles are our values and what we stand for. DPMC aims at all times to lead and act with integrity, galvanise action, broker solutions and integrate advice and insights to provide decision advantage to policy-makers.

For the 2015/16 financial year these aims are described in our Strategic Intentions 2015–2019, with **six objectives** underpinned by **nine strategic focus areas**. Together these frame our work programme and help to focus our efforts on what really matters.

Our Strategic Framework



Who We Are

The Department's traditional functions supporting well-conducted government are delivered by the PAG, the Cabinet Office, Government House and the SIG.

The MCDEM became a business unit within DPMC in April 2014. It works alongside the SIG to provide leadership and coordination across the National Security System.

On 1 February 2015 CERA became a departmental agency of DPMC, as the first step in transitioning to effective long-term recovery arrangements.

DPMC managed the transition of CERA's functions to successor agencies, including Ōtākaro Limited, Regenerate Christchurch and local and central government agencies, and on 18 April 2016 CERA was disestablished.

Some of CERA's key functions, along with overall responsibility for coordinating the regeneration of Christchurch, remain with DPMC's GCG, which came into being on 1 March 2016.

These groups are supported by the Office of the Chief Executive and the Central Agencies Shared Services (CASS).

How We Deliver Our Functions

Executive government advice and support: serving the Prime Minister and Cabinet	<ul style="list-style-type: none"> • Advice, secretariat and coordination for the Prime Minister and Cabinet • Collaboration with the SSC and the Treasury • Supporting the Prime Minister's Chief Science Advisor (PMCSA) 	<p>PAG provides free and frank advice to the Prime Minister and on occasion to other Ministers; contributes to policy development across issues and leads policy projects commissioned by the Prime Minister.</p> <p>Cabinet Office acts as a 'Government secretariat' advising the Governor-General, the Prime Minister and other Ministers on constitutional, policy and procedural matters. It also assists in the coordination of the Government's legislation programme and administers the New Zealand Royal Honours System.</p>
Constitution and nationhood: supporting well-conducted government	<ul style="list-style-type: none"> • Advice and support to Ministers • Governor-General's events programme management and provision of advice • Administration of the New Zealand Royal Honours System • Hosted the Flag Referendum Secretariat 	<p>Government House provides administrative and support services for the Governor-General to enable him or her to carry out the functions of the office, and maintains the official residence and grounds.</p>
Security, intelligence, risk and resilience: providing effective national security and building resilience	<ul style="list-style-type: none"> • Leading, coordinating and managing national security priorities and intelligence • Leading and stewarding the ODESC system • Leading civil defence emergency management, across the domains of risk reduction, readiness, response and recovery, to build resilience 	<p>SIG leads the New Zealand Intelligence Community (NZIC). It provides assessments on events and developments, and includes the National Cyber Policy Office.</p> <p>MCDEM provides leadership in reducing risk, and being ready for, responding to and recovering from emergencies.</p>

How We Deliver Our Functions

Greater Christchurch recovery: providing leadership and coordination to the recovery effort

- Host agency to departmental agency CERA
- Providing policy advice to Ministers and Government on the regeneration of greater Christchurch and administration of new legislation
- Monitoring and reporting on the overall progress of recovery
- Completion of critical (short-term) recovery functions

CERA was established as a government department to lead and coordinate the Government's response and recovery efforts following the earthquakes of 2010 and 2011 in Canterbury. CERA became a departmental agency of DPMC on 1 February 2015, before being disestablished on 18 April 2016.

CERA's functions were transferred to a range of inheriting agencies, with some functions transferred to DPMC's **GCG**, which was established on 1 March 2016.

GCG is responsible for coordinating central government's role in regeneration, including providing policy advice, administering new legislation, part-funding and governance of horizontal infrastructure repairs and leading the Recovery Legacy and Lessons project that shares lessons from recovery

Office of the Chief Executive supports DPMC to achieve its strategic priorities and manage risk by working to ensure it has sound strategy, effective governance and efficient organisational systems and processes.

Central Agencies Shared Services (CASS) provides corporate services (Human Resources, Finance, IT, Information Management and Publishing) to the Treasury, DPMC and the State Services Commission (SSC).

Part B – Our Performance Story

Outlines our key achievements during the 2015/16 financial year, how we have delivered against our strategic direction, and progress building organisational health and capability.

Progress Towards Our Objectives and Strategic Focus

OUR SIX OBJECTIVES

DPMC's strategic intentions are described by six objectives – medium-term goals to help New Zealand become more confident, well-governed and secure. Nine strategic focus areas in turn focus our work.

Measuring the ultimate impact of DPMC's work programme is challenging owing to the breadth and scope of the Department's functions and the nature of our objectives and focus areas.

This Annual Report primarily uses two methods of performance measurement: progress made towards, and achievements against, the objectives and focus areas; and surveys of stakeholder perceptions of our effectiveness, and confidence in our capabilities.

These measures, and others relating to key departmental outputs, were identified in the performance information accompanying the Estimates for the two Votes we administer – Prime Minister and Cabinet and Canterbury Earthquake Recovery. We report on those measures in Parts C and D which include a summary of year-end performance.

OUR YEAR AT A GLANCE

Our Objectives and Strategic Focuses	Our Highlights for the Year
<p>OBJECTIVE 1: The Prime Minister and Cabinet are confident that the advice, assessments and processes supporting their decision-making are world-class</p>	<p>1. Enhancing the public service's understanding, and delivery of, the Government's policy priorities</p> <p>Continuing to be seen as a highly capable department providing high-quality first- and second-opinion advice, and working with central agencies to ensure seamless messaging on government priorities.</p> <hr/> <p>Supporting the transition to local leadership of the Christchurch regeneration by disestablishing CERA and transferring functions to inheriting agencies.</p> <hr/> <p>2. Lifting the quality of policy advice across the public service</p> <p>Successfully delivering the first phase of the Policy Project, resulting in a suite of tools to build policy capability across the system.</p> <hr/> <p>Supporting the PMCSA to provide high-quality scientific advice.</p>
<p>OBJECTIVE 2: The public of New Zealand has confidence in the effectiveness and integrity of New Zealand's system of government</p>	<p>3. Lifting the resilience and security of the Cabinet system to meet the needs of Ministers and the public servants who support them</p> <p>Successfully implementing CabNet across government agencies, Ministers' offices and the Cabinet Office, and associated Cabinet Office business processes updated.</p> <hr/> <p>Introducing CabDocs for Ministers to read their Cabinet papers electronically.</p> <hr/> <p>4. Supporting Ministers so that they are well equipped to carry out their roles and functions</p> <p>Commencing a review of the Cabinet Manual.</p>
<p>OBJECTIVE 3: The New Zealand intelligence community is viewed as trusted, integrated and customer orientated</p>	<p>5. Leading an integrated, customer-oriented and trusted intelligence community</p> <p>Supporting Ministers to set National Intelligence Priorities.</p> <hr/> <p>Leading the Government's response to an independent review – "Intelligence and Security in a Free Society" – in February 2016.</p>

Our Objectives and Strategic Focuses	Our Highlights for the Year
<p>OBJECTIVE 4: New Zealand has world-class processes in place to identify and deal with national security events and emergencies, and build national resilience</p>	<p>6. Increasing New Zealand's resilience through our engagement with communities, business and the public sector and having a world-class ODESC system</p> <hr/> <p>7. New Zealand is secure, resilient and prosperous online</p> <hr/> <p>The National Civil Defence Emergency Management Plan Order 2015 and associated Guide to the Plan came into force.</p> <hr/> <p>Publishing a National Security System Handbook to build understanding of the philosophy and doctrine governing the National Security System.</p> <hr/> <p>1.36 million people taking part in the national earthquake drill, New Zealand ShakeOut, on 15 October 2015.</p> <hr/> <p>Delivering a strategic framework and action plan for cyber security.</p> <hr/> <p>New Zealand's first Cyber Security Summit, held in Auckland on 5 May 2016 with almost 300 participants.</p> <hr/> <p>Securing government funding in Budget 2016 for the establishment of a Cyber Emergency Response Team (CERT).</p>
<p>OBJECTIVE 5: The Office of the Governor-General is strengthened as a symbol of national unity and leadership</p>	<p>DPMC will have supported the Governor-General through effective and efficient advice and service</p> <hr/> <p>8. Enhancing New Zealand's sense of nationhood</p> <hr/> <p>Managing the transition from Lt Gen Rt Hon Sir Jerry Mateparae to Dame Patsy Reddy as Governor-General.</p> <hr/> <p>The Flag Consideration Project (supported by a DPMC - hosted Secretariat) concluding, under budget, with significant levels of public engagement in a world first process.</p>
<p>OBJECTIVE 6: Greater Christchurch is viewed as an attractive and vibrant place to live, work, visit and invest, for us and our children after us</p>	<p>9. Transitioning CERA to long-term arrangements</p> <hr/> <p>Supporting the establishment of Ōtākaro Limited and Regenerate Christchurch, two new entities undertaking roles inherited from CERA.</p> <hr/> <p>Presenting the Crown's case on behalf of 22 government departments and Crown entities for the Christchurch Replacement District Plan.</p> <hr/> <p>Supporting the completion of 92 per-cent of the Stronger Christchurch Infrastructure Rebuild Team (SCIRT) work programme as at 30 June 2016.</p> <hr/> <p>Transitioned functions to central government agencies while maintaining recovery momentum.</p>

Objective One

The Prime Minister and Cabinet are confident that the advice, assessments and processes supporting their decision-making are world class

Strategic Focus 1

- Enhance the public service's understanding and delivery of the Government's policy priorities.

Impact: What success will look like

- DPMC will have provided innovative and responsive policy advice to the Prime Minister and Ministers, and a high level of trust will have been maintained between DPMC and the Government.
- At the Prime Minister's direction, DPMC will have led the Government's policy response to key policy priorities, including improvements in the security and intelligence sector.
- DPMC will be actively supporting a wider group of Ministers than it has in the past, and be well-connected and well attuned to the policy contexts of New Zealand's largest cities.
- Confidence that our advice, assessments and processes are supporting decision-making will be demonstrated through stakeholder surveys to measure the public service's understanding and delivery of the Government's policy priorities.

WHY IS THIS IMPORTANT?

New Zealand's public service faces challenges – a turbulent international environment; new ways for people to work, communicate and play and shifts in expectations on government-funded services.

The Prime Minister and the Cabinet are the centre of New Zealand's executive government. Strong connections between Cabinet decision-making and the public service is the key to better public services able to meet these challenges.

OUR ROLE

DPMC's PAG provides advice to the Prime Minister on all policy-relevant Cabinet and Cabinet committee papers, supporting his consideration of the proposals in these meetings. PAG also coordinates, and its advisors participate in, all officials' committees that support the chairs of Cabinet committees.

Working with the Treasury, SSC and other leaders (such as the Government Chief Information Officer) we lead the public service to identify and implement new, smarter ways of working to grow collective capability and perform the business of government to best effect.

WHAT WE HAVE ACHIEVED

We applied our close understanding of the ambitions, preferences and priorities of the Prime Minister and Cabinet to assist our partners to deliver. Reflecting the growing scope of our role and responsibilities, we now provide advice and support to seven Ministers.

PAG continued to contribute to assurance on the 10 priority result areas in the Better Public Services (BPS) programme, and monitored implementation of the Prime Minister's Tackling Methamphetamine Action Plan and the Youth Mental Health Project.

We worked closely with the Treasury and SSC on priority setting and alignment, including through the Budget and four-year planning process. We also contributed to the establishment of National Intelligence Priorities to align the work programme of NZIC with government priorities.

We established the GCG to coordinate central government contributions to the regeneration and provided advice to the Prime Minister and responsible Ministers on critical aspects of the recovery and regeneration work.

We also appointed an Auckland-based advisor and provided advice on a range of Auckland-specific policy issues.

THE IMPACT WE MADE

PAG is seen as a small unit of highly capable individuals who have good relationships with their stakeholders. Surveys show they understand and have confidence in our role supporting the Prime Minister and other Ministers by providing policy advice on issues of the day, second-opinion advice on policy from other departments and engaging with departments early to lift the quality of their advice.

PAG's impact over the past year was evidenced by the Prime Minister being well briefed about issues, and its ability to bring parties together to ensure a coordinated approach to policy development. The Prime Minister provided positive feedback and expressed his high level of trust and confidence in the advice he had received.

The efforts of the central agencies have a system-wide effect, making detailed measurement difficult. We use two benchmarks to gauge success: progress towards the BPS results, and the Kiwis Count survey.

Progress towards the BPS results targets is publicly reported every six months by SSC. Good progress is currently being made on many results, with 5.5 targets across of the 10 result areas on track to achieve their targets.

Kiwis Count is a comprehensive survey that measures New Zealanders' perceptions of the quality of 42 frequently used public services. The results are used to calculate a Service Quality Score (SQS). The overall SQS for the June 2015 quarter was 74.

Our Performance at a Glance

The satisfaction of the Prime Minister and Cabinet with the policy advice service, as per the common satisfaction survey	Rated as 'far exceeding expectations'
Technical quality of policy advice papers assessed by a survey with a methodology robustness of 90%	Rated as 'far exceeding expectations'
The total cost per hour of producing Policy Advice (Prime Minister and Cabinet) outputs	\$92 per hour

LOOKING AHEAD

DPMC will continue to look at using stakeholder surveys to measure how the public service's understanding and delivery of the Government's policy priorities is changing over time.

PAG continues to consider how best to develop the capable, expert workforce it requires to meet the needs of the Prime Minister and Cabinet.

Strategic Focus 2

- Lift the quality of policy advice across the public service system.

Impact: What success will look like

- The DPMC-led Policy Project and the leadership of the Head of the Policy Profession (currently the Chief Executive of DPMC) will drive continuous improvement in the quality of policy advice and the capability of policy agencies across the public service.
- Public service policy leaders will have taken collective responsibility for the overall capability and responsiveness of the policy system, and there will be greater use and sharing of innovative, citizen-centric approaches to policy design and delivery.

WHY IS THIS IMPORTANT?

To deliver better public services, the public service needs to reinvigorate the way it does policy:

- Policy quality remains variable within agencies and across the system. There is no common view of what great policy advice looks like, what goes into it and how to meet our current and future policy demands.
- There are opportunities to improve policy through shared learning and by up-scaling good practice.
- There is a need to collectively build capability for the future by investing in the future policy workforce and ways to keep policy responsive and relevant.

OUR ROLE

Through the Policy Project, DPMC is working to lift the quality of policy advice across the public service through improved capability, standards and enhanced policy design. The Policy Project work programme has been co-developed with the network of deputy chief executives with policy responsibilities and other thought leaders.

DPMC also supports the PMCSA, Sir Peter Gluckman, to undertake his role.

WHAT WE HAVE ACHIEVED

The Policy Project successfully delivered three tools to lift the quality of policy advice across the public service:

- **The Policy Capability Framework** – a tool to allow policy units to review their overall policy capability.
- **The Policy Quality Framework** – a tool for comparing policy advice outputs against the characteristics and enablers of high-quality advice.
- **The Policy Skills Framework** – a tool describing the critical knowledge, skills and behaviours of a capable policy practitioner.

Sir Peter advised the Prime Minister and Cabinet Ministers on a range of matters, such as big data, and worked with departmental science advisors to coordinate advice, as well as leading international dialogue on scientific matters of importance to New Zealand.

THE IMPACT WE MADE

The Policy Project, now concluding its second year, has gained support and active participation from the leaders in the policy community. The project is seeking to be transparent about its performance and impacts, and project outputs have been made publicly available online as they are prepared.

The Policy Project is transformative. It's better than any effort anywhere else to ramp up the quality of policy work. Careful implementation will allow you [the policy community] to realise major and long-standing returns on the investment. It will also undoubtedly confirm NZ Government as being at the forefront of effective policy development worldwide – confirmation many of us would love to see.

Even more importantly, the Policy Project holds massive implications for the lives and opportunities of all citizens – the causal chain is long but you're enabling human flourishing in profoundly significant ways.

- Feedback from a reviewer of the tools

Our Performance at a Glance

Advice produced [by the Science Advisory Committee] is relevant to policy-making, is high quality and meets the Prime Minister's expectation

Rated as 'far exceeding expectations'

LOOKING AHEAD

Planning is underway for a second phase of the Policy Project. Although this work programme is still to be approved by the Policy Project's governance group, this is expected to comprise six work streams. These are anticipated to cover:

- Embedding and leveraging the policy improvement frameworks that were developed in Phase 1 of the project.
- Sharing knowledge and building capability on promising methods for using and generating evidence and insights.
- Scoping issues and opportunities for collective action on the policy workforce.
- Embedding the Head of Policy Profession role and required infrastructure, including monitoring benefits.
- Establishing a repository of information, tools and learning accessible to the policy community (subject to analysis of the value proposition).
- Improving support for policy stewardship and free and frank advice.

Objective Two

The public of New Zealand has confidence in the effectiveness and integrity of New Zealand's system of government

Strategic Focus 3

- Lift the resilience and security of the Cabinet system to meet the needs of Ministers and the public servants who support them.

Impact: What success will look like

- A fully functional electronic platform for processing Cabinet papers which is secure, efficient and accessible by users.

WHY IS THIS IMPORTANT?

At the heart of New Zealand's democratic, political and economic systems is stable executive government – the Governor-General, Prime Minister, Ministers of the Crown and the public service – accountable to an elected House of Representatives.

OUR ROLE

Through the Cabinet Office, DPMC undertakes to maintain and strengthen executive government by providing advice and support to the Governor-General and Prime Minister.

The Cabinet Office provides secretariat services for Cabinet and Cabinet committees and the Executive Council. It also stewards and enhances the Cabinet system and processes that underpin these.

WHAT WE HAVE ACHIEVED

The Cabinet Office continued to provide consistent and high-quality secretariat services to Cabinet and Cabinet committees in support of New Zealand's government decision-making process. CabNet, a new secure online system that supports Cabinet processes, was successfully implemented across 46 government agencies, 28 Ministers' offices and the Cabinet Office, and now has 2,000 authorised users. A separate application, CabDocs, was introduced for Ministers to read their Cabinet papers electronically.

Advice and support were provided on a range of matters relating to constitutional issues and the function of executive government. The Leader of the House was provided with advice and support on the preparation and management of the Government's legislation programme for the 2015 and 2016 calendar years.

The Cabinet Office also provided advice and support on the visit of Their Royal Highnesses the Prince of Wales and Duchess of Cornwall. This involved working with the Royal Household, the Governor-General, the Prime Minister, government agencies, private organisations and members of the public.

THE IMPACT WE MADE

Executive government has continued to operate smoothly, and the Prime Minister and Governor-General have received the advice and support required to fulfil their roles.

Feedback from the Prime Minister and Governor-General, both formal and informal, has been positive. The Governor-General provided his feedback to the Clerk of the Executive Council at regular six-weekly meetings and through formal feedback surveys undertaken twice during the year. The Prime Minister's satisfaction was also assessed through discussion at regular meetings, his responses to a stakeholder survey as well as through the Office of the Prime Minister's input into formal performance reviews.

Our Performance at a Glance

Submissions lodged by Ministers' offices by the Cabinet Office deadline	93.5%
Papers for Cabinet and Cabinet committee meetings will be published by the close of business, two business days before the meeting (subject to on-time lodgement in Cabinet Office)	96%
Cabinet minutes will be published within three business days of the Cabinet meeting	98.6%
Cabinet and Cabinet committee minutes requiring subsequent amendment (excluding amendments made as the result of Cabinet decisions)	0.36%

LOOKING AHEAD

Following the successful implementation of the first phase of CabNet, we are considering the next steps that would be required to deliver on the vision of a fully electronic and integrated Cabinet paper process.

Strategic Focus 4

- Support Ministers so that they are well equipped to carry out their roles and functions.

Impact: What success will look like

- DPMC will, in partnership with other agencies, have improved the level of support provided to Ministers to better enable them to carry out their roles and functions.
- A Cabinet Manual that is current and relevant and is used actively by and adhered to by successive government Ministers.
- Executive government will be conducted in a way that upholds, and is seen to uphold, the highest ethical standards.
- New Ministers, if any, are inducted into office effectively and are satisfied with the induction programme.

WHY IS THIS IMPORTANT?

At the heart of New Zealand's democratic, political and economic systems is stable executive government, accountable to an elected House of Representatives. The executive branch of government comprises the Governor-General, the Prime Minister, Ministers of the Crown and the public service. The engine room of executive decision-making is the Cabinet system, and strengthening the resilience and security of this system is critical to stable executive government.

OUR ROLE

Through the Cabinet Office, DPMC undertakes to maintain and strengthen executive government through the advice and support it provides to the Governor-General and Prime Minister.

The Cabinet Office also manages Cabinet processes and the systems that underpin these.

The work of the Policy Project also touches on this focus area, by building the capability of officials to engage constructively with Ministers.

WHAT WE HAVE ACHIEVED

This year we began a review of the Cabinet Manual (which was last updated in 2008). Advice and support were provided to Ministers on a range of matters including managing conflicts of interest and matters around conduct.

THE IMPACT WE MADE

Executive government has continued to operate smoothly, and the Prime Minister and Governor-General have received the advice and support required to fulfil their roles.

Feedback from the Prime Minister and the Governor-General, both formal and informal, has been positive.

As noted under Strategic Focus 3 above, the Governor-General provided his feedback to the Clerk of the Executive Council regularly throughout the year. The Prime Minister's satisfaction was also assessed through discussion at regular meetings, his responses to a stakeholder survey as well as through the Office of the Prime Minister's input into formal performance reviews.

As no new Ministers were inducted into office during the reporting year, there has been no corresponding feedback on the programme.

Our Performance at a Glance

Formal feedback from the Governor-General and the Prime Minister on services provided

Overall expectations exceeded

LOOKING FORWARD

The review of the Cabinet Manual will be a significant part of the Cabinet Office's work programme going forward.

Objective Three and Objective Four

DPMC's role in our National Security System

WHY IS THIS IMPORTANT?

The New Zealand Government has a responsibility to protect national security and advance national interests. This responsibility is discharged through the National Security System, which takes an all hazards all risks approach to national security. The scope is extensive, including: geological and meteorological hazards, infrastructure failure, drought, biosecurity, food safety, pandemics, fire, hazardous substances, oil spills, terrorism, transnational organised crime and cyber security issues.

The New Zealand system also emphasises the importance of resilience, which is the ability of a system to resist, respond and recover from an event. To achieve this, New Zealand takes a holistic and integrated approach known as the 4Rs: risk reduction, readiness, response and recovery.

Managing national security risk and supporting the country's resilience is complex and involves a wide range of government agencies, local government, other State sector organisations, not-for-profit/volunteer groups and the private sector and communities. Effective coordination of effort is very important.

OUR ROLE

DPMC provides leadership across the National Security System via our SIG and MCDEM, which is a business unit within DPMC.

We formally lead the National Security System through the ODESC. The Chief Executive of DPMC chairs ODESC and has the formal role of 'lead official' in the National Security System. The ODESC system has a number of boards, which govern different aspects of the system:

- ODESC-G (Governance): the primary governance board, its main role is the identification and governance of national security risk, supporting the Cabinet National Security Committee.
- Security and Intelligence Board: focused on external threats and intelligence issues.
- Hazard Risk Board: focused on the management of hazard risks and response to or recovery from emergencies.

DPMC also has a leadership role within the NZIC, which it exercises collaboratively with the agencies to ensure that the community works seamlessly as a whole. For the purposes of this leadership function NZIC includes the core intelligence agencies (e.g. the GCSB), the NZSIS, the wider intelligence community (e.g. the intelligence capabilities of the New Zealand Defence Force (NZDF) and Police) and departmental customers like the Ministry of Foreign Affairs and Trade (MFAT).

MCDEM has a particular role to lead the civil defence emergency management (CDEM) system, including stewarding the CDEM Act 2002 and maintaining the CDEM Strategic Framework.

The legislation and arrangements for CDEM have developed over time, but are still primarily based on the 4Rs of comprehensive emergency management. Operationally, CDEM is based on a principle that risks – and emergencies – are best managed locally. Where necessary this is supported by regional coordination (in the form of 'CDEM Groups') and national support (MCDEM and other government departments).

Through MCDEM, DPMC provides policy advice to government on CDEM, identifies and manages risks of national significance, supports CDEM guidance, planning and operations, builds the CDEM capability of organisations and individuals, supports the resilience of communities and the public through public education and information, and manages the central government response to large-scale CDEM emergencies or those that are beyond the capacity of CDEM Groups.

Objective Three

The New Zealand Intelligence Community is viewed as trusted, integrated and customer oriented

Strategic Focus 5

- Lead an integrated, customer-oriented and trusted intelligence community.

Impact: What success will look like

- NZIC being viewed as trusted, integrated and customer oriented will be demonstrated with reporting on collective performance against a set of national intelligence priorities.
- NZIC will have common standards, training, staff development and common outreach. Interoperability between capabilities will be the norm.
- The community will be operating a joint response to planning and resource management in order to achieve a set of clear objectives against which achievement can be clearly tracked.
- DPMC's advice and assessment will be valued by the Prime Minister and by Ministers, providing them with 'decision advantage' based on unique insights that cannot be obtained from other sources.

