



ANNUAL REPORT 2018/19

for the year ended 30 June 2019



and
Report by the Minister of Civil Defence
on Non-departmental Appropriations

and
Report by the Minister for Greater Christchurch Regeneration
on Non-departmental Appropriations

Presented to the House of Representatives pursuant
to the State Sector Act 1988 and the Public Finance Act 1989

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Report by the Minister of Civil Defence
on Non-departmental Appropriations

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Report by the Minister for Greater Christchurch
Regeneration on Non-departmental Appropriations

Chief Executive's foreword

Mahia i runga i te rangimārie me te ngākau māhaki

With a calm mind and a respectful heart we will always get the best results



The Department of the Prime Minister and Cabinet's (DPMC's) purpose is to ensure New Zealanders live in a country that is ambitious, resilient and well-governed.

We work by leading, advising, stewarding and delivering, and we are committed to our values. We are courageous – we stand up – we are connected – we join together – we are committed – we believe in what we do – and we do it with respect. These values are reinforced by the Public Sector Spirit of Service and the standards of integrity and conduct for public sector agencies.

DPMC cannot do its work alone and I acknowledge the support and contribution of other agencies over the past year, particularly our fellow central agencies, the Treasury and the State Services Commission. Collectively we work to deliver on the Government's priorities for the people of New Zealand and provide leadership across the system to make this happen.

The effective functioning of executive government requires relationships of trust and confidence with the Governor-General, the Prime Minister and Cabinet. Cabinet Office and Government House play particular roles in relation to this through their support and advice to the country's leaders to enable them to work effectively on behalf of the nation. In a time of international uncertainty, the integrity and effectiveness of our national institutions is more important than ever.

High-quality advice remains critical to effective decision-making. The Policy Advisory Group provided the Prime Minister and Ministers with timely advice, with a particular focus on helping to shape and deliver on the Government's priorities. We also continue to strengthen the quality of advice across the public sector policy community through the work of the Policy Project.

The passing of the Child Poverty Reduction Act in December was a significant milestone. The Act requires the government of the day to set targets on a defined set of measures to reduce child poverty and to report on them annually. The Child Wellbeing and Poverty Reduction Group within DPMC led multi-agency work and broad community engagement over the year as it worked to develop the Child and Youth Wellbeing Strategy for release in 2019. This work is intended to break the cycle of child poverty and provide a brighter and healthier future for New Zealand's young people.

The terror attacks of 15 March 2019 saw DPMC activate the National Security System and the National Crisis Management Centre in support of the national response and recovery. We worked closely with central government agencies, local government and communities in the days immediately following the attacks. We also contributed to the Government's strategic policy response and are continuing our efforts to reinforce New Zealand's counter-terrorism settings. The findings of the Royal Commission of Inquiry will be material in this regard.

DPMC is also working to strengthen the national system for responding to and managing natural disasters and other emergencies, and to increase levels of national preparedness and resilience. We released the new National Disaster Resilience Strategy, outlining the characteristics of a resilient New Zealand and setting out a programme of work over the next 10 years. In addition, the Wellbeing Budget 2019 provided funding for the establishment of the National Emergency Management Agency (NEMA) to replace the Ministry of Civil Defence & Emergency Management. NEMA will provide strong focus for strengthening the performance and capability of New Zealand's national emergency management system as a whole.

Through the work of the Greater Christchurch Group (GCG), significant steps were made towards the transition of greater Christchurch back to local leadership. The Crown was able to take a step back from its extraordinary role

in Christchurch with the City Council resuming control over its district planning processes. GCG provided advice that enabled unique legislative powers to be used to fast track changes to district planning documents. GCG led negotiations with the Council that resulted in an Agreement in Principle being reached on Global Settlement, which will be a final agreement on key regeneration matters. GCG also coordinated and supported work across government agencies to address outstanding issues that remain from the 2010 and 2011 earthquakes, including insurance matters and work to establish the Public Inquiry into the Earthquake Commission.

While the year covered by the Annual Report saw DPMC achieve much, there remains much more to be done. Across the Department, we are committed to continuing our efforts in the coming year to support an ambitious, resilient and well-governed country for the benefit of all New Zealanders.