WHY IS THIS IMPORTANT?

NZIC acting as a sector reduces the potential for duplication, or for risks to fall through the cracks if they don't fall neatly into an agency's remit. It better supports ministerial priorities, focuses on continual improvement and responds effectively to independent reviews to maintain customer and public trust and confidence.

OUR ROLE

In addition to our overall leadership role within NZIC, the Department provides advice and assessments to the Prime Minister and other senior decision-makers on intelligence-related issues. It leads and coordinates NZIC's requirements, priority setting and performance reporting, and produces all-source assessments on national security and foreign policy priorities.

It also coordinates communications and a stakeholder engagement programme for the NZIC and ODESC system.

WHAT WE HAVE ACHIEVED

DPMC continues to enhance its leadership, coordination, priority-setting and measurement functions.

This focus flows from findings in DPMC's Performance Improvement Framework (PIF) review in June 2013, the PIF review for NZIC which was released in June 2014 and DPMC's PIF follow-up review, published in 2015.

Leading and coordinating NZIC

DPMC has worked across NZIC to ensure that it achieves its objectives – government priorities are met through the collection of the right intelligence, robust assessment of that intelligence and effective communication of those assessments (both written and verbal) to the people who need them.

Through the National Assessments Bureau (NAB), DPMC has produced all-source assessments covering topics of interest for the Prime Minister, relevant Ministers and decision-makers across the New Zealand Government. It has also coordinated the implementation of National Intelligence Priorities through the Intelligence Coordination Unit in NAB and chairing the interagency National Intelligence Coordination Committee.

Increasing effective collaboration

Through its National Cyber Policy and National Security Policy Directorates, DPMC has helped provide a policy and strategic framework to add value to the intelligence community.

The National Security Policy Directorate also brought together NZIC and customer agencies to provide Ministers with advice on the refreshing the National Intelligence Priorities for 2017.

Building public trust and confidence

DPMC works to ensure that the compliance and oversight mechanisms of NZIC are well supported, updated and strengthened. Through its coordination of national security communications, DPMC works to build public trust and confidence in NZIC and measure trust levels so that this can track progress over time.

THE IMPACT WE MADE

DPMC led or coordinated a number of cross-agency processes where national security policy issues needed to be resolved. DPMC provided a broader 'all of government' lens to this work than would necessarily have been the case with agencies working on their own.

The National Intelligence Priorities will be accompanied by reporting that demonstrates the value for money derived from intelligence resources spread across the national security sector. Measures for these reports are being baselined in 2016/17. The National Intelligence Priorities provide Ministers with a mechanism to steer and direct the effort of NZIC. Agencies focus on issues with the highest impact for New Zealand national security. Agencies are working on performance measures and resource planning to optimise the effect of intelligence informing agencies' work.

Recognising the need highlighted in the above PIF reviews, NZIC and NAB have taken action to operate more collaboratively with their customers and stakeholders, be more focused on meeting delivery expectations and develop stronger systems and processes to drive organisational and operational best practice.

A practical example of this improvement work has been the formation of intelligence priority coordination groups that bring together representatives from the assessors, collectors and customers to focus on a particular national intelligence priority.

Collectively, these initiatives have been critical steps in our multi-year objective of building an intelligence community that has common standards, customer-focussed approaches, interoperability between capabilities and a joint approach to planning and resource management.

Our Performance at a Glance

Building trust and confidence	Ministers and senior officials have confidence that assessments provided are of high quality and of policy relevance to New Zealand	Rated as 'met expectations'
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LOOKING AHEAD

A statutory independent review of the core intelligence community was conducted during the reporting year and this resulted in the presentation to Parliament of a report titled "Intelligence and Security in a Free Society" in February 2016. As a result of that review the National Security Policy Directorate is currently working on developing recommendations for policy and legislative changes.

DPMC also intends to begin reporting on collective performance against a set of national intelligence priorities and an objective measurement of trust and confidence in NZIC. This will be baselined by 2016/17 and then measured annually to identify trends.

DPMC has also been part of the strategic capability and resourcing review into the intelligence community. This has seen an additional \$8.7 million of new operating funding and \$600,000 of new capital funding into DPMC over the next four years. The bulk of this funding will be invested in increasing staffing resourcing within NAB.

Objective Four

New Zealand has world-class processes in place to identify and deal with national security events and emergencies, and build national resilience

Strategic Focus 6

- Increase New Zealand's resilience through our engagement with communities, business and the public sector and having a world-class ODESC system.

Impact: What success will look like

- The effectiveness and high regard held for the ODESC system will be demonstrated through stakeholder surveys and running formal processes to identify lessons from major ODESC responses.
- Communities are supported through introduced changes incorporated into the Civil Defence Emergency Management Act 2002 which will support recovery efforts from New Zealand's most frequent emergencies, those of small to moderate size.
- DPMC will have transformed the governance of the National Security System. The ODESC system will be world-class and seen as effective, efficient and trusted by the officials involved in it and the Ministers who receive advice from it. Other countries will look to New Zealand's ODESC system as an exemplar for small state national security systems.

WHY IS THIS IMPORTANT?

One of the most important responsibilities of any government is to ensure the security and territorial integrity of the nation, including protecting the institutions that sustain confidence, good governance and prosperity.

In order that this responsibility can be discharged, a government requires its national security machinery to be well led, strategically focused, coordinated, cost-effective, accountable, geared to risk management and responsive both to any challenges that arise and to the needs of Ministers.

OUR ROLE

As described in the introduction to Objectives 3 and Objective 4, DPMC formally leads the National Security System through the ODESC system. In addition, MCDEM has a specific role as a lead agency for natural hazards and infrastructure failure and in providing leadership across the CDEM system. This includes providing facilities and management of the National Crisis Management Centre (NCMC) to provide strategic oversight and coordination of any response at the national level.

MCDEM also provides policy advice and guidance on reducing risk, being ready for responding to and recovering from emergencies when they occur. This involves collaborating with other government agencies, CDEM Groups, lifeline utilities, emergency services private companies, volunteer organisations and individuals to increase capacity and support arrangements to respond to local hazards and risks.

WHAT WE HAVE ACHIEVED

Arrangements for response to national security issues

During the reporting year, DPMC coordinated across the National Security System, monitored emerging issues and risks and worked with the agencies responsible to ensure that arrangements were in place for quick and effective management when required.

We delivered against the first-year sections of the 2015 – 2019 National Exercise Programme. Key elements of this included:

- delivering five ODESC Forums covering lessons identified from recent operations, the Coordinated Incident Management System (CIMS) model, counter-terrorism, development of the National Disaster Resilience Strategy and pandemics and emerging infectious diseases
- a biosecurity-focused National Exercise (Exercise Rawaho) and a Maritime Incident-focused National Exercise (Exercise Whakautu II), and
- developing and getting cross-agency agreement on a four-year series of national exercises that cover a broad range of hazard risks and credible national security threats and hazards.

We led the design of an inter-agency training and development programme to build capacity in the CIMS model, which will be rolled out in the coming year.

We commenced a review of NCMC and published a National Security System Handbook to build understanding of the philosophy and doctrine governing the National Security System.

We also played a coordinating role to help manage risks relating to a number of major events, including the U20 FIFA World Cup, the Rugby World Cup (in the UK) and ANZAC commemorations in New Zealand and Gallipoli.

Identifying risks

In August 2015, the Officials Committee for Domestic and External Security Coordination Group (ODESC(G)) commissioned the development of a process to better identify, understand and articulate existing and emerging risks for New Zealand. DPMC led the process, which also included a number of officials from across central and local government and the not-for-profit sector. The initial milestone identification of a broad set of risks was met during 2015/16.

Updating legislative frameworks

DPMC has responsibility for ensuring that the legislative frameworks for national security are fit for purpose.

A Bill to amend the Civil Defence Emergency Management Act 2002 was introduced in November 2015. The Bill provides for formal transition periods after emergencies and associated powers to support effective recovery.

In December 2015 the National Civil Defence Emergency Management Plan Order 2015 and associated Guide to the Plan came into effect. These documents, required under the Act, updated the roles, responsibilities and operational support arrangements for everyone involved in emergency management.

International work

New Zealand has a partnership arrangement with other countries – involving three memoranda of understanding signed with MFAT – to support the UN Disaster Assessment and Coordination programme; provide rapid response capability to support Pacific Island nations during emergencies; and to undertake disaster risk management activities across five specific Pacific Island nations.

MCDEM also continues to support formal agreements with its counterparts in Australia and the United States.

Supporting resilient communities

In January 2016 MCDEM also began work to coordinate development of a National Disaster Resilience Strategy, which aims for improved national resilience through a holistic, whole-of-society approach to risk and resilience.

THE IMPACT WE MADE

The ODESC system is performing well, and (as measured through stakeholder surveys) is effective, efficient and trusted by the officials involved in it and the Ministers who receive advice from it.

MCDEM's activities have contributed to making New Zealand and its communities more resilient, with emergencies effectively managed across the system. As noted above, communities will be supported through introduced changes incorporated into the Civil Defence Emergency Management Act 2002 which will support recovery efforts from New Zealand's most frequent emergencies, those of small to moderate size.

Measurement of the impact of these changes will commence as part of implementation.

In addition to commencing this legislative reform, specific examples of the impact DPMC made this year include:

- 1.36 million people taking part in the national earthquake drill, New Zealand ShakeOut, on 15 October 2015.
- MCDEM producing five Director's guidelines, including one on welfare services in emergencies and another on planning responsibilities of the regional CDEM Groups.
- Running and chairing four ODESC and 35 Watch Group meetings covering 17 different national security-related issues.
- In partnership with Victoria University, leading the delivery of a security sector professional development programme, which 72 security sector employees completed during the year.

MCDEM also hosted a very successful national emergency management conference from 31 May to 3 June 2016. Three hundred and twenty attendees were challenged to consider the future of emergency management.

MCDEM also completed the outstanding actions required following the 108 recommendations produced by the Independent Review of the Civil Defence Emergency Management Response to the 22 February 2011 Christchurch earthquake.

Finally, MCDEM provided financial assistance to several local authorities for response and recovery, following severe weather and flood events in June and September 2015. Areas included Westland, Whanganui-Manawatu and Taranaki. The Chatham Islands also received support following Cyclone Pam.

The Office of the Auditor-General is conducting a performance audit of DPMC's support to New Zealand's National Security System, and will report on its findings during the next reporting period.

Our Performance at a Glance

New Zealand communities are aware of their hazards and risks, are prepared and able to respond and recover from an emergency	25% of New Zealanders describe themselves as being 'prepared at home'
Each year increase the percentage of New Zealanders who describe themselves as 'fully prepared'	14% of New Zealanders describe themselves as 'fully prepared'
Minister's satisfaction with the quality of policy advice (quarterly) assessed as 'satisfied' or better	Exceeded expectations
Satisfaction, assessed as 'good' or 'very good', in relation to: coverage of the Guidelines, Technical Standards, Codes and other publications, at least 65%	76% rated as 'good' or 'very good'

The trend of low levels of public awareness reflected in the results above reflects a historic reversion to the mean following elevated public awareness after the 2011 Christchurch earthquakes. Whilst 92% of New Zealanders believe they have a good understanding of the types of disasters that could occur in New Zealand and the chances of them occurring, only 14% have translated this into action. In July 2016, we launched a significant programme of public education in response.

LOOKING FORWARD

Budget 2016 provided \$6.1 million of additional operating funding and \$63,000 of capital funding over the next four years for DPMC to invest in MCDEM's capability.

An upgrade to the national warning system is due to be completed by the end of 2016, and the upgrade of the Emergency Management Information System (EMIS) is to be completed by the end of 2017.

Work has begun on the development of a new National Strategy, which needs to be in place by 2018.

As events over the past four years have shown, natural disasters and other events do occur, and DPMC plays an important role in ensuring the response and recovery to these crises and emergencies are well coordinated. This includes both our role as leader of the National Security System and ODESC, as well as our important leadership role in promoting resilience to hazard risks and developing capability and capacity in civil defence emergency management through MCDEM.

Natural disasters and other unforeseen events often require us to urgently reprioritise our focus and resources to provide the appropriate level of leadership, coordination and support. The resilience of DPMC's staff and systems will be challenged in the event of having to respond to, and recover from, multiple emergencies or crises in New Zealand or offshore.

Strategic Focus 7

- New Zealand is secure, resilient and prosperous online.

Impact: What success will look like

- Confidence to operate safely in New Zealand's cyber space environment will be measured through a National Cyber Strategy completed in 2015/16, which will further raise public awareness and be implemented over the coming years.

WHY IS THIS IMPORTANT?

New Zealand faces ongoing cyber risks – our geographic location offers no protection against cyber threats. Threat actors may be states, criminal organisations or individuals. Attribution is difficult and cyber threats have the potential to affect any New Zealander, agency or business connected to the internet. Identifying, reducing and preparing for these risks is critical to building a resilient New Zealand.

OUR ROLE

The National Cyber Policy Office (NCPO) oversees and coordinates national cyber security policy for the Government, including providing advice on investing government resources in cyber security activities, leading international engagement and coordinating engagement with the private sector on cyber security issues.

WHAT WE HAVE ACHIEVED

NCPO led the refresh of New Zealand's Cyber Security Strategy, which was released on 10 December 2015. The Strategy is accompanied by a detailed Action Plan and a National Plan to Address Cybercrime. It provides a single cohesive framework for the Government and the private sector to address cyber risks.

Implementation involves multiple agencies working closely with a broad range of Connect Smart public and private partners.

A key initiative from the Strategy is the establishment of a national CERT. CERT NZ will have five main functions: incident reporting and triage; situational awareness and information sharing; advice and outreach to New Zealand companies; international collaboration; and coordination of serious cyber incidents.

THE IMPACT WE MADE

New Zealand's first Cyber Security Summit was held in Auckland on 5 May 2016, hosted by the Minister for Communications. It brought together almost 300 leaders from across the private, public and non-governmental organisation sectors.

The Connect Smart cyber capability campaign and public-private partnership continues as a strong platform from which to drive cyber security. Connect Smart partners are increasingly active in promoting key messages and technical advice about cyber security through their own business channels and to their staff and customers.

There are now 132 Connect Smart public-private sector partners, including, banks, telecoms, IT companies, insurance companies, software companies, social media, government agencies, education institutions, non-governmental organisations and business associations.

LOOKING AHEAD

The Cyber Security Action Plan is intended to be a living document – it will evolve to keep pace with technology developments and the emergence of new threats. New actions may be added and existing actions amended. NCPO will work with government agencies and Connect Smart public-private partners to produce a public annual report on progress.

As part of Budget 2016 decisions, funding of \$22.2 million over four years has been approved for the establishment and operation of CERT. It will initially be established as a branded unit within the Ministry of Business, Innovation and Employment (MBIE) and should be operational by March 2017.

Work is underway on the development of a cyber credentials scheme to support businesses, particularly small and medium enterprises, to improve their cyber security. Work is also underway to set up a public-private taskforce to stimulate initiatives to build a cyber security professional workforce.

Connect Smart at a glance

27,295 visits to the Connect Smart website, with a total of 21,568 unique users.

78.11% website visitors were new users.

Approximately 361,309 Twitter impressions, with 500+ followers (last 12 months).

\$1,006,153 worth of media coverage (equivalent advertising value) gained for the Cyber Security Summit.

The majority of Summit coverage was positive (60%) or neutral (37%).

Objective Five

The Office of the Governor-General is strengthened as a symbol of national unity and leadership

Support for the Office of the Governor-General

- DPMC will have supported the Governor-General through effective and efficient advice and service.

Impact: What success will look like

- Public identification and ownership of the Office of the Governor-General, demonstrated by numbers of Visitor Centre and open days visitors; participation in events hosted by the Governor-General; the number of vice-regal patronages and the frequency of engagement with them; and the numbers of followers on social media.
- Increased positive feedback from the public and ongoing satisfaction expressed by the Governor-General for his or her programme.

WHY IS THIS IMPORTANT?

As the representative of New Zealand's Head of State, the Governor-General fulfils important constitutional, ceremonial, community leadership and international roles.

OUR ROLE

In managing Government House, the Official Secretary supports the Governor-General in fulfilling his or her role through a balanced strategic programme of community and ceremonial engagements that includes patronage of community groups, and attendance at and hosting of events and visits throughout New Zealand and internationally.

Government House maintains the heritage buildings and grounds of the residences in Wellington and Auckland and provides opportunities for the public to visit, either as invited guests at functions or (in Wellington only) by tours arranged through the Visitor Centre.

WHAT WE HAVE ACHIEVED

We continued to support the Governor-General, delivering on a range of policy, advisory and administrative functions—providing advice and guidance on the Governor-General's roles and responsibilities, organising events and maintaining the residences.

The Governor-General's programme, developed at his request, was shaped around themes of nationhood in 2015 and science and innovation in 2016. Capitalising on the activities of the Governor-General further raises public awareness and the profile of the Office.

THE IMPACT WE MADE

We have seen an increasing number of members of the public engaging with the Office: as invited guests at events; visitors on tours and open days; and through social media.

Supporting the Governor-General

149 speeches, 53 media releases and 44 other messages, including book forewords were provided by the Governor-General or Lady Janine.

The Governor-General's Facebook page increased from 24,609 'likes' on 1 July 2015 to 34,297 on 30 June 2016.

Twitter followers rose from 7,296 to 8,100, and Instagram followers now number 2,697. The focus has shifted from Twitter to Instagram as its emphasis on images is a better fit with the Governor-General's social media presence.

4,172 visitors through the Government House Wellington Visitor Centre.

Responses from these visitors are overwhelmingly positive. These are important indicators that the Department is making progress in strengthening public perceptions of the Office as a symbol of national unity and leadership, and as an essential part of constitutional government.

Feedback from Their Excellences and guests confirms that events were well organised and maintained the dignity and standard expected of the Office of the Governor-General. Overall, the feedback from the Governor-General showed a generally high level of satisfaction with the services, advice and support provided to him, with some areas for improvement.

Our Performance at a Glance

Support to the Governor-General is efficient and effective	Met expectations
Events at the Government House are well organised	Proficient ¹
Management of the Governor-General's domestic and international programme is appropriate and well balanced	Proficient

LOOKING FORWARD

The Cabinet Office and Government House are managing the transition from Lt Gen Rt Hon Sir Jerry Mateparae to Dame Patsy Reddy as Governor-General.

Strategic Focus 8

- Enhance New Zealand's sense of nationhood.

Impact: What success will look like

- DPMC will have supported the Governor-General in his or her contribution to a series of national commemorations and other events and projects which have enhanced New Zealanders' sense of nationhood.
- Increasing numbers of New Zealanders have a better understanding of our system of government.

WHY IS THIS IMPORTANT?

'Nationhood' is a broad concept covering the connection between individuals and their community, and the identity and priorities of each. New Zealanders sharing a sense of community and national identity increases social wellbeing.

OUR ROLE

The Department's role supporting the Governor-General to contribute to an enhanced sense of nationhood is covered fully above.

Separate to our role supporting the Governor-General, the Department supported a project to consider changing the New Zealand flag, which provided a world-first opportunity for national engagement on an important aspect of nationhood.

The Flag Consideration Project

Over 1.75 million Kiwis participated online.

Over 10,000 flag design suggestions.

43,000 people shared what they stand for.

Over 6,000 people attended public seminars and information stands.

Over 14,800 media articles across New Zealand and around the world.

¹ The Governor-General provided feedback and was asked to indicate his satisfaction with the service provided by Government House staff on a 10 point scale. 6–8 is 'proficient'.

This was in addition to our ongoing work through the Honours Unit to advise and assist the Prime Minister and the Cabinet Appointments and Honours Committee on the consideration of nominations for the New Zealand Royal Honours.

WHAT WE HAVE ACHIEVED

Our support for the process to consider changing the New Zealand flag, included:

- support to Hon Bill English, the Minister responsible for the flag consideration process
- support to the independent Flag Consideration Panel, and
- supporting the Panel to deliver a public engagement programme which enabled New Zealanders to discuss national identity and make an informed decision.

THE IMPACT WE MADE

The sidebar on the previous page highlights the significant public engagement with the Flag Consideration Project.

Also in the sidebar are listed key statistics on the Honours awarded in the 2015/16 year. The awarding of New Zealand Royal Honours is a highly public way of recognising significant contributions that New Zealanders have made in all walks of life and thus contributes to the ongoing development of national identity.

The impact our support for the Governor-General has made is reported separately in the section above.

Honours

New Year Honours List 2016: 178 recipients.

The Queen's 90th Birthday Honours List 2016: 177 recipients.

Special Honours List of New Zealand Gallantry Awards: 4 recipients.

Special Honours List: 1 recipient.

Six individuals were granted use of the title 'The Honourable' for life.

Our Performance at a Glance

The public engagement process for the Flag Consideration process is on track according to the plan approved by the Responsible Minister Achieved

Objective Six

Greater Christchurch is viewed as an attractive and vibrant place to live, work, visit and invest, *mōā tātou, ā, mō, kā uri āmuri ake nei* – for us and our children after us

Strategic Focus 9

- Transitioning from CERA to long-term arrangements.

Impact: What success will look like

- CERA's functions are transitioned smoothly to receiving agencies and the recovery and regeneration work programme is not delayed or compromised by the change.
- DPMC provides quality advice to the Prime Minister and Ministers on regeneration issues, and there is positive progress for greater Christchurch under the post-CERA arrangements.

WHY IS THIS IMPORTANT?

Greater Christchurch is entering a new phase as it moves from recovery to regeneration. Central government's role has moved from leading and coordinating the overall recovery of greater Christchurch to one of supporting local institutions to get back into the 'driving seat'. It is important that the recovery momentum of the past five years continues to be maintained in the regeneration phase, with local leadership shaping the region.

OUR ROLE

On 1 February 2015 **CERA** became a departmental agency of DPMC, as the first step in transitioning to effective long-term recovery arrangements. During this transition, DPMC was responsible for the strategy, policy and resource settings in which CERA operated, including the financial management of the departmental agency. This role is reflected in this Annual Report.

On 18 April 2016 CERA was disestablished. A transition process was started prior to this, and its functions transferred to inheriting agencies, including Ōtākaro Limited, Regenerate Christchurch and local and central government agencies.

Through the GCG, DPMC leads and coordinates central government's new role and supports the transition to local institutions. This involves:

- providing policy and planning advice to Ministers on issues that include the future uses of the Christchurch and Waimakariri residential red zones
- administering the Greater Christchurch Regeneration Act 2016
- monitoring and reporting on the overall progress of regeneration
- part funding and joint governance of the horizontal infrastructure rebuild and repair programme, and
- leading the Canterbury Earthquake Recovery Learning and Legacy programme.

WHAT WE HAVE ACHIEVED

CERA as Departmental Agency – Until 18 April 2016

Recovery transition

In the months leading up to its disestablishment, CERA put in place a plan for transitioning Crown leadership of the recovery to long-term arrangements. The transition plan proposals were developed with input from the Advisory Board on Transition, CERA's strategic partners and central government agencies.

The Greater Christchurch Earthquake Recovery: Transition to Regeneration (Transition Recovery Plan October 2015) was released on 22 October 2015. The transition arrangements are summarised below:

Overview of CERA Transition Arrangements	
MBIE	Supporting the residential rebuild, and monitoring the procurement of the public sector rebuild.
Ministry of Health (MOH) working in partnership with the Canterbury District Health Board (CDHB)	Leadership, oversight and coordination to support psychosocial recovery. Partners include a range of national and local organisations, such as the Ministries of Social Development and Education, as well as the local authorities that lead community-led recovery.
Land Information New Zealand (LINZ)	Remaining responsibilities for demolitions and clearances of Crown-owned properties, and interim management of Crown-owned land in the central city and residential red zones. Also includes Insurance Recoveries.
GCG (within DPMC)	Responsible for coordinating central government's role in regeneration, including advice to Ministers, administering the new legislation, monitoring and reporting on the overall progress of regeneration, part funding and joint governance of horizontal infrastructure repairs and leading the Recovery Learning and Legacy programme that shares lessons from recovery.
Regenerate Christchurch	A joint Crown-Christchurch City Council entity that will oversee the long-term development and enhancement of Christchurch, initially focusing on the central city, Christchurch's residential red zone and New Brighton.
Ōtākaro Limited	A Crown-owned company responsible for delivering, on behalf of the Government, Crown-led Anchor Projects and Precincts outlined in the Christchurch Central Recovery Plan, and divestment of Crown-owned land not required by the Government.

The first transition of CERA functions happened on 1 December 2015 with the transfer of functions to MBIE, LINZ and MOH/CDHB.

The second transition of CERA functions occurred on 1 March 2016 with DPMC, LINZ and MOH/CDHB inheriting further responsibilities from CERA. In addition, central city responsibilities for land management and further works transferred to LINZ on 18 April 2016.

Ōtākaro Limited was incorporated on 17 February 2016 and inherited a number of Anchor Projects from CERA's programme of work in April 2016. Regenerate Christchurch was established on 19 April 2016.

Recovery of the built environment

During this period, CERA was a significant contributor to Anchor Projects developed from the Christchurch Central Recovery Plan. Large construction projects can take several years from scope and design through to completion and occupation, and so key milestones are identified along the way. A number of these milestones were achieved this year, contributing to the regeneration of the central city.