Brook Barrington
Chief Executive

Contents

Chief Executive's foreword	1
A Who we are and what we do	5
Our Strategic Framework	6
About us	7
Our organisational structure	9
B Our performance story	11
2018/19 at a glance	12
Our numbers at a glance	14
Strategic intention 1: A proactive and responsive public service, helping shape and deliver the Government's priorities	16
Strategic intention 2: New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation	19
Strategic intention 3: Our cohesive, risk-based national security system makes New Zealand stronger and more resilient	22
Strategic intention 4: New Zealand is the best place in the world for children and young people	25
Strategic intention 5: Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest	27
C Managing our functions	31
Improving our organisational health and capability	32
D Our performance information	35
Appropriation Statements	36
Statement of Budgeted and Actual Departmental and Non-departmental Expenses and Capital Expenditure Against Appropriations	36
Statement of Departmental and Non-departmental Expenses and Capital Expenditure Incurred Without, or in Excess of Appropriation, or other Authority	39
Statement of Capital Injections	39
Statement of Capital Injections Without, or in Excess of, Authority	39
Reporting Against Appropriations	40

E	Our financial statements	55
	Statement of Responsibility	56
	Independent Auditor's Report	57
	Departmental Financial Statements	62
	Statement of Comprehensive Revenue and Expenses	62
	Statement of Changes in Equity	62
	Statement of Financial Position	63
	Statement of Cash Flows	64
	Statement of Commitments	65
	Statement of Contingent Liabilities and Contingent Assets	65
	Notes to the Departmental Financial Statements	66
	Non-departmental Financial Schedules	74
	Schedule of Non-departmental Expenses	74
	Schedule of Non-departmental Revenue and Receipts	74
	Schedule of Non-departmental Assets and Liabilities	75
	Schedule of Non-departmental Commitments	75
	Schedule of Non-departmental Contingent Liabilities and Contingent Assets	76
	Statement of Trust Monies	77
	Notes to the Non-departmental Financial Schedules	78
F	Appendices	81
	Cabinet Office statistics	82
	Cabinet and Cabinet committee meeting statistics	83
	New Zealand Royal Honours	84
	National Security and Intelligence Priorities	85
	Our strategies	86
	Report by the Minister of Civil Defence on Non-departmental Appropriations (B.14)	87
	Report by the Minister for Greater Christchurch Regeneration on Non-departmental Appropriations (B.14)	91



Who we are and what we do

This section sets out our Strategic Framework, our roles and key activities.

Since our *Strategic Intentions 2018-2022* were published, we have updated our Strategic Framework to include the Department's organisational health and capability priorities.

Our Strategic Framework

Our purpose: An ambitious, resilient and well-governed New Zealand

The Government's priorities	Our roles	Our strategic intentions
<p>An economy that is growing and working for all of us</p> <hr/> <p>Improving the wellbeing of New Zealanders and their families</p> <hr/> <p>Making New Zealand proud</p>	<p>Committed to serve, willing to lead</p> <hr/> <p>We...</p> <ul style="list-style-type: none"> ● Lead Working with and across agencies to deliver the Government's agenda ● Advise Providing strategic and expert advice to the Prime Minister and other Ministers ● Steward Upholding the principles, systems and processes of executive government, and developing future capability ● Deliver Ensuring that urgent and important government priorities are achieved 	<p>What we are striving to achieve</p> <hr/> <ul style="list-style-type: none"> ● A proactive and responsive public service, helping shape and deliver the Government's priorities ● New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation ● Our cohesive, risk-based national security system makes New Zealand stronger and more resilient ● New Zealand is the best place in the world for children and young people ● Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest

Our organisational health and capability priorities

One DPMC

Happy, healthy and high-performing DPMC

Our values

Mahia i runga i te rangimārie me te ngākau māhaki

With a calm mind and a respectful heart
we will always get the best results

Courageous
We stand up

Connected
We join together

Committed
We believe in what we do

And we do it with
Respect

About us

We are a mid-sized agency with 270 staff in Auckland, Wellington and Christchurch, spread across eight business units. We have a unique role as the trusted advisor, leader and steward of New Zealand's system of executive government. We also lead the national security and emergency management systems to make New Zealand stronger, more resilient and improve the wellbeing of all New Zealanders. Our work is fundamentally about ensuring New Zealanders can live in a country that is ambitious, resilient and well-governed.