The second and final stage of the Bus Interchange was completed and operational on 20 August 2015. An official opening and plaque unveiling was held on 29 October 2015. This was the second of the key Anchor Projects to open in central Christchurch. The Bus Interchange provides a comfortable, high-quality hub for public transport in the city.

Another project that was completed in the second half of 2015 was the Margaret Mahy Family Playground, which is part of Te Papa Ōtākaro/Avon River Precinct. The playground was officially opened on 22 December 2015, and has been met with widespread enthusiasm from the public. Over 100,000 people are estimated to have visited it over the summer period.

Te Papa Ōtākaro/Avon River Precinct has progressed significantly. Construction of The Terraces section between Cashel and Hereford Streets was completed in early May 2016. The Triumphal Arch and the Bridge of Remembrance restoration were also completed by Anzac Day 2016.

Construction of the Canterbury Earthquake Memorial began in November 2015. The north bank of the site, a reflective space, was completed by 22 February 2016 marking the five-year anniversary of the 2011 earthquake. Construction of the second part of the Memorial on the south bank site, including the Memorial Wall, has started and will be complete in time for the 22 February 2017 anniversary.

The Metro Sports Facility design team was announced in December 2015. The Crown and Christchurch City Council have agreed to jointly fund the facility, and the intention is to have some of the facility open to the public in 2019, and the remainder in 2020.

The East and North Frame residential development agreement between the Crown and Fletcher Residential was formalised in December 2015. This residential work programme is due to begin in October 2016, with the first areas of new homes being built on the corner of Latimer Square and Hereford Street, comprising an area of almost 3,000 square metres. The remaining work on the development will progressively be built in 14 'superlot' blocks with the pace of development subject to market demand, but forecast to be completed by 2024.

In addition to delivering these key Anchor Project milestones, CERA also contributed to the progress of other Anchor Projects – for example, the Convention Centre Precinct and the Stadium – including supporting preparations for the handover of responsibility for these projects to the inheriting agencies.

- **From April 2016 Ōtākaro Limited became responsible for the delivery and management of a number of these Anchor Projects.**

Resolving impediments to recovery affecting people's wellbeing

Residential Red Zone

Crown offers to the owners of Residential Red Zone properties enabled people living in the worst affected areas as a result of the earthquakes, to move forward with their lives. The last of the Crown offers closed in December 2015. As of 30 June 2016, the owners of 7,719 properties – out of the 7,871 properties eligible for a Crown offer – had accepted the offer and settled.

As people have moved out of the red zones, dwellings on Crown-owned properties have been cleared. Over 99.5% of land owned by the Crown in the flat land areas has been cleared and grassed, with the remainder expected to be finished in September 2016. The clearance of dwellings on Crown-owned properties in the Port Hills is half way through.

Social recovery and wellbeing

CERA continued to monitor and report progress of social recovery on an annual basis through the annual Canterbury Wellbeing Index and six-monthly CERA Wellbeing Survey. The Canterbury Wellbeing Index used a range of indicators to provide information on the impacts of the earthquakes on wellbeing and to identify emerging social trends and issues. This has now been transferred to MOH/CDHB.

Greater Christchurch Group – From 1 March 2016

Recovery transition

GCG was established on 1 March 2016. This represented a significant milestone for DPMC, given the intense activity required to disestablish CERA and appropriately transfer its roles and functions to the inheriting agencies, while maintaining the pace and momentum of the recovery.

Given the breadth of GCG's role, the number of agencies (including central government inheriting agencies, Ōtākaro Limited, Regenerate Christchurch and local government) involved in the regeneration of greater Christchurch, and the new legislation, GCG has focused on embedding these new arrangements.

These four months have been an opportunity to build relationships and provide support and guidance to other agencies tasked with regeneration activities, to maintain momentum and foster collaboration into the next stages of regeneration.

Supporting transition to the new arrangements

We have supported the establishment of Ōtākaro Limited and Regenerate Christchurch, two of the successor entities supporting regeneration. We have also provided policy advice to the central government agencies that inherited recovery functions (MBIE and LINZ).

We also initiated the first Chief Executives' Forum on Regeneration to ensure a coordinated government contribution to regeneration and led and presented the Crown's case on behalf of 22 government departments and Crown entities for the Christchurch Replacement District Plan.

Supporting local authorities to undertake their role

Our medium-term priority is to support local institutions to undertake their roles effectively, and support a long-term transfer of responsibility back to the local level. For example, we supported the Waimakariri District Council to develop a draft Waimakariri Residential Red Zone Recovery Plan, started transitioning responsibility for the Horizontal Infrastructure Governance Group sub-committees to the Christchurch City Council and supported the Christchurch City Council in producing the monthly Future Christchurch Update publication delivered to households in greater Christchurch.

Delivering the rebuild

Finally, we continue to support urgent geotechnical risk mitigation works through the divestment of red zone land to the Council to facilitate works. We also supported the Horizontal Infrastructure Programme (roads, wastewater, storm water and water supply), which is being delivered by the SCIRT. The Programme was 92% complete as at 30 June 2016. The SCIRT Alliance is comprised of five contractors and three funding organisations. Representation on the SCIRT Board includes the funding organisations. The programme in general is overseen by the three funding organisations (DPMC, New Zealand Transport Authority (NZTA) and Christchurch City Council) working together through the Horizontal Infrastructure Governance Group and various technical and steering groups.

Progress by inheriting agencies

Regenerate Christchurch

The seven member Board and the Chief Executive have been appointed. A Crown-Council Agreement detailing funding and governance arrangements for Regenerate Christchurch has been signed.

A joint Letter of Expectations has been provided to the Board by the Minister supporting Greater Christchurch Regeneration and Mayor of Christchurch.

Initial focus has been establishing strong relationships and assessing where regeneration activities should be concentrated to inform the work programme.

MOH/CDHB

The new multi-agency Psychosocial Governance Group has been established to lead, coordinate and support psychosocial recovery. It is chaired by CDHB.

The first Canterbury Wellbeing Survey has been undertaken following transition. There have been high levels of participation.

Land Information New Zealand

Since December 2015, when LINZ took over clearing and managing Crown-owned properties in the Residential Red Zone, almost all remaining clearances have been completed in the flat lands and half of the Port Hills demolitions.

Continued over page...

THE IMPACT WE MADE

CERA as Departmental Agency – Until 18 April 2016

Recovery transition

The recovery transition work including Anchor Projects and the projects being undertaken by the Christchurch City Council, other public sector agencies and the private sector are all contributing to the framework created through the Blueprint in the *Christchurch Central Recovery Plan* to develop a greener, more accessible city with a compact core and a stronger built identity.

Resolving impediments to recovery affecting people's wellbeing

The final Canterbury Wellbeing Index produced by CERA was for June 2015, and published on the CERA website in August 2015. The 2016 Canterbury Wellbeing Index is expected to be released soon.

In summary, the 2015 results show many signs of progress in people's recovery. The rebuild has generated employment opportunities and the region's young people, in particular, are benefiting from this. The majority of residents report a high overall quality of life and this is improving over time. Residents are seeing tangible signs of progress in rebuilt and repaired private dwellings and public spaces and report a stronger sense of personal commitment to the region. However, there remains a small but significant proportion of people who are still struggling with psychosocial recovery (e.g. people with unresolved insurance claims) and it will be important to continue to monitor their progress going forward.

The seventh CERA Wellbeing Survey took place in September and October 2015 with 2,526 responses from people in Christchurch City, Selwyn and Waimakariri Districts. The results were published in December 2015.

The survey results also show that most people in greater Christchurch feel their wellbeing and quality of life is good and stable. Levels of stress show little change. Transport-related issues are causing stress for fewer people than before; as are uncertainties about remaining in the region.

People feel positive about things happening around them and things to come, including access to new and repaired recreational and cultural facilities and the improved quality of their homes after repair/rebuild.

CERA conducted another survey, over the same period as the Wellbeing Survey, specifically to evaluate the outcomes for former residential red zone property owners and to determine if the Crown's recovery objectives had been met.

With a survey response rate of 42%, the majority of respondents agreed that in their experience, the process provided them with certainty of outcome; confidence to allow them to move forward; the best possible information available; and a simple process that provided the clarity and support they needed.

With regard to wellbeing, the survey demonstrated that the outcomes for former residential red zone residents were similar to, although slightly lower than, those for other residents in greater Christchurch who were affected by the earthquakes.

Progress by inheriting agencies cont.

MBIE

Functions have successfully integrated into MBIE following transition.

Reporting on the status of work programmes has been aligned with ministerial accountabilities.

Ōtākaro Limited

Completed its establishment process, with the appointment of a Chief Executive, Albert Brantley, and full Senior Management Team.

Advancing the preliminary design of the Metro Sports Facility through the appointment of two alternative contractors for Early Contractor Involvement processes.

Completing the first stages of The Terraces project in Te Papa Ōtākaro / Avon River Precinct.

Completing early design and master planning stages of the Christchurch Convention Centre Precinct and beginning market engagement for a main contractor for final design and build.

Greater Christchurch Group – From 1 March 2016

Four months is a short period of time to assess the impact GCG has made. However, in this period of time, GCG has developed strong and effective relationships with the large number of entities involved in the regeneration of greater Christchurch. Through this collaborative and facilitative work, GCG has been able to provide a broader whole-of-regeneration approach than would necessarily have been the case with agencies working on their own.

GCG's aim is to maintain confidence in recovery; maintain regeneration momentum; ensure a consistent approach to regeneration across the whole of government; support transition to local leadership; and enable the achievement of regeneration outcomes.

Our Performance at a Glance

The wider Horizontal Infrastructure programme completion, close-out and transition is finalised within the agreed timeframe	On track for completion
The satisfaction of the Minister with the policy and legal advice service, as per the common satisfaction survey	Exceeded expectations ²

Further information on the performance of the CERA, and the delivery of recovery / regeneration outcomes is provided in Part D of this Annual Report.

LOOKING FORWARD

GCG will continue to build upon its strategic partnerships and play a facilitator and co-ordinator role, supporting both local and national agencies to achieve regeneration outcomes for greater Christchurch.

² Note that the GCG did not provide legal advice during the reporting year, so this reporting is limited to the policy advice service.

Departmental Health and Capability

OUR POSITION

Our intention is that DPMC will be viewed as an exemplar of outstanding executive and policy leadership, and a trusted system steward. It will continue to lead and manage government priorities, influence the State sector without needing to resort to positional power and be the example for producing innovative and responsive policy advice.

Part of DPMC's value proposition to successive governments had been our ability to take on big projects, coordinate agency effort and deliver results for the government of the day.

Recent examples include the inheriting of functions from CERA, coordinating the development of National Intelligence Priorities, developing the business case and policy work for the CERT, developing and implementing the CabNet business case and hosting the Flag Project.

As a consequence, since 2014 we experienced rapid growth and by 2016 have doubled in size – with seven business groups undertaking a range of functions. This has required us to change our capacity and capabilities to meet upcoming challenges and operate more effectively and efficiently within our baseline.

We have also become more geographically dispersed, with a significant presence in Christchurch, a presence in Auckland and multiple sites in Wellington.

Our goal is to continue to be a department with a focus on value for money and first rate service. This means finding ways to become more efficient and effective, without reducing our core business activities.

TRANSITIONING CERA FUNCTIONS

As at 1 July 2015 CERA employed 329 full-time equivalent staff. Because of its time-limited life span, and because of the need for the right mix of skills to respond to particular requirements and roles as and when required, CERA staff were employed under a variety of employment arrangements. The majority were on fixed-term employment agreements; they were supplemented by staff seconded from other agencies and contractors.

With CERA ceasing to exist from 18 April 2016 DPMC became the lead central government agency with oversight across the regeneration, as well as being responsible for some functions previously done by CERA.

During this time a transfer of some staff from CERA to DPMC occurred, with other staffing numbers reducing naturally as CERA wound down (CERA staff were employed on fixed-term contracts, secondment agreement or other relationships that expired along with the Agency). This was managed in accordance with DPMC's Transition and Appointments Protocol to ensure all employees were treated fairly and equally.

This process also allowed DPMC to invest in capability to ensure we could hit the ground running in greater Christchurch, working closely with CERA to understand the situation and support the formation of a new business unit within DPMC – the GCG.

DPMC is highly accountable to the public in greater Christchurch, and is more outwardly facing than we are in most other areas of our work. A top priority will be to ensure future-focused, sustainable and cohesive business systems and operating practices are built to support the greater Christchurch regeneration effort. Similarly, a collective focus for the Department has been to successfully integrate GCG into our wider culture, structure and processes.

Our vision of a consistent DPMC

To support our challenges and continue to make progress towards our goals, we are focusing on people and systems.

By 2020 we will be joined up and take a whole-of-department approach; supported by a sustainable and future-facing workforce, ICT and financial strategies.

The challenge is maintaining the unique attributes that make each of our seven business groups successful – while creating a shared sense of values, purpose and consistency in the way that we: operate; communicate with our stakeholders; and develop, recognise and engage staff.

Our work in greater Christchurch is focused on returning the full leadership for regeneration to local institutions. As such, our role will reduce over time.

BUILDING OUR CORPORATE CAPABILITY AND INFRASTRUCTURE

In 2015/16 new functions within the Office of the Chief Executive and CASS were established. As a small organisation DPMC prides itself on its light corporate infrastructures. However, as the business has grown and become more complex we have identified the need to bolster our corporate capability and systems.

This was highlighted in the 2015 SSC's PIF review for the Department which noted the need for more robust governance, operating procedures, and processes to manage our increased functions.

The transfer of functions from CERA provided an opportunity to build these functions. We have used the additional roles we have inherited from CERA to build up our people and performance capability; our project, risk and assurance and reporting systems; and to refresh and update corporate and HR policies and systems.

We intend to retain a small proportion of these resources on an ongoing basis, to enhance our ongoing effectiveness and our capacity to take on new initiatives and projects for the Government.

FORMING MORE EFFECTIVE STRATEGIC PARTNERSHIPS

Across our responsibilities DPMC is expected to act as a leader or system steward, facilitating effective collaboration to deliver the Government's priorities. This requires us to form effective strategic partnerships with a range of actors – the State sector, private organisations, iwi, local communities and non-governmental organisations.

We continue to prioritise strengthening our partnerships and our Four-year Plan emphasises the need to build capability in this area.

Key Objectives for our Major Strategic Partnerships

State sector	<p>Supporting functional leadership across the system and adding value as agencies deliver the Government's agenda through:</p> <ul style="list-style-type: none"> communicating across government, helping departments to understand Ministers' perspectives and priorities and assisting agencies to develop policy that supports government priorities and dealing with implementation issues as they arise facilitating cross-government linkages with agencies working on inter-related issues, and seeking to ensure that officials' advice takes into account the Government's broader priorities improving the level of support to Ministers to better enable them to carry out their roles and functions, and providing platforms to enable easier and more efficient access to Cabinet papers by departments and Ministries.
Canterbury regeneration	<p>Working with colleagues in the other inheriting agencies and across all central government agencies to support the regeneration of Christchurch through monitoring and reporting on progress to Ministers and other stakeholders.</p>
Private and other sectors	<p>Gaining a broader perspective and input into the policy agenda by communicating and working with a broad network of stakeholder relationships outside of the government (e.g. iwi, private sector and non-profit sectors).</p>
National security and intelligence	<p>Sharing resources, collaborating and eliminating duplication so that the sector is seen to work seamlessly as a whole and connects with all national security agencies through our leadership roles within:</p> <ul style="list-style-type: none"> NZIC, in collaboration with its agencies, and ODESC – the National Security System. <p>Working across the sector to build an intelligence assessments community with common standards, training, staff development and customer outreach.</p>

Key Objectives for our Major Strategic Partnerships

Resilience	Leading and collaborating on core CDEM activities that build a resilient New Zealand with our sector partners and across sectors to strengthen CDEM policy advice, set the strategic direction and build strong relationships.
Nationhood	Supporting the Governor-General, Prime Minister and Ministers by providing advice on constitutional issues that have implications for executive government and constitutional procedures that support the conduct and continuity of executive government.

WORKFORCE CAPABILITY AND CULTURE

This financial year – and continuing into the next – our focus has been on integrating and building the Department’s workforce (e.g. transitioning CERA functions into the GCG and building upon the emerging strength of the SIG).

As noted previously, DPMC has grown significantly during this period, and we are continuing to work through a medium-term process to ‘right-size’ the organisation.

Right-sizing DPMC

2013–14	2014–15	2015–16	2016–20
<p>Small agency</p> <ul style="list-style-type: none"> 102 staff across five business groups Strong policy focus with limited corporate support 	<p>Small agency</p> <ul style="list-style-type: none"> 144 staff across six business groups, with offices in Wellington, Auckland and Christchurch Expanded focus – national security and emergency management Growing corporate support 	<p>Small to medium sized agency</p> <ul style="list-style-type: none"> 252 staff across seven business groups, with offices in Wellington, Auckland and Christchurch Expanded focus with more operational aspects in Christchurch Right-sized corporate support and an agile corporate infrastructure 	<p>Small to medium sized agency</p> <ul style="list-style-type: none"> 200 staff across seven business groups, with offices in Wellington, Auckland and Christchurch Right-sized corporate support and an agile corporate infrastructure

We have also made significant progress on our organisational workforce priorities, as described in our Four-year Plan:

- Evolving to a consistent DPMC across all business groups through standardised and strengthened: induction, staff development policies and programmes; operating and performance management systems; and managerial reporting and oversight processes.
- Building DPMC’s values and engagement through assessment of our culture and engagement activities.
- Developing DPMC people, with a focus on developing frameworks for talent management, recognising and rewarding high performance, career development and more targeted management and leadership development for DPMC.

The majority of our operating costs are in personnel, which means that fixed baselines and increasing costs may have capacity implications in future years. Although this year there were no implications for service delivery or quality, we are continuing to look at ways to increase our preparedness to manage such pressures in the future.

We will continue to adapt and become more flexible in deploying our people across the Department and adopt more efficient and innovative ways of working, strengthening our existing reputation for delivering results and being a great place to work. We need to think and work differently and our managers will be expected to lead and model this new way of working across the State sector.

Our people

We take pride in the high calibre of our people who make up our workforce, and aim to be an employer of choice that attracts talented staff.

Our people have told us that they feel more engaged with the Department as evidenced through our last culture and engagement survey in September 2014. DPMC is undertaking our next survey in October 2016 and aims to maintain our high engagement rate (93% of staff responded as being 'somewhat engaged' or 'engaged' in 2014, up from 89% in 2012).

Staff recruitment, performance and development

Our attraction and selection processes recognise the need to find highly experienced staff who can adapt quickly to the changing nature of our world and be able to lead by example across the State sector. We have created a more modern and in-depth induction and orientation programme which ensures that our people understand the expectations of their role, and the wider DPMC working culture.

DPMC has also successfully recruited a number of former CERA and new staff for the establishment of a new business group – GCG – and ensured a smooth transition of staff who were previously employed by CERA onto DPMC employment agreements.

DPMC managers continued to use professional development plans generated as part of the performance management process. We intend to use these to create a matrix of core development needs, to support our personnel development budgeting. This helps form the foundation for our learning and development programmes over the next 12 months. We continue to place a very high value on the development of leadership and management capabilities, using Leadership Development Centre (LDC) tools and courses, as well as providing staff with access to a number of other personal and professional assessment and development opportunities. Further, this year we implemented bespoke development programmes for DPMC that were delivered through the Central Agencies Development Centre.

The Department seeks to strike a balance between a competitive employee value proposition (including a fair and comparable remuneration package) to attract and retain the right staff, and managing cost pressures. However, this is only one driver of overall direct employment cost pressures.

MANAGING OUR RESPONSIBILITIES

Diversity and equal employment opportunities

DPMC actively seeks to become a more diverse organisation. The Department considers diversity to cover ethnicity, gender, disability, age, diversity of thought and experience.

Over the past two years the Chief Executive has chaired a working group that looked at how diverse we are in the Department and implemented a number of diversity related initiatives including:

- refreshing our diversity-related policies (Anti-Harassment and Bullying Prevention, Parental leave, Wellness etc.)
- conducting unconscious bias training for managers and staff involved in recruiting, and
- establishing a women's network within the Department and supporting a woman's network in the wider national security and intelligence sector.

We also plan to set up community of interest groups such as a Policy cohort and Executive Business support group.

Our working environment

Creating a healthy and safe work environment is an ongoing departmental priority. Our people are encouraged to participate in a wide variety of health and wellbeing activities. We provide a comprehensive well-being programme to support all staff. This includes free vaccinations against influenza, eye tests and a wellness subsidy that can be used for general good health and physical exercise. We also maintain a hazards register to identify issues and provide ergonomic assessments for all new staff, with further assessments upon request.

We are committed to the public service code of conduct and ensure that staff are protected against harassment and bullying. We provide for flexible work arrangements, where possible taking into consideration balancing the needs of DPMC with staff's personal commitments and to assist in the achievement of a healthy balance in their lives.

Risk-assurance processes

DPMC's Risk and Assurance Committee provides challenge and advisory services to the Chief Executive. During 2015/16 the Committee continued to meet quarterly to review and assess areas of potential risk, DPMC's progress toward mitigating those risks, and a range of other capability and strategic issues.

In 2015/16 we added a new member to this Committee to ensure continuity of oversight over the risks owned by CERA.

Official Information

The Department completed 418 responses to requests made under the Official Information Act 1982 and Privacy Act 1993 in the 2015 calendar year. In the 2014 calendar year, DPMC completed 369 responses.

In addition to responding to requests that DPMC receives directly, the Department has an administrative function in drafting and preparing responses to Official Information Act requests on behalf of the Prime Minister's Office when required.

New Zealand Business Number

MCDEM is subject to Cabinet Circular (16) 3 New Zealand Business Number – Implementation Requirements issued on 25 May 2016, which set out implementation requirements for the New Zealand Business Number (NZBN). NZBN is a universal identifier to help businesses to easily update, share key information and interact with each other.

This has been introduced to streamline all essential business information, and over time will become the only number businesses will need to use to interact with a range of other businesses and government agencies.

The Ministry is a tier three agency and must implement NZBN requirements by 31 December 2018. We will work collaboratively with the other central agencies and this project has been added to the CASS work programme for 2016–17 and 2017–18 financial years.

Statutory and Formal Responsibilities

Chief Executive	<p>The Chief Executive of DPMC has the following statutory responsibilities under Acts that DPMC administers:</p> <ul style="list-style-type: none"> • The statutory responsibility to appoint such officers as may be required to assist the Intelligence and Security Committee of Parliamentarians (established under the Intelligence and Security Committee Act 1996) to carry out its duties. <hr/> <ul style="list-style-type: none"> • Under the Greater Christchurch Regeneration Act 2016: <ul style="list-style-type: none"> – providing views on other proponents' proposed Regeneration Plans (or proposed amendments to or revocations of a Regeneration Plan or Recovery Plan) and related documents and, if the Chief Executive were to be the proponent, developing such proposals and related documents and seeking others' views – providing views on other proponents' proposals that the Minister use his powers under the Act to suspend, amend or revoke an Resource Management Act document, council plans etc., and, if the Chief Executive were to be the proponent, making such a proposal and seeking specified others' views, and – transferring Crown agreements to a council, council organisation or Regenerate Christchurch and transferring assets and liabilities and Crown land to Ōtākaro Limited.
Secretary of the Cabinet and Clerk of the Executive Council	<ul style="list-style-type: none"> • Administer the Letters Patent Constituting the Office of Governor-General of New Zealand 1983. • Preserve and maintain the official records of Cabinet, and to administer the convention on access to documents of a previous administration. • Administer the Governor-General Act 2010. • Administer the Seal of New Zealand Act 1977. • Administer the Royal Titles Act 1978. • Administer the Oath of Allegiance and the Executive Councillors' Oath under the Oaths and Declarations Act 1957. • Administer the Statutes of The Queen's Service Order (2007), The Order of New Zealand (1987) and The New Zealand Order of Merit (1996). • Administer the Royal Warrants of the New Zealand Gallantry Awards and the New Zealand Bravery Awards (1999). • Certify certain instruments executed by Ministers under the Official Appointments and Documents Act 1919. • Countersign certain documents under the New Zealand Government Property Corporation Act 1953.
Director, Civil Defence and Emergency Management	<p>Under the Civil Defence Emergency Management Act 2002, the functions of the Director are to:</p> <ul style="list-style-type: none"> • provide advice to the Minister on matters relating to civil defence emergency management • identify hazards and risks that the Director considers are of national significance • monitor and evaluate the national civil defence emergency management strategy • develop, monitor and evaluate the national civil defence emergency management plan • develop, in consultation with the relevant persons and organisations that have responsibilities under the Act, any guidelines, codes or technical standards that may be required for the purposes of the Act • monitor the performance of Civil Defence Emergency Management Groups and persons who have responsibilities under the Act • promote civil defence emergency management that is consistent with the purpose of the Act, and • during a state of national emergency, direct and control for the purposes of the Act the resources available for civil defence emergency management.