We collaborate to lead the public service

The scope of our role makes collaboration critical to our success. As a central agency, we work closely with the State Services Commission and the Treasury to lead the public service and deliver results for New Zealanders. In particular, we contribute to this by monitoring progress against the Government's priorities, as well as promoting and modelling change.

We provide advice and support to enable a proactive and responsive public service which helps shape and deliver the Government's priorities

As a Department, we provide advice and support to the Prime Minister, as well as serving Ministers with responsibilities relating to national security, risk and resilience, emergency management, the regeneration of greater Christchurch, child wellbeing and child poverty reduction.

The Policy Advisory Group provides advice to the Prime Minister and Cabinet across the full spectrum of issues facing government. The Policy Advisors provide contestable advice on all issues going to Cabinet for decisions and first opinion advice when required. They also work with the State Services Commission and the Treasury to ensure the public service understands and responds effectively to the Government's priorities.

DPMC hosts the Policy Project whose role is to drive policy capability and quality across the public service. The Policy Project supports our Chief Executive, Brook Barrington, in his stewardship role as the Head of the Policy Profession.

We help ensure New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation

The Cabinet Office supports executive government to work effectively. Advice and support are provided to the Governor-General, Prime Minister and other Ministers on constitutional, policy, legislation and procedural issues, and impartial secretariat services are provided for meetings of the Executive Council, Cabinet and Cabinet committees.

The Honours Unit administers the New Zealand Royal Honours system and supports the Prime Minister and the Cabinet Appointments and Honours Committee to consider nominations.

The Government House team works with the Cabinet Office to support the Governor-General across the four main duties of the office: constitutional, ceremonial, community leadership and international. They also undertake kaitiakitanga for the heritage buildings and grounds of the residences in Auckland and Wellington.

We lead and steward our national security system to make New Zealand stronger and more resilient

The National Security Group leads, coordinates and supports New Zealand's national security system and the New Zealand Intelligence Community. DPMC leads the coordination of advice on national security matters for the Prime Minister in her role as Minister for National Security and Intelligence.

Through governance structures such as the Officials' Committee for Domestic and External Security Coordination (ODESC), we strengthen the national security system's support for the Government's priorities, develop better risk and assessment-based situational understanding, and improve agencies' coordination and collaboration to effectively deal with national security issues.

The Ministry of Civil Defence & Emergency Management (MCDEM) builds New Zealand's resilience by supporting and enabling communities to manage emergencies. MCDEM provides leadership to reduce risk, and ensure that the system is ready to respond and recover from emergencies. It manages the central government's response and recovery functions for national emergencies and supports the management of local and regional emergencies or emergencies led by other agencies.

MCDEM works with a range of stakeholders, including central government agencies, local authorities, emergency services, lifeline utilities, research and science and not-for-profit organisations in support of communities, to meet its responsibilities under the Civil Defence Emergency Management Act 2002.

We are focused on making New Zealand the best place in the world for children and young people

The Child Wellbeing and Poverty Reduction Group supports the Government's priority of making New Zealand the best place in the world for children and young people. It does this by supporting and providing advice to the Minister for Children and the Minister for Child Poverty Reduction, working with others to identify actions and policies for reducing child poverty and supporting development of New Zealand's first Wellbeing Strategy for children and young people.

We provide advice, leadership and coordination to ensure Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest

The Greater Christchurch Group oversees the Crown's interests in the regeneration of greater Christchurch. This is achieved through the provision of leadership and coordination across government agencies, engagement with local entities and the community and supporting the transfer of responsibility for leading greater Christchurch regeneration to local entities.

A key part of this is working with our local and central government partners, including Ōtākaro Limited, Regenerate Christchurch, Christchurch City Council, Waimakariri District Council, Selwyn District Council, Te Rūnanga o Ngā Tahu, Environment Canterbury, Land Information New Zealand and the Treasury.