Part C – Prime Minister and Cabinet

Includes the Appropriation Statements and Financial and Performance Reporting Against Appropriations for Vote Prime Minister and Cabinet

Overview

Vote Prime Minister and Cabinet (the Vote) is administered by DPMC. The Prime Minister is responsible for most appropriations in the Vote; however, the Minister of Civil Defence is responsible for appropriations associated with civil defence matters and the Deputy Prime Minister is responsible for the New Zealand Flag appropriation.

Expenditure for the 2015/16 financial year totalled \$59.968 million and included:

- \$51.163 million of Departmental Output Expenses
- \$0.492 million of Departmental Capital Expenditure.
- \$0.927 million of Non-departmental Output Expenses
- \$7.136 million of Non-departmental Other Expenses, and
- \$0.25 million of Non-departmental Capital Expenditure.

Appropriation Statements

Statement of Budgeted and Actual Departmental and Non-departmental Expenses and Capital Expenditure Against Appropriations

for the year ended 30 June 2016

	2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000	Where Performance Information is Reported
VOTE PRIME MINISTER AND CABINET				
DEPARTMENTAL OUTPUT EXPENSES				
Canterbury Earthquake Recovery	6,906	-	8,922	Part C
Supporting Flag Consideration Process	4,677	5,213	6,266	Part C
TOTAL DEPARTMENTAL OUTPUT EXPENSES	11,583	5,213	15,188	
DEPARTMENTAL CAPITAL EXPENDITURE				
Department of the Prime Minister and Cabinet – Capital Expenditure PLA	492	100	975	Part C
TOTAL DEPARTMENTAL CAPITAL EXPENDITURE	492	100	975	
NON-DEPARTMENTAL OUTPUT EXPENSES				
Regenerate Christchurch	927	-	2,000	Will be reported in 2016/17
TOTAL NON-DEPARTMENTAL OUTPUT EXPENSES	927	-	2,000	
NON-DEPARTMENTAL OTHER EXPENSES				
Emergency Expenses	2,434	2,000	3,000	Exempt
Emergency Management Preparedness Grants	1,157	889	1,189	Exempt
Ex gratia Payment to the University of Auckland	120	150	120	Exempt
Fees for the Commissioner of Security Warrants PLA	38	74	74	Exempt
Governor-General's Programme PLA	1,166	989	1,119	Exempt
Governor-General's Salary and Allowance PLA	378	376	476	Exempt
Governor-General's Travel Outside New Zealand PLA	283	307	357	Exempt
TOTAL NON-DEPARTMENTAL OTHER EXPENSES	5,576	4,785	6,335	
MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE				
Emergency Management MCA				
DEPARTMENTAL OUTPUT EXPENSES				
Community Awareness and Readiness	2,260	1,938	2,131	Part C
Emergency Sector and Support and Development	5,373	3,804	5,988	Part C
Management of Civil Defence Emergencies	4,120	4,205	3,938	Part C
Policy Advice – Emergency Management	336	943	357	Part C
Total Emergency Management MCA	12,089	10,890	12,414	

	2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000	Where Performance Information is Reported
Government House Buildings and Assets MCA				
NON-DEPARTMENTAL OTHER EXPENSES				
<i>Depreciation of Crown Assets</i>	820	1,962	1,792	Exempt
<i>Government House – Maintenance</i>	740	514	1,014	Exempt
NON DEPARTMENTAL CAPITAL EXPENDITURE				
Government House Buildings and Assets – Capital Investment	250	379	979	Exempt
Total Government House Buildings and Assets MCA	1,810	2,855	3,785	
Policy Advice and Support Services MCA				
DEPARTMENTAL OUTPUT EXPENSES				
National Security Priorities and Intelligence Coordination	8,508	8,870	8,834	Part C
Policy Advice – Prime Minister and Cabinet	6,797	4,131	6,811	Part C
Science Advisory Committee	721	525	725	Part C
Support Services to the Governor-General and Maintenance of the Official Residences	3,973	4,139	4,008	Part C
Support, Secretariat and Coordination Services	7,492	7,790	7,595	Part C
Total Policy Advice and Support Services MCA	27,491	25,455	27,973	
TOTAL MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE	41,390	39,200	44,172	
TOTAL ANNUAL AND PERMANENT APPROPRIATIONS	59,968	49,298	68,670	

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 2016

For the year ended 30 June 2016 there has been no unappropriated expenditure in Vote Prime Minister and Cabinet (2015: Nil).

Statement of Capital Injections

for the year ended 30 June 2016

	2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
Capital Injection	475	-	1,160

Statement of Capital Injections Without, or in Excess of, Authority

for the year ended 30 June 2016

DPMC has not received any capital injections during the year without, or in excess of, authority (2015: Nil).

Reporting Against Appropriations

Departmental Expenses and Capital Expenditure

CANTERBURY EARTHQUAKE RECOVERY

This appropriation is limited to provision of services supporting the regeneration of greater Christchurch.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Revenue Crown	8,922	-	8,922
-	Expenses	6,906	-	8,922
-	Net Surplus/(Deficit)	2,016	-	-

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Departmental Output Expenses			
Horizontal Infrastructure			
Monitor and report on progress, timeliness and budget to Minister and the Treasury, at least	New measure	Four monthly progress reports	Achieved – the number of progress reports (11) to the Minister and the Treasury exceeded the standard
The wider Horizontal Infrastructure programme completion, close-out and transition is finalised within the agreed timeframe	New measure	Completed on time	On track – the practical completion of constructed projects is programmed for 31 March 2017 and close-out of the Alliance by 30 June 2017
Policy and Legislation			
Minister is satisfied (or very satisfied) with the policy and legal advice service on the regeneration of greater Christchurch and the administration of the Greater Christchurch Regeneration Bill			
The satisfaction of the Minister with the policy and legal advice service, as per the common satisfaction survey (see Note 2)	New measure	Ministers' expectations are met or exceeded	Satisfaction with policy advice was rated as 'exceeded expectations' (see note 1)
Technical quality of policy and legal advice papers will be assessed by a robust methodology	New measure	90%	A representative sample of papers was assessed using a quality review panel – all papers met agreed quality criteria and standards (see Note 1)

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Land and Land Use Planning			
All Crown submissions are completed within the statutory timeframes	New measure	100%	Achieved – 100% of submissions completed within statutory timeframes
Leadership/Brokering/Coordination			
The satisfaction of the Minister with the policy advice service, as per the common satisfaction survey (see Note 2)	New measure	Minister's expectations are met or exceeded	Satisfaction with policy advice was rated as 'exceeded expectations'
Technical quality of policy advice papers and legal advice assessed by a robust methodology	New measure	80%	A representative sample of papers was assessed using a quality review panel – all papers met agreed quality criteria and standards (see Note 1)
The Learn, Prepare, Act Symposium and Report are completed by June 2017	New measure	Completed	Achieved – on track for completion by June 2017
Monitoring and Reporting			
Report to the Minister(s) at least six monthly on recovery progress and the performance of the Regenerate Christchurch Board	New measure	Achieved	Achieved – the first required six-monthly report on track for delivery in October 2016
Provide advice to the Minister on Crown appointments to the Regenerate Christchurch Board, as required (see Note 3)	New measure	Achieved	Achieved – rated as 'exceeded expectations'

Notes:

1. It was not possible to measure the quality of policy and legal advice as stated. The Department is currently developing a more effective measurement methodology.
2. Reporting on this measure was covered in the Stakeholder Survey to the Minister Supporting Greater Christchurch Regeneration.
3. Reporting on this measure was covered through the Stakeholder Survey to the Minister supporting Greater Christchurch Regeneration. Achieved means that all the advice provided on appointments meets the Minister's expectations on completeness, quality and timeliness.

SUPPORTING THE NEW ZEALAND FLAG CONSIDERATION PROCESS

This appropriation is limited to advice and services to support public engagement and decision-making in the process to consider New Zealand's Flag.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
4,386	Revenue Crown	6,266	5,213	6,266
3,333	Expenses	4,677	5,213	6,266
1,053	Net Surplus/(Deficit)	1,589	-	-

Performance Information

The Department continued to support the process to consider changing New Zealand's flag by managing the overall process, leading the Officials' Committee and hosting the Secretariat to the Flag Consideration Panel.

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
The public engagement process is on track according to the plan approved by the Responsible Minister	Achieved	Achieved	Achieved – engagement process followed approved plan

DEPARTMENT OF PRIME MINISTER AND CABINET – DEPARTMENTAL CAPITAL EXPENDITURE PLA

This appropriation is limited to the purchase or development of assets by and for the use of the Department of the Prime Minister and Cabinet, as authorised by section 24(1) of the Public Finance Act 1989.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
273	Property, Plant and Equipment	492	50	525
4,163	Intangibles	-	-	400
-	Other	-	50	50
4,436	Total Expenses	492	100	975

REGENERATE CHRISTCHURCH

This appropriation is limited to the development of strategies and planning activities, with communities, stakeholders and decision-makers, for the regeneration of areas in Christchurch.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	927	-	2,000

Performance Information

Performance information for this appropriation will be reported in a report appended to the 2016/17 Annual Report.

Multi-category Expenses and Capital Expenditure

EMERGENCY MANAGEMENT MCA

The overarching purpose of this MCA is to support communities to be resilient by enhancing their capacity and capability to manage civil defence emergencies.

Financial Information

2014/15 Actual		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
11,780	Revenue Crown	11,748	10,660	11,748
126	Revenue Other	344	230	666
11,906	Total Revenue	12,092	10,890	12,414
11,493	Expenses	12,089	10,890	12,414
413	Net Surplus/(Deficit)	3	-	-

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
New Zealand communities are aware of their hazards and risks, are prepared and able to respond and to recover from an emergency	Achieved 86%	85% of the specific performance measures	70% of the specific performance measures were achieved (see Note 1)

Note:

1. This appropriation measure is an overall measure made up of 20 subordinate performance measures. For 2015/16, five subordinate measures were not achieved resulting in 70% of the appropriation performance measure being achieved. The rationale for each measure not achieved is provided in notes related to each measure. A number of subordinate measures have now been changed to better reflect how performance will be measured in out-years (some measures have been discontinued in 2016/17).

Category: Community Awareness and Readiness

This category is limited to the development and delivery of long-term national programmes to raise individual and community awareness and preparedness.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
1,691	Revenue Crown	2,108	1,915	2,108
-	Revenue Other	-	23	23
1,691	Total Revenue	2,108	1,938	2,131
1,503	Expenses	2,260	1,938	2,131
188	Net Surplus/(Deficit)	(152)	-	-

DPMC developed and delivered long-term national programmes to raise individual and community awareness and preparedness.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Availability of the civil defence website 24 hours a day, 7 days a week, at least	99.97%	99.9%	Achieved – The civil defence website was available 99.9% of the time as measured through standard diagnostic metrics
Each year increase the percentage of New Zealanders who describe themselves as 'fully prepared', which means: have an emergency survival plan that includes what to do when not at home; have emergency items and water; and regularly update emergency survival items	15%	15.5%	14% of New Zealanders described themselves as 'fully prepared' for an emergency event, as measured through a robust national survey (see Note 1)
Each year increase the percentage of New Zealanders who describe themselves as 'prepared at home', which means: have an emergency survival plan that includes what to do when at home; have emergency items and water; and regularly update emergency survival items	29%	30.5%	25% of New Zealanders described themselves as being 'prepared at home' to respond to an emergency event, as measured through a robust national survey (see Note 1)

Note:

1. This result reflects a continuation of a historic reversion to the mean following elevated public awareness after the 2011 Christchurch earthquakes. We have launched a significant programme of public education in response.

Category: Emergency Sector and Support and Development

This category is limited to developing and implementing operational policies and projects, advice, assistance and information to the CDEM sector.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
4,860	Revenue Crown	5,453	3,683	5,453
106	Revenue Other	262	121	535
4,966	Total Revenue	5,715	3,804	5,988
4,914	Expenses	5,373	3,804	5,988
52	Net Surplus/(Deficit)	342	-	-

DPMC developed and implemented operational policies and projects, advice, assistance and information for the CDEM sector.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Director Guidelines, Technical Standards, Codes and other CDEM sector information publications maintained	4	4	Achieved – 7 Guidelines, Standards, Codes and publications were maintained during the 2015/16 financial year
Satisfaction, assessed as 'good' or 'very good', in relation to:			
<ul style="list-style-type: none"> coverage of the Guidelines, Technical Standards, Codes and other publications, at least 	65%	80%	76% of Codes, Standards and publications were assessed as 'good' or 'very good' in terms of their coverage (Note 1)
<ul style="list-style-type: none"> quality of the new Guidelines, Technical Standards and Codes and other publications, at least, and 	82.4%	80%	78% of Codes, Standards and publications were assessed as 'good' or 'very good' in terms of their quality (Note 1)
<ul style="list-style-type: none"> the quality of the newsletters/updates – 16–20 issues, at least 	94.4%	80%	Achieved – 80% of newsletters and updates were assessed as 'good' or 'very good' in terms of their quality
Facilitate CDEM courses or workshops annually, at least	N/A	3	Achieved – 5 facilitated courses/workshops were carried out in 2015/16

Note:

- The quality and coverage of Guidelines, Technical Standards, Codes and other publications are appraised through an online annual survey, which has provided DPMC with a number of potential methods of improving the results of this measure.

Category: Management of Civil Defence Emergencies

This category is limited to management of national emergency readiness, response and recovery, including support to local CDEM organisations, maintaining the NCMC in a state of readiness, national training and exercises, coordination and management of central government's response and recovery activities and administration of related expenses.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
4,295	Revenue Crown	3,830	4,119	3,830
20	Revenue Other	82	86	108
4,315	Total Revenue	3,912	4,205	3,938
4,183	Expenses	4,120	4,205	3,938
132	Net Surplus/(Deficit)	(208)	-	-

DPMC managed national emergency readiness, response and recovery. This included supporting CDEM groups, maintaining the readiness of the NCMC and national training and education. We coordinated and managed central government's response and recovery activities and the administration of related expenses.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
National Warning System tests conducted, at least	4	4	Achieved – 4 tests were conducted
National warnings issued within 30 minutes after the notification of a pending event that exceeds the thresholds	No events	100%	Not achieved – (see Note 1)
National warning distribution list – accuracy of contact details (at each warning or test), at least	99%	95%	Achieved. Q1: 97.4% Q2: 98.0% Q3: 99.7% Q4: 99.7% Annual: the National Warning Distribution List was 98.8% accurate (at the time of each warning or test)
NCMC managed, during activations, with:			
<ul style="list-style-type: none"> staffing in place according to the activation mode within two hours 	100% (of 2)	100%	Achieved – 100% of staff were in place within two hours of an activation
<ul style="list-style-type: none"> essential information technology systems available and operating at agreed performance levels 	Achieved	95%	Not achieved (see Note 2)
<ul style="list-style-type: none"> back-up information technology systems and equipment fully functional, and 	100% (of 2)	At least 99.8%	Achieved – 100% of back-up systems and equipment were fully functional
<ul style="list-style-type: none"> coordination and management consistent with the Response Concept of Operations for extended activations 	No extended activations in 2014/15	All (no variations)	No extended activations occurred in 2015/16

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
NCMC activations reviewed:			
<ul style="list-style-type: none"> mode 2 or higher activations –within three months, and 	100% (of 2)	All	Achieved – 100% of activations were reviewed within three months
<ul style="list-style-type: none"> approved recommendations (lessons identified) actioned – within set timeframes 	100% (of 2)	All	Achieved – 100% of recommendations actioned within set timeframes

Note:

- There was only one national warning issued in New Zealand in 2015/16, which was as a result of the Chile earthquake and tsunami on 17 September 2015. The initial earthquake parameters did not meet the thresholds to issue a potential threat or warning notification. However, the magnitude was revised to 8.3, prompting the need for science advice to determine whether this would pose a threat to New Zealand. As this was a distant source tsunami, we had over 12 hours in which to warn the public, so the decision was made to take extra time to confirm the nature of the threat (based on science advice) and to then issue a national tsunami warning for marine and beach areas. The measure was not met owing to seeking scientific advice on the actual parameters of the threat. The MCDEM Duty Team determines if the information received from the Pacific Tsunami Warning Centre (PTWC)/GeoNet meets established indicators. In some case, the threshold for notification borders on two types of notification and scientific advice is required to determine the appropriate notification via the National Warning System. Given this issue this measure has been discontinued in 2016/17.
- There were two NCMC activations in 2015/16 –the tsunami that was generated on 17 September 2015 from an earthquake near Chile and the earthquake in Christchurch on 14 February 2016. During the response to the Chile tsunami, MCDEM experienced technical issues that affected the national warning system, the MCDEM website and social media.

Category: Policy Advice – Emergency Management

This category is limited to the provision of advice (including second-opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to civil defence emergency matters.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
934	Revenue Crown	357	943	357
893	Expenses	336	943	357
41	Net Surplus/(Deficit)	21	-	-

DPMC provided advice and services to Ministers to enable them to discharge their portfolio responsibilities relating to civil defence and emergency management.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Policy advice and policy briefings delivered to agreed quality criteria and standards – demonstrated through independent assessment	Not measured in 2014–15	95%	Achieved – a representative sample of papers was assessed using a quality review panel, chaired by an external expert
Minister's satisfaction with the quality of policy advice (quarterly) assessed as 'satisfied' or better	Exceeded expectations	95%	Achieved – rated as 'exceeded expectations'
Total cost of an hour of professional staff time devoted to policy unit outputs	See whole-of-DPMC measure above	\$90–\$120	Achieved – \$92 per hour

POLICY ADVICE AND SUPPORT SERVICES MCA

The overarching purpose of this appropriation is to provide policy advice to support decision-making by the Prime Minister and the Cabinet and provide support services to the Prime Minister, Cabinet and its committees, the Executive Council and the Governor-General.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
23,832	Revenue Crown	27,023	25,425	27,023
1,667	Revenue Other	1,377	30	950
25,499	Total Revenue	28,400	25,455	27,973
22,896	Total Expenses	27,491	25,455	27,973
2,603	Net Surplus/(Deficit)	909	-	-

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Increasing proportion of BPS result areas on track to achieve their targets	Not achieved (6 out of 10 on track (see Note 1 below).	At least 8 out of 10	Not achieved – 5.5 out of the 10 result areas on track (refer to Note 1)
Overall service quality of public services improves over time	Achieved – 74 points (Note 2)	73.5 points (Note 2)	Achieved – 75 points

Notes:

1. In February 2015 more ambitious targets were set for three results where targets were on track for achievement. Achieving only 5.5 out of 10 is due in part to the extension of these targets. Result Three – Increase Infant Immunisation and Reduce Rheumatic Fever is measured by the percentage of infants immunised (status: on-track) and the number of reported cases of rheumatic fever (status: progress but issues to resolve), subsequently Result Three is reported as being partially achieved resulting in a 5.5 out of 10 result.
2. This measure is based on the Kiwis Count overall SQS. The SQS was previously incorrectly reported as a percentage rather than as an absolute value.

Category: National Security Priorities and Intelligence Coordination

This category is limited to leadership and coordination around national security matters, leading collaboration within NZIC and providing intelligence assessments to support national security priorities.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
9,249	Revenue Crown	8,484	8,870	8,484
280	Revenue Other	433	-	350
9,529	Total Revenue	8,917	8,870	8,834
8,629	Expenses	8,508	8,870	8,834
900	Net Surplus/(Deficit)	409	-	-

Through its SIG, DPMC provided impartial advice to the Prime Minister on security and intelligence matters and led and coordinated the agencies of NZIC in terms of requirements, priority setting, risk management and performance reporting; exercised a coordination and leadership role in relation to NZIC and particularly the assessments community; and produced reports to inform members of the interdepartmental watch groups that coordinate New Zealand's responses to external crises and threats.

NAB produced impartial assessments of events and developments relevant to New Zealand's national security interests, including through customised briefings to senior decision-makers. It also led coordination across the intelligence community on the implementation of the National Intelligence Priorities.

The National Security Systems team coordinated New Zealand's National Security System. This includes preparing for and responding to security crises, emergencies and natural disasters; and dealing with national security threats that affect New Zealand and its interests, both onshore and offshore.

The National Security Policy Directorate provided advice to the Prime Minister and other Ministers relating to national security and emergency management and contributed to policy development across the full range of national security policy issues, including coordinating the provision of advice across agencies and led other policy work on behalf of NZIC. The NCPO provided advice to the Prime Minister and other Ministers relating to cyber policy.

The National Security Communications Directorate led internal and external engagement programmes for NZIC. This included agency-specific programmes for GCSB and NZSIS, as well as identifying activities that can involve the wider NZIC.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Advice and guidance on policies and preparation for strengthening national security are fully integrated, timely and of high quality	Prime Minister's satisfaction with national security advice and guidance: far exceeded expectations	Meets expectations	Achieved – rated as 'exceeded expectations'
	Ministerial satisfaction with national security advice and guidance: expectations not met		
Assessments provided to inform Ministers and senior officials of risks and opportunities relating to New Zealand interests are accurate and succinct	99.5%	Not less than 95%	Achieved – 100%

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Ministers and senior officials have confidence that assessments provided are of high quality and of policy relevance to New Zealand, assessed as the proportion of stakeholders whose expectations are met or exceeded	Met or exceeded expectations	90%	90%
All-of-government responses to national crises and events are effectively coordinated and managed, assessed as the proportion of stakeholders whose expectations are met or exceeded (refer to Notes 1 and 2)	Met expectations	90%	84% of respondents to survey questions rated DPMC support to ODESC governance boards as 'met expectations' or above

Notes:

1. Reporting on this measure will cover the satisfaction of stakeholders with the support DPMC provides to ODESC governance boards, as well as satisfaction with the national exercise programme and responses to national security events.
2. In future years, given the breadth of activity being assessed, ratings for these measures will be separated so as to show the component parts.

Category: Policy Advice – Prime Minister and Cabinet

This category is limited to the provision of advice (including second-opinion advice and contributions to policy advice led by other agencies) to support decision-making by the Prime Minister and the Cabinet.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
4,381	Revenue Crown	6,351	4,131	6,351
1,069	Revenue Other	465	-	460
5,450	Total Revenue	6,816	4,131	6,811
5,166	Expenses	6,797	4,131	6,811
284	Net Surplus/(Deficit)	19	-	-

Through PAG, DPMC provided coherent and impartial advice on issues of the day directly to the Prime Minister and, on occasion, to other Ministers; led ad hoc special projects of high priority for the Prime Minister; contributed to policy development across the full range of government business, including coordinating the provision of advice across agencies; and, operating as the central agencies together with the Treasury and SSC, led DPMC's involvement on State sector performance.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
The satisfaction of the Prime Minister and Cabinet with the policy advice service, as per the common satisfaction survey (see Note 1)	Achieved – rated as 'exceeded expectations' (see Note 1 below for comparable numerical value)	Exceeds expectations	Achieved – rated as 'far exceeded expectations'
Technical quality of policy advice papers assessed by a survey with a methodology robustness of 90%	Achieved. Rated as 'Exceeded expectations' (see Note 1 below for comparable numerical value)	At least an average of 90%	Achieved – rated as "far exceeded expectations" (see Note 1 below for comparable numerical value)
The total cost per hour of producing outputs	\$72	\$105	Achieved – \$92 per hour

Note:

1. Stakeholders were asked to rate the service they received from DPMC on a scale of 1–10. 9–10 is associated with 'far exceeded expectations', 7–8 is associated with 'exceeded expectations', 5–6 is associated with 'met expectations', and 3–4 is associated with 'expectations not met'.

Category: Science Advisory Committee

This category is limited to the purchase of high-quality scientific advice to the Prime Minister.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
524	Revenue Crown	675	525	675
-	Revenue Other	50	-	50
524	Total Revenue	725	525	725
445	Expenses	721	525	725
79	Net Surplus/(Deficit)	4	-	-

The Science Advisory Committee is a one-person committee where the sole member is the PMCSA. DPMC funds the PMCSA, and the office that supports that position, in order that the PMCSA can provide the Prime Minister with high-quality and independent science advice.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Advice produced is relevant to policymaking, is high quality and meets the Prime Minister's expectations	Achieved	Prime Minister's expectations are met or exceeded	Achieved – rated as 'far exceeded expectations'

Category: Support Services to the Governor-General and Maintenance of the Official Residences

This category is limited to financial, administrative, communications and advisory services for the Governor-General; and services to maintain the Governor-General's residences.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
4,109	Revenue Crown	3,978	4,109	3,978
172	Revenue Other	-	30	30
4,281	Total Revenue	3,978	4,139	4,008
3,946	Expenses	3,973	4,139	4,008
335	Net Surplus/(Deficit)	5	-	-

The Clerk of the Executive Council provided impartial secretariat services to the Executive Council and acted as a channel of communication between the Governor-General and the Government, and had overall responsibility for policy and administration of Government House.

The Official Secretary managed the running of Government House to ensure effective support of the Governor-General, including planning and organising all official engagements and functions to ensure that the Governor-General is well supported in all settings; and had overall responsibility for the management, control and maintenance of the buildings, grounds and assets of Government House Wellington and Government House Auckland.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Support to the Governor-General is efficient and effective (see Note 1 below)	Satisfaction with Cabinet Office service: exceeded expectations	The Governor-General's overall expectations are met or exceeded	Achieved – Governor-General's satisfaction with Cabinet Office service rated as 'exceeded expectations'
	Satisfaction with Government House service: proficient	The Governor-General's overall expectations are met or exceeded	Achieved – Governor-General's satisfaction with Government House service rated as 'proficient'
Events at Government House are well organised (see Note 1 below)	Excellent	The Governor-General's overall expectations are met or exceeded	Achieved – the Governor-General's overall satisfaction rated as 'proficient'
The Governor-General's official residences are well maintained with maintenance, heritage and gardening plans adhered to (see Note 1 below)	Plans were adhered to and Governor-General rated satisfaction as 'proficient'	Plans are adhered to	Achieved – plans were adhered to and Governor-General's satisfaction rated as 'proficient'
Management of the Governor-General's domestic and international programme is appropriate and well balanced (see Note 1 below)	Proficient	Governor-General's expectations met or exceeded	Achieved – Governor-General's satisfaction rated as 'proficient'

Note:

- The Governor-General provided feedback and was asked to indicate his satisfaction with the service provided by Government House staff on a 10-point scale. Ratings out of 10 had a corresponding descriptor: 9–10 is 'excellent', 6–8 is 'proficient', and 4–6 is 'competent'. The rating for his satisfaction with service provided by Cabinet Office staff is on a scale of 1–10, where 9–10 is associated with 'far exceeded expectations', 7–8 is associated with 'exceeded expectations', 5–6 is associated with 'met expectations', and 3–4 is associated with 'expectations not met'.

Category: Support, Secretariat and Coordination Services

This category is limited to the provision of services to Ministers to enable them to discharge their portfolio (other than policy decision-making) responsibilities including support for the coordination of the Government's legislation programme; secretariat services to the Executive Council, Cabinet and its committees; and administration of the New Zealand Honours system.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
5,569	Revenue Crown	7,535	7,790	7,535
146	Revenue Other	429	-	60
5,715	Total Revenue	7,964	7,790	7,595
4,710	Expenses	7,492	7,790	7,595
1,005	Net Surplus/(Deficit)	472	-	-

The Secretary of the Cabinet and Clerk of the Executive Council provided impartial secretariat services to Cabinet and Cabinet committees; provided impartial advice to the Governor-General, Prime Minister and other Ministers on certain constitutional, policy and procedural issues, especially those contained in the Cabinet Manual; assisted in the coordination of the Government's legislative programme; and administered the New Zealand Royal Honours system, including the Honours lists.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Cabinet and Cabinet committee minutes requiring subsequent amendment (excluding amendments made as the result of Cabinet decisions)	0.19%	No more than 0.5%	Achieved – 0.36%
Papers for Cabinet and Cabinet committee meetings will be published by the close of business, two business days before the meeting (subject to on-time lodgement in CabNet) (see Note 1 below)	88%	90%	Achieved – 96%
Cabinet minutes will be published within three business days of the Cabinet meeting. (see Note 1 below)	88%	95%	Achieved – 98.6%
Formal feedback from the Governor-General and the Prime Minister on services provided	Satisfaction of the Governor-General: exceeded expectations	Overall expectations are met or exceeded	Achieved – the Governor-General's satisfaction rated as 'exceeded expectations'
	Satisfaction of the Prime Minister: exceeded expectations		Achieved – the Prime Minister's satisfaction rated as 'far exceeded expectations'

Note:

1. The description of this performance information has been amended to reflect the introduction of CabNet in August 2015.

Part D – Canterbury Earthquake Recovery

Includes the Appropriation Statements and Financial and Performance Reporting Against Appropriations for Vote Canterbury Earthquake Recovery

Preface

Vote Canterbury Earthquake Recovery funded the Canterbury Earthquake Recovery Authority. CERA was a departmental agency hosted by DPMC from 1 February 2015 until it was disestablished on 18 April 2016. On disestablishment, responsibility for administering Vote Canterbury Earthquake Recovery transferred to DPMC.

The Public Finance Act 1989 requires that financial reporting for departmental agencies be included in the Annual Reports of host departments. This Annual Report for DPMC therefore covers the activities of CERA for a period of nine and a half months, from 1 July 2015 to 18 April 2016, and residual activities funded through Vote Canterbury Earthquake Recovery related to the disestablishment up to 30 June 2016.

Performance measures for CERA were set at the beginning of the financial year for the 12-month period 1 July 2015 to 30 June 2016. At the time the measures were set the disestablishment date had not been decided. CERA was subsequently disestablished on 18 April 2016 and a number of activities were transferred to other agencies. In some instances CERA has been unable to achieve in nine and a half months what was expected to be achieved in 12 months. A number of projects were also rescheduled and it was not possible to adjust the performance measures to reflect the change in delivery dates. In these cases (where possible) achievements post-CERA disestablishment are also reported.

Overview

The Minister for Canterbury Earthquake Recovery is responsible for \$71.486 million of Departmental and \$146.050 million of Non-departmental, Vote Canterbury Earthquake Recovery expenditure for the 2015/16 financial year for annual appropriations covering:

- \$71.486 million of Departmental Output Expenses, including \$0.553 million of Administration and Use with MBIE
- \$111.916 million of Non-departmental Other Expenses, and
- \$34.134 million of Non-departmental Capital Expenditure.

Appropriation Statements

Statement of Budgeted and Actual Departmental and Non-departmental Expenses and Capital Expenditure Against Appropriations

for the year ended 30 June 2016

	2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000	Where Performance Information is Reported
VOTE CANTERBURY EARTHQUAKE RECOVERY				
DEPARTMENTAL OUTPUT EXPENSES				
Managing the Recovery	68,683	75,409	68,702	Part D
Policy Advice	2,357	5,200	2,953	Part D
TOTAL DEPARTMENTAL OUTPUT EXPENSES	71,040	80,609	71,655	
MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE				
Canterbury Earthquake Recovery Land Ownership and Management MCA				
DEPARTMENTAL OUTPUT EXPENSES				
Acquisition and Disposal Expenses	446	900	446	Part D
NON-DEPARTMENTAL OTHER EXPENSES				
Demolition of Built Structures	7,708	17,090	7,747	Part D
Management and Clearance of Land	8,149	22,300	8,030	Part D
Mass Movement of Land	202	7,507	202	Part D
Payments to Affected Canterbury Residents	11,153	-	11,153	Part D
Purchase of Land and Buildings – Operating	25,812	10,000	25,812	Part D
Vendor Legal Fees	150	1,400	230	Part D
Total Canterbury Earthquake Recovery Land Ownership and Management MCA	53,620	59,197	53,620	
Development of Central City Anchor Projects MCA				
NON-DEPARTMENTAL OTHER EXPENSES				
Christchurch Bus Interchange and Associated Transport Infrastructure – Operating	1,278	34,235	1,278	Part D
Christchurch Convention Centre – Operating	3,637	-	3,809	Part D
Christchurch Stadium – Operating	-	4,000	-	Part D
Earthquake Memorial – Operating	332	-	332	Part D
Metro Sports Facility – Operating	2,623	4,000	2,451	Part D
Public Space – Operating	9,052	65,074	6,642	Part D
NON-DEPARTMENTAL CAPITAL EXPENDITURE				
Christchurch Bus Interchange and Associated Transport Infrastructure – Capital	3,247	3,400	3,247	Part D
Christchurch Convention Centre – Capital	-	1,000	-	Part D
Earthquake Memorial – Capital	1,466	9,770	1,466	Part D
Metro Sports Facility – Capital	-	1,000	-	Part D
Public Space – Capital	15,874	36,000	18,284	Part D
Total Development of Central City Anchor Projects MCA	37,509	158,479	37,509	

	2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000	Where Performance Information is Reported
Ownership and Divestment of Anchor Projects MCA				
NON-DEPARTMENTAL OTHER EXPENSES				
Christchurch Bus Interchange and Associated Transport Infrastructure	1,490	4,400	1,490	Part D
Financial Impact of Valuations	6,220	-	7,169	Part D
Leasing Anchor Project Land	-	2,000	-	Part D
Metro Sports Facility	-	200	-	Part D
Public Space	19,535	65,000	21,567	Part D
Sale of Land	140	400	140	Part D
Total Ownership and Divestment of Anchor Projects MCA	27,385	72,000	30,366	
Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects MCA				
NON-DEPARTMENTAL OTHER EXPENSES				
Pre-development Holding Costs – Operating	2,606	6,000	2,606	Part D
Procurement of Land and Assets – Operating	11,829	54,400	11,829	Part D
NON-DEPARTMENTAL CAPITAL EXPENDITURE				
Land and Asset Acquisition – Capital	13,547	22,770	13,547	Part D
Total Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects MCA	27,982	83,170	27,982	
TOTAL MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE	146,496	372,846	149,477	
TOTAL ANNUAL AND PERMANENT APPROPRIATIONS	217,536	453,455	221,132	
MULTI-YEAR APPROPRIATIONS				
Bad and Doubtful Debts	-	200	-	Part F
TOTAL ANNUAL AND PERMANENT APPROPRIATIONS AND MULTI-YEAR APPROPRIATION FORECASTS	217,536	453,655	221,132	

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 2016

For the year ended 30 June 2016 there has been no unappropriated expenditure in Vote Canterbury Earthquake Recovery (2015: \$37.049 million).

Statement of Capital Injections Without, or in Excess of, Authority

for the year ended 30 June 2016

Vote Canterbury Earthquake Recovery has not received any capital injections during the year without, or in excess of, authority (2015: Nil).

Reporting Against Appropriations

Departmental Expenses and Capital Expenditure

MANAGING THE RECOVERY

This appropriation is limited to expenses incurred in managing the recovery from the Canterbury earthquakes.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
72,577	Expenses	68,683	75,409	68,702

This appropriation is intended to achieve the recovery of Christchurch and wider Canterbury region from the 2010 and 2011 earthquakes and aftershocks in a timely manner, including land recovery, economic recovery, social recovery and infrastructure recovery.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Whether the residents of greater Christchurch are kept informed on issues associated with the various recovery plans	100%	100%	Achieved – as at 18 April 2016, all scheduled issues of the Future Christchurch Update were published and the Future Christchurch website was maintained and regularly updated The role of coordinating government communication for recovery and regeneration matters has transferred to DPMC which continues to publish the Future Christchurch Update. DPMC also publishes information on other channels including social media, print and online
Whether all outstanding land zoning decisions have been finalised and offers to affected residents have been made to support the Land Recovery programme	80%	100%	Achieved – as at 18 April 2016, all land zoning decisions were finalised and offers made in accordance with the Residential Red Zone Offer Recovery Plan
Whether residents have access to the contact centre during office hours and regular community meetings are held to support the Social Recovery programme	100%	100%	Achieved – up to 18 April 2016, a toll free number was made available during 8am–5pm on week days. Meetings with stakeholders were held when required Post 18 April 2016, the LINZ call centre has been accessible for residents
Whether the work to support the Infrastructure Recovery through the review and monitoring of Christchurch City Council and Waimakariri District Council infrastructure response and rebuild work programmes have been completed	100%	100%	On-track – as at 18 April 2016, the infrastructure work programmes in Selwyn District Council and Waimakariri District Council were completed. The infrastructure work programmes for Christchurch City Council and Environment Canterbury were on track as per forecasts. The SCIRT physical works programme is on track to be completed by the end of 2016
Whether Anchor Projects have commenced construction with approved funding in place to support the economic recovery of Canterbury	100%	100%	Achieved – as at 18 April 2016, construction had commenced in line with project plans. Post 18 April 2016 responsibility for delivering Anchor Projects has transferred to Ōtākaro Limited

POLICY ADVICE

This appropriation is limited to the provision of advice (including second-opinion advice and contributions to policy advice led by other agencies) to support decision-making by Ministers on government policy matters relating to the Canterbury earthquake recovery.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
4,843	Expenses	2,357	5,200	2,953

This appropriation is intended to achieve quality decision-making by Ministers on the formation of government policy matters relating to the Canterbury earthquake recovery.

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
The level of confidence and satisfaction of the Minister of Canterbury Earthquake Recovery in the development of high-quality policy advice to support effective decision-making	95%	85%	Achieved – policy advice was rated as ‘exceeding expectations’
<ul style="list-style-type: none"> The satisfaction of the Minister for Canterbury Earthquake Recovery with the policy advice service, as per the common satisfaction survey (at least) 	-	80%	Achieved – policy advice was rated as ‘exceeding expectations’
<ul style="list-style-type: none"> Technical quality of policy advice papers assessed by a survey with a methodological robustness of 80% (at least an average of) 	80%	80%	Achieved – policy advice was rated as ‘exceeding expectations’
<ul style="list-style-type: none"> The total cost per hour of producing outputs (at most) 	\$100	\$100	Achieved – up to 18 April 2016, the total cost of producing outputs was \$89 per hour

Note:

- The Minister was asked to rate the policy advice service he received from DPMC on a scale of 1–10: 9–10 is associated with ‘far exceeded expectations’, 7–8 is associated with ‘exceeded expectations’, 5–6 is associated with ‘met expectations’, and 3–4 is associated with ‘expectations not met’.

Multi-category Expenses and Capital Expenditure

The 2014/15 Actuals, within this section, are the full-year restated actuals as stated on pages 93 to 107 of the DPMC Annual Report for the year ended 30 June 2015.

CANTERBURY EARTHQUAKE RECOVERY AND LAND OWNERSHIP AND MANAGEMENT MCA

The overarching purpose of this appropriation is to support the recovery of Canterbury through the purchase, clearance, maintenance and management of land affected by the Canterbury earthquakes.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
51,179	Expenses	53,620	59,197	53,620

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Residential Red Zone property owners have received an offer and agreements are made for the acquisition of remaining properties	95%	100%	Substantially met – as at 18 April 2016 7,711 of 7,871 (97.9%) had received an offer from the Crown and settled This work has transferred to LINZ, although the Crown offers process is largely complete. By 30 June 2016, 7,719 of residential red zone property owners had received an offer and settled, and 148 red zone property owners had chosen not to accept the Crown offer. This accounts for 99.9% of residential red zone property owners

Category: Acquisition and Disposal Expenses

This category is limited to the Crown's costs incurred in transferring land and buildings in Canterbury.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
402	Expenses	446	900	446

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Red Zone Property owners who have accepted an offer from the Crown have accepted and settlement has occurred	-	100%	Substantially met – as at 18 April 2016, 7,711 of 7,871 (97.9%) had received an offer from the Crown and settled This work has transferred to LINZ, although the Crown offers process is largely complete. By 30 June 2016, 7,719 of residential red zone property owners had received an offer and settled, and 148 red zone property owners had chosen not to accept the Crown offer. This accounts for 99.9% of residential red zone property owners

Category: Demolition of Built Structures

This category is limited to removal and making safe, built structures on Crown land in Canterbury.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
38,988	Expenses	7,708	17,090	7,747

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
The number of built structures demolished in the Port Hills	130	270	Achieved – as at 18 April 2016, 244 built structures in the Port Hills had been demolished By 30 June 2016, an additional 69 demolitions had been completed, increasing the year-end total to 313 demolitions (in excess of the 270 planned)

Category: Management and Clearance of Land

This category is limited to costs arising from the ownership of Crown land in Canterbury affected by the earthquakes.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
11,235	Expenses	8,149	22,300	8,030

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
All residential red zone properties cleared and grassed pending decisions on future use	85%	100%	Substantially met – as at 18 April 2016, 99.6% of properties (in the flat lands residential red zone) were cleared and 99.3 % had been grassed
Insurance and Earthquake Commission recoveries for property and land damage received	80%	100%	Not achieved – as at 18 April 2016, the Land Claims Project was awaiting completion of the Earthquake Commission's (EQC's) analysis of the Red Zone EQC land damage By 30 June 2016, EQC's analysis of the Red Zone EQC land damage had been completed, allowing LINZ to commence its Land Claims Project to enable recovery of payments

Category: Mass Movement of Land

This category is limited to assisting the Christchurch City Council to respond to the landslide hazards in the Port Hills exacerbated by the Canterbury earthquakes.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
503	Expenses	202	7,507	202

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
The percentage of the work programme for the mitigation of landslide hazards in the Port Hills agreed between the Crown and the Christchurch City Council	10%	100%	Achieved – as at 18 April 2016, LINZ and the Christchurch City Council had agreed that the Council is responsible for hazard mitigations and delivering the agreed work programme. By 30 June 2016, 90% of the work programme had been completed
The percentage of agreed work programme for the mitigation of landslide hazards in the Port Hills underway or completed	-	75%	Achieved – as at 18 April 2016, 80% of the work programme was either underway or completed

Category: Payments to Affected Canterbury Residents

This category is limited to agreed compensation payments to property owners in Canterbury affected by red zone decisions made by the Crown.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	11,153	-	11,153

Category: Purchase of Land and Buildings – Operating

This category is limited to the purchase of land and buildings in Canterbury affected by the earthquakes excluding land and buildings for Anchor Projects.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	25,812	10,000	25,812

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Ensuring that Crown conveyancers are adequately funded to undertake settlements	100%	100%	Achieved – as at 18 April 2016, all Crown conveyancers had been adequately funded to undertake settlements. This is demonstrated by 99.9% of residential red zone property owners having received an offer and either settled or chosen not to accept the offer by 30 June 2016
All offers made to affected Red Zone land owners	-	100%	Substantially met – as at 18 April 2016, 7,711 of 7,871 (97.9%) had received an offer from the Crown and settled By 30 June 2016, 99.9% of residential red zone property owners had received an offer and either settled or chosen not to accept the offer
Property owners eligible for an offer and completed the agreement for sale and purchase have settled with the Crown	-	100%	Substantially met – As at 18 April 2016, 7,711 of 7,871 (97.9%) had received an offer from the Crown and settled By 30 June 2016, 99.9% of residential red zone property owners had received an offer and either settled or chosen not to accept the offer by 30 June 2016

Category: Vendor Legal Fees

This category is limited to a contribution towards vendor's legal fees when selling land and buildings in Canterbury to the Crown.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
51	Expenses	150	1,400	230

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Owners of former red zone properties have received a contribution to the vendor's legal fees to a maximum of \$750 per property	100%	100%	Achieved – as at 18 April 2016, all 7,711 former red zone property owners who had received an offer from the Crown and settled had received their legal fee contributions of up to \$750 per red zoned property

DEVELOPMENT OF CENTRAL CITY ANCHOR PROJECTS MCA

The single overarching purpose of this appropriation is to support the development and delivery of Anchor Projects that form part of the Christchurch Central Recovery Plan.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
74,926	Expenses	37,509	158,479	37,509

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Development of Anchor Projects is on schedule for completion as determined by each individual business case	50%	65%	Progress varies and is reported against individual Anchor Projects

Category: Christchurch Bus Interchange and Associated Transport Infrastructure – Operating

This category is limited to the development of the Christchurch Bus Interchange and associated transport infrastructure.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
4,976	Expenses	1,278	34,235	1,278

Category: Christchurch Convention Centre – Operating

This category is limited to the development of the Christchurch Convention Centre.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
12,056	Expenses	3,637	-	3,809

Category: Christchurch Stadium – Operating

This category is limited to the development of the Christchurch Stadium.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	-	4,000	-

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Initial business case preparation for the Christchurch Stadium prepared for consideration in Budget 2015 (completion at least)	-	10%	Rescheduled – a joint business case between the Christchurch City Council and the Crown is being produced by Ōtākaro Limited
Scope the need for the development of the proposed Christchurch Stadium including a review on the social and economic impact of a delay in the delivery of the project (completion at least)	-	100%	On track – initial scoping work has been undertaken

Category: Earthquake Memorial – Operating

This category is limited to the development of the Earthquake Memorial.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
768	Expenses	332	-	332

Category: Metro Sports Facility – Operating

This category is limited to the development of Metro Sports Facility.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
1,663	Expenses	2,623	4,000	2,451

Category: Public Space – Operating

This category is limited to the development of the Crown-owned public space.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
12,931	Expenses	9,052	65,074	6,642

Category: Christchurch Bus Interchange and Associated Transport Infrastructure – Capital

This category is limited to the development of the Christchurch Bus Interchange and associated transport infrastructure.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
41,025	Expenses	3,247	3,400	3,247

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
The design and construction of the integrated transport solutions for the recovery of the central city and associated Anchor Projects are on schedule for completion according to the business plan (completion at least)	-	80%	Achieved – as at 18 April 2016, the second and final stage of the Bus Interchange was completed and operational on 20 August 2015
The Manchester Street 'super stop' for buses is on schedule for completion according to the business plan (completion at least)	-	80%	Rescheduled – work on Manchester Street and surrounding areas as part of An Accessible City began in May 2016 and will take approximately 15 months to complete
The Tuam Street 'super stop' for buses is on schedule for completion according to the business plan (completion at least)	-	80%	Rescheduled – Ōtākaro Limited is now working with Christchurch City Council to progress this element of An Accessible City

Category: Christchurch Convention Centre – Capital

This category is limited to the capital development of the Christchurch Convention Centre.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	-	1,000	-

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Business plan for the development of the Christchurch Convention Centre is completed successfully (completion at least)	50%	80%	Achieved – as at 18 April the business plan had been completed
Development agreement for the Christchurch Convention Centre is approved (completion at least)	-	80%	Rescheduled – in June 2016, the relationship between the Crown and Plenary Conventions New Zealand came to an end and Ōtākaro Limited will now deliver this project. This has required reconsideration of all project baselines
Development of the Christchurch Convention Centre is started (completion at least)	-	10%	Rescheduled – in June 2016, the relationship between the Crown and Plenary Conventions New Zealand came to an end and Ōtākaro Limited will now deliver this project. This has required reconsideration of all project baselines. Enabling works began in July 2016 and it is anticipated that substantial earthworks will begin in October 2016
Master planning for the balance of the Christchurch Convention Centre precinct is agreed and work commenced on the developments (completion at least)	-	60%	Rescheduled – in June 2016, the relationship between the Crown and Plenary Conventions New Zealand came to an end and Ōtākaro Limited will now deliver this project. This has required reconsideration of all project baselines

Category: Earthquake Memorial – Capital

This category is limited to the capital development of the Canterbury Earthquake Memorial.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	1,466	9,770	1,466

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Construction of the Canterbury Earthquake Memorial commenced by 22 February 2016 according to its business plan (completion at least)	-	85%	Achieved – construction of the Canterbury Earthquake Memorial began in November 2015
Construction of the Canterbury Earthquake Memorial completed by 30 September 2016 according to its business plan (completion at least)	-	54%	Rescheduled – the north bank reflective space was completed in February this year and the remainder of the Canterbury Earthquake Memorial including the Memorial Wall is on schedule to be completed for dedication in February 2017. This project will be delivered by Ōtākaro Limited

Category: Metro Sports Facility – Capital

This category is limited to the capital development of the Metro Sports Facility.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	-	1,000	-

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Business case for the Metro Sports Facility is completed successfully (completion at least)	85%	85%	Achieved – as at 18 April 2016, the business case had been completed
Metro Sports Facility is on schedule for completion according to its business case (completion at least)	-	10%	Achieved – as at 18 April 2016, the concept design stage had been completed. The Metro Sports Facility design team was announced in December 2015. The Crown and Christchurch City Council have agreed to jointly fund the Facility, and the intention is to have some of the Facility open to the public in 2019, and the remainder in 2020. This project will be delivered by Ōtākaro Limited

Category: Public Space – Capital

This category is limited to the capital development of the Crown-owned public space.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
1,507	Expenses	15,874	36,000	18,284

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Public Space – Capital			
Te Papa Ōtākaro/Avon River Precinct has been delivered successfully	-	96%	Rescheduled – the Avon River Precinct is made up of various projects. Te Papa Ōtākaro/Avon River Precinct has progressed significantly. Construction of The Terraces section between Cashel and Hereford Streets was completed in early May 2016. The Triumphal Arch and the Bridge of Remembrance restoration were also completed by Anzac Day 2016. Overall completion of the Avon River Precinct is now scheduled for the end of 2017
Margaret Mahy Playground element of the Precinct has been delivered successfully by 30 September 2015 (construction at least)	-	85%	Achieved – the Margaret Mahy Family Playground was 85% complete at September 2016 and opened in December 2015. It had more than 100,000 visitors over the summer holidays
Victoria Square element of the Precinct has been delivered successfully by 31 July 2016 (construction at least)	-	80%	Rescheduled – the detailed design for the restoration of Victoria Square was released in July 2016. Work will begin in Spring 2016 and be completed by mid-2017
The Terraces element of the Precinct has been delivered successfully by 30 November 2016 (construction at least)	-	75%	Achieved – the first section of the Terraces is complete and was formally opened in June 2016. Construction is now well underway on other sections of the Terraces, which are nearing completion
Design of the Victoria Square to Avon Loop elements have been completed (completion at least)	-	60%	Achieved – as at 18 April 2016, the concept design had been completed
Residential developer to construct a mix of housing options boarding the public realm has been selected (completion at least)	-	80%	Achieved – a residential developer was appointed in December 2015
Development plans submitted by recovery partners within the Innovation Precinct in the southern frame have been approved (completion at least)	-	80%	Achieved – construction is scheduled to commence in Spring 2016 and is scheduled to be complete by the end of 2017. The Innovation Precinct will now be privately driven
Construction of the proposed developments being delivered by recovery partners within the Innovation Precinct in the southern frame is completed (construction at least)	-	20%	Rescheduled – construction is scheduled to commence in Spring 2016 and is scheduled to be complete by the end of 2017. The Innovation Precinct will now be privately driven

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Construction of the public realm elements within the eastern frame is completed (construction at least)	-	30%	Rescheduled – the East and North Frame residential development agreement between the Crown and Fletcher Residential was formalised in December 2015. Construction is scheduled to commence in Spring 2016 and is scheduled to be completed by the end of 2017
Design elements of the public realm within the southern frame are agreed (completion at least)	-	50%	Achieved – as at 18 April 2016, the design elements had been approved and published
Construction of the public realm elements within the southern frame are completed (construction at least)	-	10%	Substantially met – as at 18 April 2016 work around the public spaces had commenced

OWNERSHIP AND DIVESTMENT OF ANCHOR PROJECTS MCA

The single overarching purpose of this appropriation is the management of Anchor Projects and the divestment of land and Anchor Projects that form part of the Christchurch Central Recovery Plan.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
4,883	Expenses	27,385	72,000	30,366

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Operation of completed development is fully catered for and divestment of land and/or developments is recorded appropriately for all Anchor Projects	100%	100%	Achieved – the year-end audit of CERA financial accounts confirmed that divestment of land and or developments was recorded appropriately for all Anchor Projects

Category: Christchurch Bus Interchange and Associated Transport Infrastructure

This category is limited to the maintenance, operation, ownership and divestment of the Christchurch Bus Interchange and associated transport infrastructure.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
692	Expenses	1,490	4,400	1,490

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Land set aside for laneways, roads or other public amenities is recorded at the correct value for the Bus Interchange and associated transport infrastructure	100%	100%	Achieved – the year-end audit of CERA financial accounts confirmed that land set aside for laneways, roads or other public amenities was recorded at the correct value

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Agreements for the operation of the Bus Interchange are in place for the opening of the complex	-	100%	Achieved – as at 18 April 2016 the Bus Interchange was operational with operational agreements in place

Category: Financial Impact of Valuations

This category is limited to the financial impact of the Crown's decisions affecting valuations.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	6,220	-	7,169

Performance Information

An exemption was granted under s15(2)(b)(ii) of the Public Finance Act 1989, as additional information is unlikely to be informative because this appropriation is solely for technical accounting treatment to record expenses resulting from valuation movements.

Category: Leasing Anchor Project Land

This category is limited to the financial impact of granting concessionary leases over Anchor Project land.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	-	2,000	-

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Land and/or developments are recorded at the correct value taking into regard the impact of leases in place	-	100%	Achieved – the year-end audit of CERA financial accounts confirmed that land and/or developments had been recorded at the correct values

Category: Metro Sports Facility

This category is limited to the maintenance, operation, ownership and divestment of the Metro Sports Facility.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
-	Expenses	-	200	-

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Land set aside for laneways, roads or other public amenities is recorded at the correct value	100%	100%	Achieved – the year-end audit of CERA financial accounts confirmed that land set aside for laneways, roads or other public amenities was recorded at the correct value
Agreements for the operation of the Metro Sports Facility are in place for the opening of the complex	-	100%	Rescheduled – agreements will be negotiated at the appropriate time as part of the project delivery plan

Category: Public Space

This category is limited to the maintenance, operation, ownership and divestment of the public space owned by the Crown in Christchurch City.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
2,515	Expenses	19,535	65,000	21,567

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Costs associated with the land and/or improvements in the public space are recorded appropriately	100%	100%	Achieved – the year-end audit of CERA financial accounts confirmed that costs associated with the land and/or improvements in the public space were recorded appropriately

Category: Sale of Land

This category is limited to the financial impact from the divestment of land and transaction costs incurred in the preparation for sale and the sale of land.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
1,676	Expenses	140	400	140

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Land and/or developments are recorded at the correct value taking into regard the impact of divestment decisions made by the Crown	100%	100%	Achieved – the year-end audit of CERA financial accounts confirmed that land and/or developments were recorded at the correct value

PROCUREMENT AND PREPARATION OF LAND AND OTHER ASSETS FOR THE DEVELOPMENT OF ANCHOR PROJECTS MCA

The single overarching purpose of this appropriation is procurement of land and other assets for Anchor Projects covered by the Christchurch Central Recovery Plan, making the lands and assets safe and the holding of that land and those assets prior to development.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
141,162	Expenses	27,982	83,170	27,982

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Anchor Project developments can commence as all the land necessary for the development of projects has been acquired through agreement or taken by proclamation by 30 June 2016	100%	100%	Substantially met – as at 18 April 2016, the land originally identified as required for the projects had been acquired. Additional land requirements subsequently identified are now being sought for the Stadium Project and the South Frame Area

Category: Pre-development Holding Costs – Operating

This category is limited to the maintenance, operation and ownership of Anchor Project land and assets prior to commencement of developments.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
2,753	Expenses	2,606	6,000	2,606

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Management of land and improvement held by the Crown in accordance with best practice	-	100%	Achieved – as at 18 April 2016, Crown managed land and Crown improvements complied with best practice

Category: Procurement of Land and Assets – Operating

This category is limited to the purchase, acquisition and clearance of land and assets for Anchor Project development.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
52,932	Expenses	11,829	54,400	11,829

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Transaction costs associated with the acquisition of land and improvements have been incurred in line with the scope of the appropriation	100%	100%	Achieved – the year-end audit of CERA financial accounts confirmed that transaction costs associated with land acquisition and improvements were within the appropriation scope
New measure: Percentage of improvements cleared from Anchor Project sites	-	100%	Rescheduled – demolitions depend on the planning and progress of individual Anchor Projects. Note: in some cases it is more beneficial to extend existing tenancies than to demolish and be left with vacant sites, and the measure should be interpreted appropriately

Category: Land and Asset Acquisition – Capital

This category is limited to the cost of land and assets acquired for Anchor Project development.

Financial Information

2014/15 Actual \$000		2015/16 Actual \$000	2015/16 Main Estimates \$000	2015/16 Supp. Estimates \$000
82,477	Expenses	13,547	22,770	13,547

Performance Information

Performance Information	2014/15 Actual	2015/16 Standard	2015/16 Actual
Land is purchased or taken in time to allow the development of Anchor Projects (completion at least)	80%	90%	Achieved – as at 18 April 2016, land acquisitions to enable progress with anchor projects were acquired in a timely manner. The acquisition programme is substantially complete

Summary of Service Providers

This table summarises cash payments made to the top 15 Non-departmental service providers through Vote Canterbury Earthquake Recovery, the MCA to which the funding relates and the length of the funding commitment. Estimates and Supplementary Estimates are excluded from the table as the budget is not completed to the supplier level.

Service Provider (top 15)	2015/16					Total \$000
	Canterbury Earthquake Recovery Land Ownership and Management (MCA)	Procurement and Preparation of Land and Other Assets for the Development of Anchor Projects (MCA)	Development of Central City Anchor Projects (MCA)	Ownership and Divestment of Anchor Projects (MCA)	Non-MCA Funding	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Actual \$000	
Stronger Christchurch Infrastructure Rebuild Team (SCIRT)	-	-	125	-	84,215	84,340
City Care Ltd	1,629	46	16,015	-	-	17,690
Thiess Southbase Joint Venture	-	-	4,924	-	-	4,924
Brian Perry Ltd	-	-	3,743	-	-	3,743
AECOM	229	3	2,147	-	-	2,379
Protranz Earthmoving	1,634	655	-	-	-	2,289
Waimakariri District Council	36	-	-	-	2,119	2,155
Ground and Services Ltd	2,108	-	-	1	-	2,109
Aurecon New Zealand Ltd	1,063	-	977	-	-	2,040
Plenary Origination PTY	-	-	1,913	-	-	1,913
Christchurch City Council	139	563	432	18	145	1,297
Playrope Ltd	-	-	1,193	-	-	1,193
Coffey Projects NZ Ltd	-	-	1,011	-	-	1,011
Scope Demolition	967	-	-	-	-	967
The Property Group	-	831	-	-	-	831
Total	7,805	2,098	32,480	19	86,479	128,881

Part E – Consolidated Financial Statements

Vote Prime Minister and Cabinet and Vote Canterbury Earthquake Recovery Reports on the financial resources used by DPMC and CERA to deliver the goods and services purchased by our Ministers.

The Financial Statements are followed by a financial commentary, supplementary information and Notes to the Financial Statements that provide more detailed information.

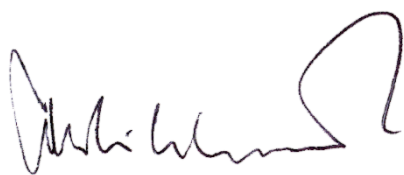
Statement of Responsibility

I am responsible, as the Chief Executive of the Department of the Prime Minister and Cabinet (the Department), for:

- the preparation of the Department'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 Department 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, and
- the accuracy of any end-of-year performance information prepared by the Department, whether or not that information is included in the Annual Report.

In my opinion:

- the Financial Statements fairly reflect the financial position of the Department as at 30 June 2016 and its operations for the year ended on that date, and
- the Forecast Financial Statements fairly reflect the forecast financial position of the Department as at 30 June 2017 and its operations for the year ending on that date.



Andrew Kibblewhite
CHIEF EXECUTIVE

Date: 30 September 2016

Independent Auditor's Report



To the readers of Department of the Prime Minister and Cabinet's annual report for the year ended 30 June 2016

The Auditor-General is the auditor of the Department of the Prime Minister and Cabinet (DPMC). The Auditor-General has appointed me, Karen Young, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf of:

- the financial statements of DPMC on pages 89 to 105 that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2016, the statement of comprehensive revenue and expense, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by DPMC for the year ended 30 June 2016 on pages 10 to 35, 47 to 60 and 67 to 82;
- the statements of expenses and capital expenditure of DPMC for the year ended 30 June 2016 on pages 44 to 46 and 64 to 66;
- the schedules of non-departmental activities which are managed by DPMC on behalf of the Crown on pages 107 to 114 that comprise:
 - the schedules of assets, liabilities, commitments, and contingent liabilities and contingent assets as at 30 June 2016; and
 - the schedules of expenses, and revenue and receipts for the year ended 30 June 2016; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of DPMC:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2016; and
 - its financial performance and cash flows for the year ended on that date;
 - comply with generally accepted accounting practice in New Zealand and have been prepared in accordance with Public Benefit Entity Reporting Standards;
- the performance information of DPMC:
 - presents fairly, in all material respects, for the year ended 30 June 2016:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure;

- complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of DPMC on pages 44 to 46 and 64 to 66 are presented fairly, 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 DPMC on behalf of the Crown on pages 107 to 114 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets, liabilities, commitments, contingent liabilities and contingent assets as at 30 June 2016; and
 - the expenses, and revenue for the year ended 30 June 2016.

Our audit was completed on 30 September 2016. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the information we audited. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to DPMC's preparation of the information we audited 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 DPMC's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Chief Executive;
- the appropriateness of the reported performance information within DPMC's framework for reporting performance;
- the adequacy of the disclosures in the information we audited; and
- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited. Also, we did not evaluate the security and controls over the electronic publication of the information we audited.

We believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Chief Executive

The Chief Executive is responsible for preparing:

- financial statements that present fairly DPMC's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand and Public Benefit Entity Reporting Standards.
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand.
- statements of expenses and capital expenditure of DPMC, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989.
- schedules of non-departmental activities, in accordance with the Treasury Instructions, that present fairly those activities managed by DPMC on behalf of the Crown.

The Chief Executive's responsibilities arise from the Public Finance Act 1989.

The Chief Executive is responsible for such internal control as is determined is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Chief Executive is also responsible for the publication of the annual report, whether in printed or electronic form.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and reporting that opinion to you based on our audit. Our responsibility arises from the Public Audit Act 2001.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than the audit, we have no relationship with or interests in DPMC.



Karen Young
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

Departmental Financial Statements

Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2016

2014/15				2015/16			2015/16			2015/16			2016/17	
DPMC Actual 12 Months	CERA Actual 5 Months	Group Actual		Note	Vote PMC Actual	Vote CER Actual	Group Actual	Vote PMC Budget	Vote CER Budget	Group Budget	Vote PMC Revised Budget	Vote CER Revised Budget	Group Revised Budget	Unaudited Forecast
\$000	\$000	\$000		\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	
			REVENUE											
39,998	45,276	85,274	Revenue Crown – Non-exchange		53,959	70,209	124,168	41,298	81,509	122,807	53,959	70,318	124,277	61,995
1,793	300	2,093	Other Revenue – Exchange	2	1,737	765	2,502	260	-	260	1,616	1,783	3,399	260
41,791	45,576	87,367	TOTAL REVENUE		55,696	70,974	126,670	41,558	81,509	123,067	55,575	72,101	127,676	62,255
			EXPENSES											
19,897	17,269	37,166	Personnel Costs	3	23,825	33,226	57,051	19,842	40,423	60,265	22,023	34,064	56,087	22,137
161	152	313	Depreciation and Amortisation Expense		968	451	1,419	1,019	208	1,227	1,014	208	1,222	1,019
325	72	397	Capital Charge		472	138	610	399	172	571	472	172	644	472
17,339	17,962	35,301	Other Operating Expenses	4	25,898	37,118	63,016	20,298	40,706	61,004	29,706	37,657	67,363	38,627
37,722	35,455	73,177	TOTAL EXPENDITURE		51,163	70,933	122,096	41,558	81,509	123,067	53,215	72,101	125,316	62,255
4,069	10,121	14,190	NET SURPLUS/(DEFICIT)		4,533	41	4,574	-	-	-	2,360	-	2,360	-
-	-	-	Other Comprehensive Revenue and Expenses		-	-	-	-	-	-	-	-	-	-
4,069	10,121	14,190	TOTAL COMPREHENSIVE REVENUE AND EXPENSES		4,533	41	4,574	-	-	-	2,360	-	2,360	-

Budget – refers to the original budget in Budget 2015 Main Estimates.

Actual – refers to actual expenses.

Explanations for major variance against the budget are provided in Note 11.

Revised Budget – refers to the revised budget included in the Supplementary Estimates in Budget 2016.

Forecast – refers to the first year of the Main Estimates included in Budget 2016.

* The statement of accounting policies provides explanations of these figures which are not subject to audit. These figures reflect forecasts submitted by the Department to The Treasury at various stages throughout the year.

The accompanying notes and policies form part of these Financial Statements.

Statement of Changes in Equity

for the year ended 30 June 2016

2014/15				2015/16			2015/16			2015/16			2016/17
DPMC Actual 12 Months \$000	CERA Actual 5 Months \$000	Group Actual \$000		Vote PMC Actual \$000	Vote CER Actual \$000	Group Actual \$000	Vote PMC Budget \$000	Vote CER Budget \$000	Group Budget \$000	Vote PMC Revised Budget \$000	Vote CER Revised Budget \$000	Group Revised Budget \$000	Unaudited Forecast \$000
4,065	2,150	6,215	BALANCE AT 1 July 2015	8,059	-	8,059	8,059	-	8,059	8,059	-	8,059	8,534
			COMPREHENSIVE REVENUE/(EXPENSE)										
4,069	10,121	14,190	Surplus for the Year	4,533	41	4,574	-	-	-	2,360	-	2,360	-
1,844	-	1,844	Capital Injection	475	-	475	-	-	-	1,160	-	1,160	2,350
-	-	-	Capital Withdrawals	-	-	-	-	-	-	(685)	-	(685)	(700)
2,150	-	2,150	Capital Transfer of Net Assets from CERA	-	-	-	-	-	-	-	-	-	-
-	(2,150)	(2,150)	Capital Transfer of Net Assets to DPMC	-	-	-	-	-	-	-	-	-	-
(4,069)	(10,121)	(14,190)	Return of Operating Surplus to the Crown	(4,533)	(41)	(4,574)	-	-	-	(2,360)	-	(2,360)	
8,059	-	8,059	BALANCE AT 30 JUNE 2016	8,534	-	8,534	8,059	-	8,059	8,534	-	8,534	10,184

The accompanying notes and policies form part of these Financial Statements.

Statement of Financial Position

as at 30 June 2016

2014/15				Note	2015/16	2015/16			2015/16			2016/17
DPMC Actual 12 Months \$000	CERA Actual 5 Months \$000	Group Actual \$000			Actual \$000	Vote PMC Budget \$000	Vote CER Budget \$000	Group Budget \$000	Vote PMC Revised Budget \$000	Vote CER Revised Budget \$000	Group Revised Budget \$000	Unaudited Forecast \$000
			ASSETS									
			CURRENT ASSETS									
9,280	10,415	19,695	Cash and Cash Equivalents		5,037	1,211	12,310	13,521	2,500	4,387	6,887	629
1,870	22,082	23,952	Debtor Crown		13,455	5,020	-	5,020	1,873	-	1,873	1,603
451	539	990	Debtors and Other Receivables		1,818	2,874	(2,118)	756	2,874	(2,150)	724	2,874
128	105	233	Prepayments		-	-	1	1	-	-	-	-
100	-	100	Inventory	5	273	100	-	100	100	-	100	100
11,829	33,141	44,970	TOTAL CURRENT ASSETS		20,583	9,205	10,193	19,398	7,347	2,237	9,584	5,206
			NON-CURRENT ASSETS									
187	-	187	Inventory	5	-	199	-	199	199	-	199	199
4,398	-	4,398	Intangible Assets	6	3,636	3,581	-	3,581	4,555	-	4,555	3,666
310	475	785	Property, Plant and Equipment	6	597	401	396	797	760	267	1,027	3,080
4,895	475	5,370	TOTAL NON-CURRENT ASSETS		4,233	4,181	396	4,577	5,514	267	5,781	6,945
16,724	33,616	50,340	TOTAL ASSETS		24,816	13,386	10,589	23,975	12,861	2,504	15,365	12,151

2014/15				2015/16	2015/16			2015/16			2016/17	
DPMC Actual 12 Months \$000	CERA Actual 5 Months \$000	Group Actual \$000			Note	Actual \$000	Vote PMC Budget \$000	Vote CER Budget \$000	Group Budget \$000	Vote PMC Revised Budget \$000	Vote CER Revised Budget \$000	Group Revised Budget \$000
			LIABILITIES									
			CURRENT LIABILITIES									
5,261	18,002	23,263	Creditors and Other Payables		8,484	3,458	9,411	12,869	598	2,504	3,102	598
4,069	10,121	14,190	Provision for Repayment of Surplus		4,574	-	-	-	2,360	-	2,360	-
-	1,231	1,231	Provisions	7	527	-	-	-	-	-	-	-
1,155	2,112	3,267	Employee Entitlements	8	1,940	1,556	1,178	2,734	1,056	-	1,056	1,056
10,485	31,466	41,951	TOTAL CURRENT LIABILITIES		15,525	5,014	10,589	15,603	4,014	2,504	6,518	1,654
			NON-CURRENT LIABILITIES									
-	-	-	Provisions	7	399	-	-	-	-	-	-	-
330	-	330	Employee Entitlements	8	358	313	-	313	313	-	313	313
330	-	330	TOTAL NON-CURRENT LIABILITIES		757	313	-	313	313	-	313	313
10,815	31,466	42,281	TOTAL LIABILITIES		16,282	5,327	10,589	15,916	4,327	2,504	6,831	1,967
5,909	2,150	8,059	NET ASSETS		8,534	8,059	-	8,059	8,534	-	8,534	10,184
			EQUITY									
	8,059		Taxpayers' Funds		8,534	8,059	-	8,059	8,534	-	8,534	10,184
	8,059		TOTAL EQUITY		8,534	8,059	-	8,059	8,534	-	8,534	10,184

The accompanying notes and policies form part of these Financial Statements.

Statement of Cash Flows

for the year ended 30 June 2016

The Statement of Cash Flows summarises the cash movements in and out of the Department during the financial year. It takes no account of money owed to the Department or owing by the Department and therefore differs from the Statement of Comprehensive Revenue and Expenses on page 89.

2014/15				Note	2015/16			2015/16			2015/16			2016/17
DPMC Actual 12 months \$'000	CERA Actual 5 months \$'000	Group Actual \$'000			Vote PMC Actual \$'000	Vote CER Actual \$'000	Group Actual \$'000	Vote PMC Budget \$'000	Vote CER Budget \$'000	Group Budget \$'000	Vote PMC Revised Budget \$'000	Vote CER Revised Budget \$'000	Group Revised Budget \$'000	Unaudited Forecast \$'000
			CASH FLOWS FROM OPERATING ACTIVITIES											
44,752	23,194	67,946	Receipts from the Crown		42,369	92,291	134,660	40,298	81,509	121,807	47,974	92,400	140,374	62,265
2,066	238	2,304	Receipts from Other Revenue		1,125	308	1,433	260	-	260	1,616	1,847	3,463	260
(15,404)	(11,442)	(26,846)	Payments to Suppliers		(26,351)	(48,415)	(74,766)	(20,196)	(40,705)	(60,901)	(29,781)	(52,492)	(82,273)	(38,525)
(20,306)	(15,779)	(36,085)	Payments to Employees		(21,918)	(37,541)	(59,459)	(19,944)	(40,424)	(60,368)	(21,948)	(37,491)	(59,439)	(22,239)
(325)	(72)	(397)	Payments for Capital Charge		(415)	(138)	(553)	(399)	(172)	(571)	(472)	(172)	(644)	(472)
(714)	1,668	954	Goods and Services Tax (net)		637	(2,505)	(1,868)	-	-	-	-	-	-	-
10,069	(2,193)	7,876	NET CASH FLOWS FROM OPERATING ACTIVITIES	9	(4,553)	4,000	(553)	19	208	227	(2,611)	4,092	1,481	1,289
			CASH FLOWS FROM INVESTING ACTIVITIES											
(118)	-	(118)	Purchase of Property, Plant and Equipment		(492)	-	(492)	(100)	-	(100)	(575)	-	(575)	(2,450)
(4,163)	-	(4,163)	Purchase of Intangible Assets		-	-	-	(100)	-	(100)	-	-	-	-
-	-	-	Sale of Property, Plant and Equipment		44	58	102	-	-	-	-	-	-	-
(4,281)	-	(4,281)	NET CASH FLOWS FROM INVESTING ACTIVITIES		(448)	58	(390)	(200)	-	(200)	(575)	-	(575)	(2,450)
			CASH FLOWS FROM FINANCING ACTIVITIES											
(3,030)	(742)	(3,772)	Repayment of Net Surplus to the Crown		(4,069)	(10,121)	(14,190)	-	-	-	(4,069)	(10,120)	(14,189)	(2,360)
1,844	-	1,844	Capital Contribution		475	-	475	-	-	-	475	-	475	1,650
-	-	-	Cash transfer*		4,352	(4,352)	-	-	-	-	-	-	-	-
(1,186)	(742)	(1,928)	NET CASH FROM FINANCING ACTIVITIES		758	(14,473)	(13,715)	-	-	-	(3,594)	(10,120)	(13,714)	(710)
4,602	(2,935)	1,667	Net Increase/(Decrease) in Cash and Cash Equivalent		(4,243)	(10,415)	(14,658)	(181)	208	27	(6,780)	(6,028)	(12,808)	(1,871)
4,678	13,350	18,028	Cash and Bank Balances at the Beginning of the Year		9,280	10,415	19,695	1,392	12,102	13,494	9,280	10,415	19,695	2,500
9,280	10,415	19,695	CASH AND BANK BALANCES AT YEAR END		5,037	-	5,037	1,211	12,310	13,521	2,500	4,387	6,887	629

*Cash transfer represents the liabilities of Vote CER transferred to the Department for payment received after 30 June 2016.

The accompanying notes and policies form part of these financial statements.

Statement of Commitments

as at 30 June 2016

Capital commitment

At 30 June 2016 the Department has no capital commitments (2015: Nil)

Non-cancellable operating lease commitments

The Department leases premises in Wellington, Auckland and Christchurch. These non-cancellable operating leases have varying terms, escalation clauses and renewal rights. In Wellington, the Department leases the floors in Bowen House and a floor of Pipitea House. A civil defence centre is leased in Auckland, and an office in Christchurch for the GCG. The amounts disclosed below as future commitments are based on the current rental rates. Other operating commitments for motor vehicles.

During the year with the disestablishment of CERA a number of premises were vacated before the expiry of the lease and some have yet to be sub-leased. The lease payments to expiry dates have been recognised in this financial year as an onerous lease.

During the year ended 30 June 2016, \$3.725 million was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases (2015: \$2.039 million). There was no income recognised in the Statement of Comprehensive Income in the year ended 30 June 2016 in respect of sub-leases (2015: Nil).

There are no restrictions placed on the Department or the departmental agency by any of the operating leasing arrangements.

2014/15				2015/16
DPMC Actual \$000	CERA Actual \$000	Group Actual \$000		Actual \$000
			OPERATING COMMITMENTS	
			NON-CANCELLABLE OPERATING LEASE COMMITMENTS	
796	2,408	3,204	No later than one year	1,454
2,717	6,665	9,382	Later than one year and not later than 5 years	4,071
1,135	1,828	2,963	Later than five years	719
4,648	10,901	15,549	TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS	6,244
			OTHER NON-CANCELLABLE COMMITMENTS	
37	-	37	No later than one year	-
37	-	37	TOTAL OTHER NON-CANCELLABLE COMMITMENTS	-
4,685	10,901	15,586	TOTAL COMMITMENTS	6,244

Statement of Contingent Liabilities and Contingent Assets

as at 30 June 2016

Contingent liabilities – At 30 June 2016 the Department has no contingent liabilities (2015: Nil).

Contingent assets – At 30 June 2016 the Department has no contingent assets (2015: Nil).

The accompanying notes and policies form part of these Financial Statements.

Notes to the Departmental Financial Statements and Non-departmental Financial Schedules

for the year ended 30 June 2016

1. Statement of Accounting Policies for the Year Ended 30 June 2016

Reporting entity

The Department of the Prime Minister and Cabinet ('the Department') is a New Zealand government department as defined by the Public Finance Act 1989. The Department has hosted the Canterbury Earthquake Recovery Authority (CERA) as a departmental agency from 1 February 2015 until 18 April 2016 when some of it was transferred to other government agencies.

In addition, the Department has reported separately, in the Non-departmental Schedules, financial information on public funds managed by the Department, including CERA as a departmental agency, on behalf of the Crown. The Department became the appropriation administrator for Vote Canterbury Earthquake Recovery from 1 February 2015 until 18 April 2016 when some of it was transferred to other agencies.

The primary objective of the Department is to provide services to the public rather than making a financial return. Accordingly, the Department has designated itself as a public benefit entity for the purposes of New Zealand Public Benefit Entity International Public Sector Accounting Standards (NZ PBE IPSAS).

The financial statements of the Department are for the year ended 30 June 2016. The unaudited Forecast Financial Statements are for the year ended 30 June 2017. These Financial Statements were authorised for issue by the Chief Executive of the Department on 30 September 2016.

The Departmental Financial Statements and the financial information reported in the Non-departmental Schedules are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for the year ended 30 June 2016.

Statement of compliance

The Departmental Financial Statements and unaudited Departmental Forecast Financial Statements of the Department have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practices (NZ GAAP), Treasury Instructions and Treasury Circulars. These Financial Statements have been prepared in accordance with Tier 1 NZ PBE accounting standards.

Measurement and recognition rules applied in the preparation of the Non-departmental Supplementary Financial Schedules are consistent with NZ GAAP and Crown accounting policies and are detailed in the Financial Statements of the Government.

Basis of preparation

The principal accounting policies applied in the preparation of the Departmental Financial Statements and Non-departmental Schedules.

Measurement base

The Departmental Financial Statements and Non-departmental Schedules have been prepared on historical-cost basis. The accrual basis of accounting has been used.

Functional and presentation currency

The Departmental Financial Statements and Non-departmental Schedules are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of the Department is New Zealand dollars.

Changes in accounting policies

The Department has adopted the PBE IPSAS 1 which has the effective date of 1 January 2016. There are no changes resulting from this adoption of policy.

These Financial Statements have been presented in accordance with the new PBE accounting standards. There are no material adjustments arising on transition to the new PBE accounting standards.

Critical accounting estimates and assumptions

In preparing these Financial Statements, estimates and assumptions has 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.

In respect of onerous leases management have made an assessment of the likelihood of the leases being able to be sub-leased, taking into account current market conditions in Christchurch.

Non-departmental activity for Vote Canterbury Earthquake Recovery

In respect of the non-departmental activity for Vote Canterbury Earthquake Recovery, management has made significant accounting estimates for the following items reported in the Non-departmental Schedules:

- estimation of the three waters component of the horizontal infrastructure response and rebuild cost liability (refer Note 14).

Other estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are referred to below.

Retirement and long-service leave

Note 8 provides an analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities.

Significant accounting policies

The following significant accounting policies, which materially affect the measurement of financial results and financial position, have been applied consistently to all periods presented in these Financial Statements.

Revenue Crown – Non-exchange – departmental

Revenue from the Crown is measured based on the Department'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 certain other unconditional funding adjustments formally approved prior to balance date. There are no conditions attached to the funding from the Crown. However, the Department 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.

Revenue – Non-departmental: Vote Canterbury Earthquake Recovery

The CERA administers revenue on behalf of the Crown. The revenue includes recovery of demolition costs from property owners, insurance recoveries in relation to the Residential Red Zone, and contributions from Christchurch City Council under the cost share agreement.

Revenue is recognised on the recovery of demolition costs from property owners which reflects deconstruction work completed up to date of transfer to LINZ and management of Crown of properties.

For insurance recoveries on Residential Red Zone properties, revenue is recognised at the time the government policy on zoning is announced and there is a reliable estimate of the revenue.

For contributions from Christchurch City Council, revenue is recognised at the time the government policy on zoning is announced and there is a reliable estimate of the revenue.

Property, plant and equipment

Property, plant and equipment is initially recognised at cost, plus incidental costs directly attributable to acquisition if it is probable that future economic benefits or service potential associated with the item will flow to the Crown. Where an asset is acquired at no or a nominal cost, it is recognised at fair value at the date of acquisition.

Subsequent measurement is at cost, less accumulated depreciation and impairment losses, except for land and buildings, which are revalued to fair value annually.

Depreciation is provided on a straight-line basis to allocate cost or revalued amounts, net of any estimated residual value, over the estimated useful life. The useful lives of major classes of assets have been estimated as follows:

Type of Asset	Estimated Life (years)
Buildings	50 years

Revaluations

Fair value is determined by reference to market-based evidence, which is the amount for which the asset would be exchanged between a knowledgeable and willing buyer and a knowledgeable and willing seller in an arms-length transaction at valuation date. Fair value is reported less any costs that would be necessary to sell the assets.

If an asset's carrying amount is increased as a result of a revaluation, the increase will be recorded to an asset revaluation reserve in equity, unless the increase reverses a previous revaluation decrease that was recognised in the Statement of Comprehensive Income.

If an asset's carrying amount is decreased as a result of a revaluation, the decrease will be recorded in the Statement of Comprehensive Income. However, the decrease will be taken directly to equity to the extent of any revaluation surplus existing for that asset.

Revaluations are completed on an asset basis and movements are evaluated on an asset class basis.

Revaluations are conducted at least every three years, or whenever the carrying amount differs materially from fair value. Land and buildings are revalued annually.

De-recognition

An item of property, plant and equipment is de-recognised when it is disposed of, or when no future economic benefits are expected from its use. Any gain or loss on de-recognition is included in the surplus or deficit in the year the asset is de-recognised.

Any revaluation reserve relating to the asset being disposed of is transferred directly to retained earnings.

Property held for sale

Assets are recognised as held for sale if the Crown will recover their carrying amount principally through a sale transaction rather than through continuing use. These assets are recognised at the lower of the carrying amount and fair value less costs to sell.

Intangible assets

Software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct costs include software acquisition and customisation costs by consultants or staff. Staff training costs are recognised as an expense when incurred. Intangible assets with finite lives are subsequently recorded at cost, less any amortisation and impairment losses. The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life.

Amortisation begins when an asset is available for use and ceases at the date that an asset is de-recognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income. The useful life and associated amortisation rate of computer software is as follows:

Type of Asset	Estimated Life (years)
Customised software	5 years

Impairment

At each reporting date, the carrying amounts of all tangible and intangible assets are assessed to determine whether there is any indication they have suffered an impairment loss. If such indications exist for an asset, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

An impairment loss is recognised if the carrying amount exceeds its recoverable amount. Impairment losses directly reduce the carrying amount of the asset and are recognised in the surplus or deficit.

The estimated recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. Value in use is determined as the depreciated replacement cost of the asset.

Financial Instruments

Financial assets

Cash and cash equivalents includes cash on hand, bank accounts and deposits with a maturity of up to three months. Cash assets are carried at the face value of the amounts deposited or drawn, which closely approximates fair value.

Debtors and other receivables are classified as 'loans and receivables'. Initial measurement is at cost. Subsequent measurement is at amortised cost, less impairment losses, if any.

Financial liabilities

The major financial liability type is accounts payable which is designated at amortised cost using the effective interest rate method. Financial liabilities entered into with durations of less than 12 months are recognised at their nominal value.

Provisions

A provision is recognised for future expenditure of 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 expenditure 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 future operating losses.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Goods and services tax

All items in the Financial Statements, including the appropriation statements, are stated exclusive of GST, except for receivables and payables. In accordance with Treasury Instructions, GST is returned on revenue received on behalf of the Crown, where applicable. However, an input tax deduction is not claimed on non-departmental expenditure. Instead, the amount of GST applicable to non-departmental expenditure is recognised as an expense and eliminated against GST revenue upon consolidation of the Government Financial Statements.

Commitments

Future expenses and liabilities to be incurred on non-cancellable contracts entered into at balance date are disclosed as commitments to the extent there are equally unperformed obligations.

Cancellable commitments that have penalty or exit costs explicit in the agreement on exercising that option to cancel are included in the Statement of Commitments at the value of that penalty or exit cost.

Budget figures

The budget figures are those included in the Department's Budget Estimates for the year ended 30 June 2016, which are consistent with the financial information in the Main Estimates. In addition, the Financial Statements also present the updated budget information from the Supplementary Estimates.

Forecast figures

Basis of preparation

Forecast Financial Statements have been prepared in accordance with the accounting policies expected to be used in the future for reporting historical general purpose financial statements.

These Forecast Financial Statements have been prepared in accordance with NZ PBE IPSAS and are unaudited.

These financial forecasts are based on *Budget Economic and Fiscal Update* (BEFU) and have been prepared on the basis of assumptions as to future events that the Department reasonably expects to occur, associated with the actions it reasonably expects to take. They have been compiled on the basis of existing government policies and ministerial expectations at the date that the information was prepared.

The actual results will remain substantially the same as the previous year. The main assumptions were as follows:

- The activities and output expectations will remain substantially the same as the previous year focusing on the Government's priorities.
- Personnel costs were based on current wages and salary costs, adjusted for anticipated remuneration changes.
- Operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the best estimate of future costs that will be incurred.

Additional factors that could lead to material differences between the Forecast Financial Statements and the 2016/17 Actual Financial Statements include changes to the baseline budget through new initiatives, transfer of funding across financial years or technical adjustments and transfer of CERA to other departments.

Authorisation statement

The Departmental Forecast Financial Statements were authorised for issue by the Chief Executive of the Department of the Prime Minister and Cabinet on 25 April 2016. The Chief Executive is responsible for the Forecast Financial Statements presented, including the appropriateness of the assumptions underlying the Forecast Financial Statements and all other required disclosure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations maybe material.

Statement of cost accounting policies for Departmental Financial Statements

The Department has determined the cost of outputs using the cost allocation using the following cost allocation system:

- Direct costs are expenses incurred from activities in producing outputs. These costs are charged directly to the related appropriations.
- Indirect costs are expenses incurred by Corporate Services and by the Office of the Chief Executive. Indirect costs are allocated to appropriations based on full time equivalent personnel numbers. Indirect costs include those costs incurred by CASS (since March 2012) and then recovered from DPMC.

There have been no changes in cost accounting policies since the date of the last audited Financial Statements.

Comparatives

When presentation or classification of items in the Departmental Financial Statements is amended or accounting policies are changed voluntarily, comparative figures are restated to ensure consistency with the current period unless it is impracticable to do so.

Related parties

The Department is a wholly-owned entity of the Crown. The Government significantly influences the roles of the Department as well as its source of revenue.

The Department undertakes transactions with other departments, Crown entities, and State-Owned Enterprises (SOEs). These transactions are carried out at an arm's-length basis and are not considered to be related-party transactions except for rent for part of the Department located at the Beehive where no rental is being incurred.

Apart from those transactions described above, the Department has not entered into any related-party transactions.

2. Other Revenue

2014/15				2015/16		
DPMC Actual 12 Months \$000	CERA Actual 5 Months \$000	Group Actual \$000		Vote DPMC Actual \$000	Vote CER Actual \$000	Group Actual \$000
660	-	-	Revenue Department – Club Funding	210	-	210
805	-	805	Revenue Department – Secondment Recovery	983	-	983
328	300	1,288	Revenue Department – Other	412	-	412
-	-	-	Third Party – Other Revenue	73	722	795
-	-	-	Gain on Sale of Assets	59	43	102
1,793	300	2,093	TOTAL OTHER REVENUE AND GAINS	1,737	765	2,502

3. Personnel Costs

2014/15				2015/16		
DPMC Actual 12 Months \$000	CERA Actual 5 Months \$000	Group Actual \$000		Vote DPMC Actual \$000	Vote CER Actual \$000	Group Actual \$000
18,460	15,344	33,804	Salaries and Wages	21,805	33,183	54,988
669	371	1,040	Employer Contributions to Defined-Contribution Plans	679	805	1,484
(561)	496	(65)	Increase/(Decrease) in Employee Entitlements	813	(1,401)	(588)
1,329	1,058	2,387	Other ¹	528	639	1,167
19,897	17,269	37,166	TOTAL PERSONNEL COSTS	23,825	33,226	57,051

1. Other includes recruitment, staff training and attendance at conferences and seminars.

4. Other Operating Costs

2014/15				2015/16			2015/16			2015/16			2016/17
DPMC Actual 12 Months \$000	CERA Actual 5 Months \$000	Group Actual \$000		Vote PMC Actual \$000	Vote CER Actual \$000	Group Actual \$000	Vote PMC Budget \$000	Vote CER Budget \$000	Group Budget \$000	Vote PMC Revised Budget \$000	Vote CER Revised Budget \$000	Group Revised Budget \$000	Unaudited Forecast \$000
60	205	265	Audit Fees for Audit of Financial Statements	120	280	400	54	150	204	-	150	150	54
810	1,229	2,039	Premises Rental	2,025	1,700	3,725	914	882	1,796	3,222	882	4,104	1,575
434	14	448	Facilities Costs	471	603	1,074	455	696	1,151	464	696	1,160	547
141	-	141	Inventories Consumed	160	-	160	115	-	115	125	-	125	115
2,282	8,889	11,171	Consultancy	6,565	28,412	34,977	1,233	28,918	30,151	4,200	25,868	30,068	2,733
1,118	814	1,932	Travel Costs	1,168	1,302	2,470	1,551	1,272	2,823	2,067	1,272	3,339	1,853
610	-	610	Building and Ground Maintenance Costs	611	221	832	591	76	667	591	76	667	590
3,468	1,451	4,919	Promotion and Publicity Costs	3,692	1,043	4,735	4,271	2,013	6,284	4,305	2,013	6,318	1,069
296	218	514	Photocopying and Printing Costs	714	841	1,555	406	1,314	1,720	477	1,314	1,791	482
217	121	338	Cell Phone and Telephone	234	291	525	547	337	885	569	337	906	221
210	1,062	1,272	IT-related Costs	415	1,446	1,861	1,113	1,774	2,887	465	1,774	2,239	231
6,828	-	6,828	CASS	8,632	-	8,632	6,749	-	6,749	8,674	-	8,674	8,937
865	3,959	4,824	Other Operating Expenses	1,091	979	2,070	2,299	3,274	5,571	4,547	3,275	7,822	20,219
17,339	17,962	35,301	TOTAL OTHER OPERATING COSTS	25,898	37,118	63,016	20,298	40,706	61,004	29,706	37,657	67,363	38,627

5. Inventory

2014/15		2015/16	
Actual \$000		Actual \$000	
100	Current	273	
187	Non-current	-	
287	TOTAL INVENTORY	273	

Inventory includes Honours insignia, medals and ribbons. The carrying amount of inventory held for distribution at cost is \$0.273 million as at 30 June 2016 (2015: \$0.287 million). The write-down of inventory held for distribution amounted to nil as at 30 June 2016 (2015: Nil). There have been no reversals of write-downs. The loss in service potential of inventory held for distribution is determined on the basis of obsolescence. No inventory has been pledged as security for liabilities (2015: Nil).

6. Property, Plant and Equipment

	Furniture and Fittings \$000	Motor Vehicles \$000	Work in Progress \$000	Plant and Equipment \$000	Intangible Assets \$000	Total \$000
COST						
Balance at 1 July 2014	259	312	-	823	235	1,629
CERA Assets Transfer 1 February 2015 (net value)	437	31	-	4	-	472
Additions	234	-	-	39	4,163	4,436
Disposals	-	-	-	(5)	-	(5)
Other Movements	15	-	-	(15)	-	-
Balance at 30 June 2015	945	343	-	846	4,398	6,532
Balance at 1 July 2015	945	343	-	846	4,398	6,532
Additions	80	-	363	-	46	489
Disposals	(439)	(132)	-	(39)	-	(610)
Balance at 30 June 2016	586	211	363	807	4,444	6,411
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 July 2014	183	161	-	700	-	1,044
Depreciation Expense	180	68	-	65	-	313
Disposals	-	-	-	(8)	-	(8)
Balance at 30 June 2015	363	229	-	757	-	1,349
Balance at 1 July 2015	363	229	-	757	-	1,349
Depreciation Expense	481	68	-	62	808	1,419
Disposals	(437)	(115)	-	(38)	-	(590)
Balance at 30 June 2016	407	182	-	781	808	2,178
CARRYING VALUE						
At 1 July 2014	76	151	-	123	235	585
At 30 June and 1 July 2015	582	114	-	89	4,398	5,183
At 30 June 2016	179	29	363	26	3,636	4,233
At 30 June 2016		597			3,636	4,233

7. Provisions

2014/15		2015/16
Group Actual \$000		Actual \$000
	PROVISIONS	
-	Opening Balance	1,231
-	Provision Used/Reversed During the Year	(1,231)
1,231	Additional Provision During the Year	926
1,231	Closing Balance	926
1,231	CURRENT PROVISION	527
-	NON-CURRENT PROVISION	399

The provision as at 30 June 2016 relates to onerous leases on properties, in Christchurch, vacated by CERA that have yet to be sub-leased and where there is a rental difference.

8. Employee Entitlements

2014/15			2015/16
DPMC Actual 12 Months \$000	CERA Actual 5 Months \$000	Group Actual \$000	Actual \$000
			CURRENT EMPLOYEE ENTITLEMENTS
-	-	-	Salary Accrual
903	1,569	2,472	Annual Leave
27	-	27	Long Service Leave
28	-	28	Retirement Leave
20	-	20	Sick Leave
177	543	720	Other Employee Benefits
1,155	2,112	3,267	TOTAL CURRENT LIABILITIES
			NON-CURRENT EMPLOYEE ENTITLEMENTS
76	-	76	Long Service Leave
254	-	254	Retirement Leave
330	-	330	TOTAL NON-CURRENT LIABILITIES
1,485	2,112	3,597	TOTAL EMPLOYEE ENTITLEMENTS

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 and the salary-inflation factor. Any changes in these assumptions will impact on the carrying amount of the liability. In determining the appropriate discount rate, the Department adopts the central table of risk-free discount rates and Consumer Price Index (CPI) assumptions provided by The Treasury.

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

2014/15				2015/16		
DPMC Actual 12 Months \$000	CERA Actual 5 Months \$000	Group Actual \$000		Vote PMC Actual \$000	Vote CER Actual \$000	Group Actual \$000
4,069	10,121	14,190	NET SURPLUS (DEFICIT)	4,533	41	4,574
			ADD/(LESS) NON-CASH ITEMS			
161	152	313	Depreciation and Amortisation	968	451	1,419
161	152	313	TOTAL NON-CASH ITEMS	968	451	1,419
			ADD/(LESS) WORKING CAPITAL MOVEMENT			
4,899	(21,646)	(16,747)	(Increase)/Decrease in Receivables and Prepayments	(15,030)	24,853	9,823
12	-	12	(Increase)/Decrease in Inventories	14	-	14
2,026	8,717	10,743	Increase/(Decrease) in Creditors and Other Payables	2,587	(18,152)	(15,565)
(714)	(14)	(728)	Increase/(Decrease) in GST	636	150	786
-	(19)	(19)	Increase/(Decrease) in Provisions	527	(1,231)	(704)
(384)	812	428	Increase/(Decrease) in Employee Entitlements	785	(2,112)	(1,327)
5,839	(12,150)	(6,311)	TOTAL NET MOVEMENT IN WORKING CAPITAL ITEMS	(10,481)	3,508	(6,973)
-	(316)	(316)	Add/(Less) Movements in Non-current Liabilities	427	-	427
10,069	(2,193)	7,876	NET CASH FLOWS FROM OPERATING ACTIVITIES	(4,553)	4,000	(553)

10. Related-party Transactions

All related-party transactions have been entered into on an arm's-length basis and therefore such transactions and balances with related parties are exempt from the need for disclosure.

DPMC (including CERA as a departmental agency) is a wholly-owned entity of the Crown and received funding from the Crown of \$124.168 million to provide services to the public for the year ended 30 June 2016 (2015: \$85.274 million). The Government significantly influences the roles of the Department as well as being its major source of revenue.

In conducting its activities, the Department is required to pay various taxes and levies to the Crown and entities related to the Crown. The payment of these taxes and levies (other than income tax) is based on the standard terms and conditions that apply to all tax and levy payers. The Department is exempt from paying income tax.

There are no related-party transactions involving key management personnel (or their close family members).

Key management personnel – DPMC [DPMC Leadership Team, including the Chief Executive]

2014/15			2015/16	
Actual \$000			Actual \$000	
1,941	Remuneration		1,973	
6	Full-time Equivalent Staff		6	

Key management personnel – CERA to 18 April 2016 [Leadership Team, including the Chief Executive]

2014/15			2015/16	
Actual 5 Months \$000			Actual \$000	
910	Remuneration		2,505	
6	Full-time Equivalent Staff		6	

The above key management personnel compensation excludes the remuneration and other benefits for the Prime Minister and other Cabinet Ministers. The Ministers' remuneration and other benefits are not received only for their roles as members

of key management personnel of DPMC. The Ministers' 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 DPMC.

Related-party transactions involving key management personnel (or their close family members)

There were no related-party transactions involving key management personnel or their close family members. No provision has been required, nor any expense recognised, for impairment of receivables from related parties (2015: Nil).

11. Explanations of Major Variances against Budget

Explanation for major variances from the Department's original 2015/16 budget figures and comparison to 2014/15 year actuals are as follows:

Statement of Comprehensive Revenue and Expenses

The 2015/16 actual expenditure is higher by \$48.919 million and revenue is higher by \$39.303 million than in 2014/15 owing to the operations of CERA for a longer period along with a full year of MCDEM operations.

The 2015/16 actual expenditure was lower than 2015/16 Supplementary Estimates budgets by \$0.971 million.

Statement of Financial Position

The major variations between the 2015/16 and the 2014/15 actuals are owing to the ceasing of CERA and the transfer of a number of items to other government agencies.

The 2015/16 actuals were higher than 2015/16 Supplementary Estimates budgets primarily relating to an increase in Crown debtor and creditors and other payables.

12. Change in Organisational Form and Discontinued Operations

Discontinued operations

Discontinued operations – the disestablishment of CERA

CERA was disestablished as a departmental agency, by the Greater Christchurch Regeneration Act 2016, Schedule 8, as of 18 April 2016, five years after the date of establishment. CERA had been hosted by DPMC from 1 February 2015.

The Prime Minister announced that by April 2016 most of CERA's functions would either have ended or have been transferred to other government agencies with a small set of key on-going roles moved into a business unit within DPMC. In May 2015 the Minister for Canterbury Earthquake Recovery directed the Chief Executive of CERA to prepare a draft Transition Recovery Plan. This was developed in consultation with the Advisory Board on Transition to Long-term Recovery Arrangements and the Strategic Partners (Christchurch City Council, Environment Canterbury, Selwyn District Council, Te Rūnanga o Ngāi Tahu and Waimakariri District Council).

The Greater Christchurch Earthquake Recovery: Transition to Regeneration (Draft Transition Recovery Plan) was released for public comment in early July 2015 and was a discussion document seeking written comment on particular issues. It included the key contextual information and proposals for the new recovery legislation, a set of new recovery arrangements for the central city and an approach for reporting on priority recovery issues. In total, 2,810 written comments were received, many of which came through the ActionStation website. The Minister considered the range of input, including public comments and requirements of the CER Act, in deciding to approve the final plan.

The Greater Christchurch Earthquake Recovery: Transition to Regeneration (Transition Recovery Plan October 2015) was released on 22 October 2015. The functions undertaken by CERA transferred to other Crown agencies as below:

Inheriting Agency	Function
Department of Prime Minister and Cabinet (Vote Prime Minister and Cabinet)	<ul style="list-style-type: none"> • Providing policy and legal advice to Ministers and government on the regeneration of greater Christchurch, and the administration of the new legislation. • Monitoring and reporting on the overall progress of recovery. • Part funding and/or joint governance of horizontal infrastructure repairs. • Leading Crown input into the Christchurch Replacement District Plan.
Ministry of Business Innovation and Employment (Vote Building and Housing)	<ul style="list-style-type: none"> • Supporting the residential recovery, including monitoring insurance settlements, brokering solutions to rebuild issues and participation in the Residential Advisory Service governance and operational delivery of services. • Monitoring and reporting on procurement of the public sector rebuild.
Land Information New Zealand (Vote Lands)	<ul style="list-style-type: none"> • Demolitions and clearances in the central city and residential red zone areas. • Interim land management in the residential red zones (including insurance recovery). • Mass movement of land jointly funded with Christchurch City Council. • Purchase of land and buildings in the residential red zone from owners who accept a government offer and contributions to their legal fees (if required).
Ministry of Health (Vote Health)	<ul style="list-style-type: none"> • Lead central government agency for psychosocial recovery; and responsible for the over-arching coordination and brokering role across the psychosocial recovery sector in greater Christchurch.
Regenerate Christchurch (Vote Prime Minister and Cabinet)	<ul style="list-style-type: none"> • Lead regeneration in defined areas of Christchurch.
Ōtākaro Limited (Vote Finance)	<ul style="list-style-type: none"> • Delivery of defined Anchor Projects. • Transact defined Crown land.

The Recovery Plan also confirmed the establishment of Regenerate Christchurch, a shared government and Christchurch City Council entity to deliver on ambitions for Christchurch and collaboratively work together to solve key challenges. Regenerate Christchurch will oversee the long-term development and enhancement of the central city, the residential red zone and New Brighton. This entity will be governed and funded by the Crown and Council and overseen by an independent board, members of which will be appointed by both parties. It will have access to the statutory tools proposed in the Greater Christchurch Regeneration Bill, and may propose and develop regeneration plans and request the use of ministerial powers. Regenerate Christchurch will be fully-owned and funded by the Council from 2021 onwards.

A new Crown company (Ōtākaro Limited), established under Schedule 4A of the Public Finance Act 1989, was also included in the Recovery Plan. The purpose of this company is to complete the delivery and management of defined major projects and future land divestment.

As signalled in the Recovery Plan, work was undertaken to transfer recovery responsibilities from CERA to other central and local government agencies to ensure the long-term recovery and regeneration of greater Christchurch. The first transition of CERA functions happened on 1 December 2015 when LINZ, MBIE and MoH, working closely with CDHB, all inherited functions from CERA.

The second transition of CERA functions occurred on 1 March 2016 when DPMC and MOH (working closely with CDHB), inherited further responsibilities from CERA.

Ōtākaro Limited inherited a number of Anchor Projects from the Christchurch Central Development Unit programme of work in April 2016.

Non-departmental Financial Schedules

for the year ended 30 June 2016

Schedule of Non-departmental Expenses

for the year ended 30 June 2016

The Schedule of Expenses summarises expenses that the Department administers on behalf of the Crown.

2014/15		2015/16			2016/17
Actual		Actual	Budget	Revised Budget	Unaudited Forecast
\$000		\$000	\$000	\$000	\$000
	VOTE PRIME MINISTER AND CABINET				
-	Non-departmental Output Expenses	927	-	2,000	-
1,705	Non-departmental Other Expenses	3,711	3,039	4,309	3,009
1,726	Non-departmental Other Expenses: Permanent Legislative Authority (PLA)	1,865	1,746	2,026	1,946
612	Multi-category Appropriation: Non-departmental Other Expenses	1,560	2,476	2,806	2,732
	REMEASUREMENTS:				
-	Movement in Provision for Horizontal Infrastructure (Three Waters)	(12,800)	-	-	-
4,043	TOTAL VOTE PRIME MINISTER AND CABINET NON-DEPARTMENTAL EXPENSES	(4,737)	7,261	11,141	7,687
	VOTE CANTERBURY EARTHQUAKE RECOVERY				Vote ceased on 30 June 2016
-	Administration and Use from Vote Finance	4,788	-	-	-
9,671	Non-departmental Other Expenses	-	-	-	-
16,040	Non-departmental Other Expenses: Permanent Legislative Authority (PLA)	9,544	-	-	-
53,340	Multi-category Appropriation: Non-departmental Expenses	111,916	298,006	112,487	-
80,875	Non-departmental Multi-year Appropriation Expenses	-	200	-	-
	REMEASUREMENTS:				-
63,316	Loss on Valuation of Land	-	-	-	-
(17,617) ¹	Movement in Provision for Vesting of Anchor Project Land	-	-	-	-
-	Movement in Provision for Horizontal Infrastructure (Three Waters)	(29,200)	-	-	-
(24,848) ¹	Purchase of Land and Buildings – Operating	5,807	-	(1,428)	-
180,777	TOTAL VOTE CANTERBURY EARTHQUAKE RECOVERY NON-DEPARTMENTAL EXPENSES	102,855	298,206	111,059	-
184,820	TOTAL NON-DEPARTMENTAL EXPENSES	98,118	305,467	122,200	7,687

1. Negative expenses recorded in 2014/15 resulted from, actuarial remeasurement of the Residential Red Zone settlement obligation for the purchase of Red Zone land and buildings; and reversal of the vesting provision for assets being transferred to Christchurch City Council and concessionary leases.

The accompanying notes and policies form part of these Financial Schedules.

These non-departmental balances are consolidated into the Financial Statements of the Government of New Zealand, and therefore readers of these schedules should also refer to the Financial Statements of the Government of New Zealand for 2015/16.

Schedule of Non-departmental Revenue and Receipts

for the year ended 30 June 2016

2014/15		2015/16		
Actual \$000		Actual \$000	Budget \$000	Revised Budget \$000
	VOTE PRIME MINISTER AND CABINET			
-	Cost Recoveries	-	-	-
69	Other Revenue	190	150	180
69	TOTAL VOTE PRIME MINISTER AND CABINET NON-DEPARTMENTAL REVENUE AND RECEIPTS	190	150	180
	VOTE CANTERBURY EARTHQUAKE RECOVERY			
1,116	Interest Revenue	650	-	-
(6,570) ¹	Insurance Recoveries from Red Zone Properties	(5,853)	-	-
6,852	Recovery of Demolition Costs from Property Owners	1,165	-	-
1,266	Property Management Income	1,642	-	-
17,139	Contribution from Christchurch City Council for Red Zoning	11,124	19,435	1,354
1,000	Contribution from Mayoral Relief Fund for the Earthquake Memorial	-	-	-
6,271	Recovery of Costs Incurred	1,149	-	-
-	Philanthropic Revenue	395	395	395
789	Revenue Recognition for Land Vested by Third Parties	-	-	-
27,863	TOTAL VOTE CANTERBURY EARTHQUAKE RECOVERY NON-DEPARTMENTAL REVENUE AND RECEIPTS	10,272	19,830	1,749
27,932	TOTAL NON-DEPARTMENTAL REVENUE AND RECEIPTS	10,462	19,980	1,929

1. The negative income in the insurance recoveries from Red Zone properties recorded above resulted from an adjustment to the actuarial remeasurement for the recovery of insurance proceeds from insurers and EQC, associated with purchases of Red Zone properties.

The accompanying notes and policies form part of these Financial Schedules.

These non-departmental balances are consolidated into the Financial Statements of the Government of New Zealand, and therefore readers of these schedules should also refer to the Financial Statements of the Government of New Zealand for 2015/16.

Schedule of Non-departmental Assets

as at 30 June 2016

2014/15		Note	2015/16		
Actual	Actual		Budget	Revised Budget	
\$000	\$000		\$000	\$000	
	ASSETS				
	CURRENT ASSETS				
72,590	Cash in Bank		15,150	22,927	49,398
38,035	Debtors and Other Receivables		101	20,052	45,916
21,389	Insurance Recoveries		-	-	-
5,248	Prepayments		34	-	-
29,448	Property Held for Sale	13	-	-	-
166,710	TOTAL CURRENT ASSETS		15,285	42,979	95,314
	NON-CURRENT ASSETS				
4,370	Land Held for Sale	13	-	29,978	4,162
397,874	Land, Property, Plant and Equipment	13	107,079	701,745	392,620
322,800	Insurance Recoveries		-	-	340,000
725,044	TOTAL NON-CURRENT ASSETS		107,079	731,723	736,782
891,754	TOTAL NON-DEPARTMENTAL ASSETS		122,364	774,702	832,096

The accompanying notes and policies form part of these Financial Schedules.

These non-departmental balances are consolidated into the Financial Statements of the Government of New Zealand, and therefore readers of these schedules should also refer to the Financial Statements of the Government of New Zealand for 2015/16.

Schedule of Non-departmental Liabilities

as at 30 June 2016

2014/15		2015/16			
Actual \$000		Note	Actual \$000	Budget \$000	Revised Budget \$000
	LIABILITIES				
	CURRENT LIABILITIES				
33,519	Creditors and Other Payables		3,352	22,309	27,934
8,011	Provision – Compulsory Land Acquisition	14	-	-	-
3,271	Residential Red Zone Property Settlement Provision	14	-	-	18,119
131,858	Provision – Horizontal Infrastructure – Three Waters	14	74,549	-	51,517
21,956	Provision – Public Realm Anchor Project Land	14	-	183,554	39,615
198,615	TOTAL CURRENT LIABILITIES		77,901	205,863	137,185
	NON-CURRENT LIABILITIES				
102,320	Provision – Horizontal Infrastructure – Three Waters	14	-	-	-
102,320	TOTAL NON-CURRENT LIABILITIES		-	-	-
300,935	TOTAL NON-DEPARTMENTAL LIABILITIES		77,901	205,863	137,185
	REVALUATION RESERVES				
30,855	Property Revaluation Reserves	14	39,464	26,130	30,856
30,855	TOTAL REVALUATION RESERVES		39,464	26,130	30,856

Schedule of Non-departmental Commitments

as at 30 June 2016

As at 30 June 2016, there are no capital and operating commitments in Vote Prime Minister and Cabinet (2015: Nil).

As at 30 June 2016, there are no capital and operating commitments in Vote Canterbury Earthquake Recovery as all commitments have transferred to other Crown agencies, including Land Information New Zealand and Ōtākaro Limited (2015: \$25.562 million).

The accompanying notes and policies form part of these Financial Schedules.

These non-departmental balances are consolidated into the Financial Statements of the Government of New Zealand, and therefore readers of these schedules should also refer to the Financial Statements of the Government of New Zealand for 2015/16.

Schedule of Non-departmental Contingent Liabilities and Contingent Assets

as at 30 June 2016

VOTE PRIME MINISTER AND CABINET

Vote Prime Minister and Cabinet, on behalf of the Crown, has the following contingent liabilities and assets as at 30 June 2016.

Contingent liabilities - quantifiable

There have been no quantifiable contingent liabilities as at 30 June 2016 (2015: Nil).

Contingent assets - quantifiable

There have been no quantifiable contingent assets as at 30 June 2016 (2015: Nil).

Contingent liabilities - unquantifiable

Dispute with supplier

The Department is currently in arbitration with a supplier.

New Zealand Local Authorities

Section 39 of the Civil Defence Emergency Management Act 2002 provides for the Governor-General, by Order in Council and on recommendation of the Minister, to make a national civil defence emergency management plan (the National CDEM Plan). The National CDEM Plan sets out the principles of government financial support to local authorities, and its accompanying Guide sets out the criteria and arrangements for this support as set by government policy. The Guide states that, with the approval of the Minister, the Government will reimburse local authorities, in whole or in part, for certain types of welfare, response and recovery costs incurred as a result of a local or national emergency. The Guide is approved and issued by the Director of Civil Defence Emergency Management. As at 30 June 2016 there were three events from which we expect to receive claims for reimbursement from local authority for welfare, response and recovery costs being: severe weather and flooding in the Manawatu-Wanganui Region on 18–20 June 2015; the Eketahuna earthquake in January 2014; and Westland flooding in March 2016. Costs are unquantifiable pending engineering assessments.

Contingent assets - unquantifiable

Dispute with supplier

The Department is currently in arbitration with a supplier, this is a counterclaim to the contingent liabilities above.

VOTE CANTERBURY EARTHQUAKE RECOVERY

Contingent liabilities

Vote Canterbury Earthquake Recovery, on behalf of the Crown, has no quantifiable or unquantifiable contingent liabilities as at 30 June 2016.

As at 30 June 2015 there was a \$48.496 million contingent liability over Residential Red Zone Offer Recovery Plan. The liability was contingent on ministerial approval.

Contingent assets

Vote Canterbury Earthquake Recovery, on behalf of the Crown, has no quantifiable or unquantifiable contingent assets as at 30 June 2016.

As at 30 June 2015 there was a \$5.5 million contingent asset over the new offer as detailed above including the acquisition of the property title along with a beneficial interest in any insurance policies under the terms of the offer.

Notes to Non-departmental Financial Schedules

Explanatory notes provide details of significant Vote Prime Minister and Cabinet and Vote Canterbury Earthquake Recovery non-departmental expenditure, revenue, assets and liabilities. All non-departmental balances are included in the Financial Statements of the Government of New Zealand.

13. Property, Plant and Equipment (PPE) and Property Held for Sale

Actual 2014/15 \$000					Actual 2015/16 \$000			
PPE – Government House	PPE – Residential Red Zone	PPE and Work in Progress – Anchor Project Land and Buildings	Property Held for Sale		PPE – Government House	PPE – Residential Red Zone	PPE and Work in Progress – Anchor Project Land and Buildings	Property Held for Sale
91,758	21,900	260,590	29,977	Opening Balance at 1 July	98,989	17,504	281,381	33,818
211	477	128,798	-	Value of Assets Acquired During the Year – including Work in Progress	301	1,285	32,315	-
(596)	-	(1,755)	-	Value of Assets Disposed of During the Year	-	-	(250)	(27,830)
7,787	(4,852)	(65,523)	-	Revaluation Gain/(Loss)	8,609	-	(4,770)	-
541	-	-	-	Reversal of Accumulated Depreciation	-	-	-	-
-	-	(36,230)	-	De-recognition of Improvements	-	-	(19,246)	-
(712)	-	(679)	-	Depreciation Expense	(820)	-	(1,216)	-
-	(21)	(3,820)	3,841	Properties Transferred to/(from) 'Held for Sale'	-	-	-	-
-	-	-	-	Properties Transferred to other Crown Agencies	-	(18,789)	(288,214)	(5,988)
98,989	17,504	281,381	33,818	Closing Balance at 30 June	107,079	-	-	-
-	-	-	29,448	Current Portion of the Property Held for Sale	-	-	-	-
-	-	-	4,370	Non-current Portion of the Property Held for Sale	-	-	-	-
		397,874	33,818				107,079	-

Depreciation

Depreciation is provided on a straight-line basis to allocate cost or revalued amounts, net of any estimated residual value, over the estimated useful life. The useful lives of major classes of assets have been estimated as follows:

Type of Asset	Estimated Life (years)
Buildings	50 years

Property, plant and equipment revaluation reserve

Government House land and buildings have been revalued to fair values as at 30 June 2016 by independent registered valuers from QV Valuations, giving the closing balance of \$39.464 million in the Asset Revaluation Reserve. The revaluation gain of \$7.894 million relates to Government House in Wellington and Auckland.

14. Provisions

Actual 2014/15 \$000					Actual 2015/16 \$000				
Residential Red Zone Settlements	Horizontal Infrastructure (Three Waters)	Public Realm Anchor Project Land	Compulsory Land Acquisition		Residential Red Zone Settlements	Horizontal Infrastructure (Three Waters)	Public Realm Anchor Project Land	Public Realm Anchor Project Improvements	Compulsory Land Acquisition
65,654	393,804	35,454	8,502	Opening Balance at 1 July	3,271	234,178	21,956	-	8,011
-	-	4,118	-	Additional Provision Recognised	7,484	-	433	19,456	2,111
-	-	-	-	Provision Reversed	-	(42,000)	-	-	-
(32,085)	(175,666)	-	(491)	Payments Made During the Year/Provision Used for the Year	(10,644)	(127,173)	-	(17,669)	(2,805)
(1,745)	-	-	-	Passive Insurance Recoveries	(111)	-	-	-	-
(28,553)	16,040	(17,616)	-	Actuarial and Other Valuation Adjustments	-	9,544	-	-	-
-	-	-	-	Transferred to other Agencies	-	-	(22,389)	(1,787)	(7,317)
3,271	234,178	21,956	8,011	Closing Balance at 30 June	-	74,549	-	-	-
3,271	131,858	21,956	8,011	Current Portion of the Provision	-	74,549	-	-	-
-	102,320	-	-	Non-current Portion of the Provision	-	-	-	-	-

Horizontal infrastructure (Three Waters) provision

In significant emergency events, the Crown may provide financial support to local authorities for response and rebuild costs to damaged infrastructure. The Civil Defence Emergency Management Plan stipulates how the Crown may contribute to these costs. The Crown's contribution to response and rebuild costs for Three Waters (waste, storm and fresh) infrastructure is typically up to 60% of the total cost for valid and eligible work.

CERA has recognised a liability on behalf of the Crown for its remaining share of the Three Waters infrastructure rebuild and repair costs following the Canterbury earthquakes of 2010 and 2011. Other government agencies, including the Department of Internal Affairs (DIA), have already contributed to these costs for emergency response work immediately after the events.

The liability recorded by CERA, on behalf of the Crown as at 30 June 2016 is based on two components:

- The Three Waters component of the cost-sharing agreement with the Christchurch City Council explained below, and the recovery of Three Waters as per the cost-sharing agreement with Waimakariri District Council.
- The programmes for Selwyn District Council and Environmental Canterbury were completed during the year and there is no further liability for the Crown.

Given the scale of damage to infrastructure assets in Christchurch city, the Crown's largest exposure is to the rebuild and repair of assets owned by the Christchurch City Council (the Council). On 26 June 2013 the Crown entered into a cost-sharing agreement with the Council, which estimated the Crown's contribution to total infrastructure response and rebuild costs at a maximum of \$1.8 billion (subject to later review). A similar agreement has been signed with Waimakariri District Council.

In October 2015 the Crown's contribution to the rebuild of Christchurch City Council's damaged horizontal infrastructure was revised to \$1.689 billion based on a forecast cost to complete the Horizontal Infrastructure programme at that time. The \$1.689 billion contribution is after the phased release of \$46 million into the tagged operating contingency. The Crown's \$1.689 billion share for the Council includes the estimated split of Three Waters and road infrastructure rebuild costs and impacts on three government agencies: DIA (\$207 million), the NZTA (\$570 million) and CERA (\$912 million). There is no change to the components of the provision relating to the Waimakariri District Council. CERA therefore considers the \$75 million balance at year end, which has cumulative payments to both Councils deducted from it, to be the appropriate provision.

However, the determination of this liability is subject to some level of estimation and uncertainty, particularly around the ongoing validation of payments made to confirm eligibility, possible programme scope and cost change, and possible clarification of some policy positions and estimates in relation to aspects of eligible costs.

The Crown and Council are currently tracking programme costs and their respective shares required to complete the programme.

15. Events after the Balance Date

There have been no events after the balance date in respect to the Departmental Financial Statements or the Non-departmental Schedules.

Part F – Other Information

This section includes further information, such as supplementary statistical information and a summary of acronyms used in this report.

Bad and Doubtful Debts MYA

Non-departmental Other Expenses: Bad and Doubtful Debts (MYA)

Description of activities

This appropriation is intended to achieve accurate reporting of the value of Crown receivables for various programmes managed by CERA.

Scope of appropriation

The appropriation is limited to recognition of bad and doubtful debts arising from the implementation of the central city recovery plan.

Intended impacts, outcomes and objectives

Intended Impacts, Outcomes or Objectives of Appropriations	Appropriations
<p>Outcomes: Improved economic performance</p> <p>Impacts: Economic Development and Infrastructure Sector – To facilitate the recovery of Canterbury following the Canterbury earthquakes on 4 September 2010 and 22 February 2011 and subsequent aftershocks</p>	Bad and doubtful debt

Financial

Expenses	\$000
Original Appropriation	500
Actual Expenditure – Operating Expenditure 2014/15	147
Adjustments for 2015/16	(353)
Total Expenditure	147

Comment on variance and expected results

Appropriation Performance	2015/16		
	Estimates Standard	Actual Result	
Bad and doubtful debts are recognised appropriately within the Financial Statements	100%	100%	There were no new bad or doubtful debts during 2015/16

Financial	2015/16		
	Actual Result \$000	Supp. Estimates Standard \$000	Comment
Bad and doubtful debts	-	-	There were no new bad or doubtful debts during 2015/16

Cabinet Office Statistics

	2015/16 Actual	2014/15 Actual	2013/14 Actual
MEETINGS			
Executive Council	35	30	38
Cabinet	41	39	44
Cabinet committees	166	121	184
SUBMISSIONS			
Summary cover sheets to Cabinet and Cabinet committee papers	1,617	1,374	2,060
Submissions lodged by Ministers' offices by the Cabinet Office deadline*	93.5%**	83%	84%
Papers published by the close of business, two business days before the meeting*	96%	88%	79%
CABINET AND CABINET COMMITTEE MINUTES			
Cabinet and Cabinet committee minutes	1,943	1,523	2,316
Cabinet and Cabinet committee minutes requiring an amendment by the Cabinet Office***	7	3	7
Cabinet minutes published within three business days of the Cabinet meeting*	98.6%	88%	94%
Cabinet committee minutes prepared in time for the next meeting of Cabinet	100%	100%	100%
OTHER SERVICES			
Cabinet Office circulars	5	11	6
Briefing seminars to departments, Ministers' offices and other interested parties on the Cabinet decision-making process	25	16	13
Enquiries and requests from Ministers' offices and departments about Cabinet papers and related information	222	232	165

*This description has been amended to reflect the introduction of CabNet in August 2015.

**This figure is for the six-month period 1 January – 30 June 2016, owing to the progressive roll-out of CabNet to Ministers' offices and agencies during the second half of 2015.

***Excludes amendments to Cabinet and Cabinet committee minutes made as a result of a Cabinet decision.

Meeting statistics for the year ended 30 June 2016

	Number of Meetings	Number of Agenda items	Average Number of Items per Meeting
Executive Council	35	268	8
Cabinet	41	465	11
TOTAL CABINET COMMITTEE MEETINGS	166	1,197	12
Cabinet Committee meetings			
Cabinet Appointments and Honours Committee	26	311	12
Cabinet Business Committee	7	19	3
Cabinet Economic Growth and Infrastructure Committee	31	364	12
Cabinet External Relations and Defence Committee	6	17	3
Cabinet Legislation Committee	27	192	7
Cabinet National Security Committee	7	36	5
Cabinet Committee on State Sector Reform and Expenditure Control	19	66	3
Cabinet Social Policy Committee	28	163	6
Cabinet Strategy Committee	9	9	1
Cabinet Committee on Treaty of Waitangi Negotiations	6	17	3

New Zealand Honours for the year ended 30 June 2016

The Order of New Zealand	
Ordinary Member	1
The New Zealand Order of Merit	
Additional Dame Grand Companion	1
Dame Companion	4
Knight Companion	7
Companion	22
Officer	74
Member	121
Honorary Member	6
The Queen's Service Order	
Companion	13
Additional Companion	1
Honorary Companion	1
The Queen's Service Medal	100
New Zealand Gallantry Awards	
The New Zealand Gallantry Star	1
The New Zealand Gallantry Decoration	1
The New Zealand Gallantry Medal	2
The New Zealand Distinguished Service Decoration	
The New Zealand Distinguished Service Decoration	6
TOTAL	361
Other honours and appointments	
Grant of the title 'The Honourable' for life	6
GRAND TOTAL	367

List of Acronyms

BEFU	Budget Economic and Fiscal Update
BPS	Better Public Services
CASS	Central Agencies Shared Services
CDEM	Civil Defence Emergency Management
CDHB	Canterbury District Health Board
CERA	Canterbury Earthquake Recovery Authority
CERT	Cyber Emergency Response Team
CIMS	Coordinated Incident Management System
CPI	Consumer Price Index
DIA	Department of Internal Affairs
DPMC	Department of the Prime Minister and Cabinet
EMIS	Emergency Management Information System
EQC	Earthquake Commission
GCSB	Government Communications Security Bureau
GCG	Greater Christchurch Group
LDC	Leadership Development Centre
LINZ	Land Information New Zealand
MBIE	Ministry of Business, Innovation and Employment
MCAs	Multi-category Appropriations
MCDEM	Ministry of Civil Defence and Emergency Management
MFAT	Ministry of Foreign Affairs and Trade
MOH	Ministry of Health
MYA	Multi-year Appropriations
NAB	National Assessments Bureau
NCCMC	National Crisis Management Centre
NCPO	National Cyber Policy Office
NZBN	New Zealand Business Number
NZ GAAP	New Zealand Generally Accepted Accounting Practices
NZ PBE IPSAS	New Zealand Public Benefit Entity International Public Sector Accounting Standards
NZDF	New Zealand Defence Force
NZIC	New Zealand Intelligence Community
NZSIS	New Zealand Security Intelligence Service
NZTA	New Zealand Transport Agency
ODESC	Officials Committee for Domestic and External Security Coordination
ODESC(G)	Officials Committee for Domestic and External Security Coordination Group

PAG	Policy Advisory Group
PIF	Performance Improvement Framework
PLA	Permanent Legislative Authority
PMCSA	Prime Minister's Chief Science Advisor
PTWC	Pacific Tsunami Warning Centre
SCIRT	Stronger Christchurch Infrastructure Rebuild Team
SIG	Security and Intelligence Group
SOEs	State-owned Enterprises
SSC	State Services Commission
SQS	Service Quality Score