We are enabled by our corporate services

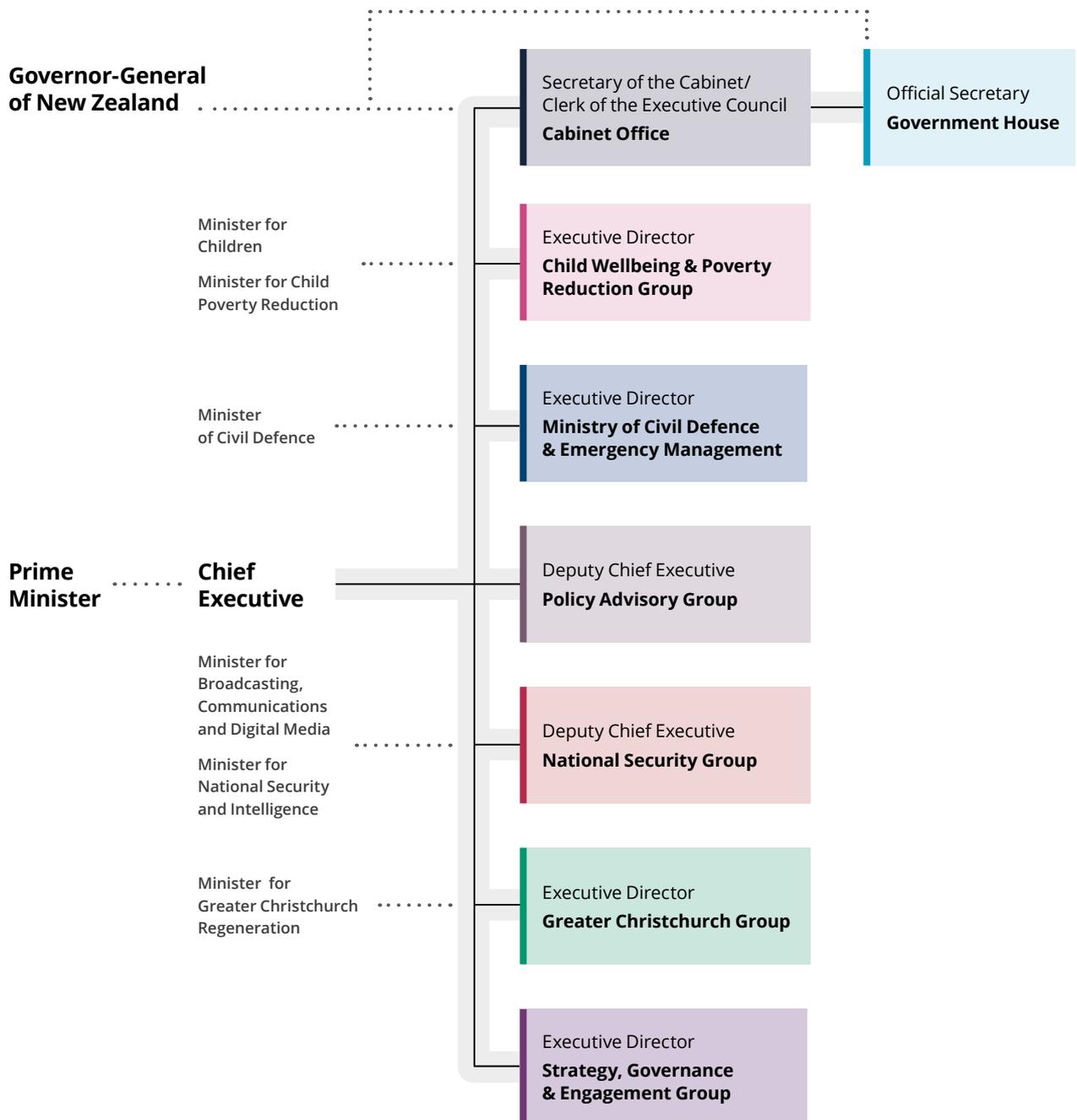
The Strategy, Governance and Engagement Group supports the Department to achieve our strategic intentions by working across DPMC to ensure we have a sound strategy, a prioritised work programme and budget, effective governance, a strong culture and values and efficient organisational systems and processes.

Central Agencies Shared Services (CASS) provides services relating to finance, human resources, information management and technology, publishing and payroll.



Staff at a DPMC Town Hall meeting

Our organisational structure



The Public Inquiry into the Earthquake Commission, led by Dame Silvia Cartwright, is supported by the Department of the Prime Minister and Cabinet. Although Vote Prime Minister and Cabinet includes appropriations for the Inquiry, the Inquiry operates independently of DPMC and decisions on its conduct and expenditure are at its discretion.

..... Reporting lines

— Management responsibility

B

Our performance story

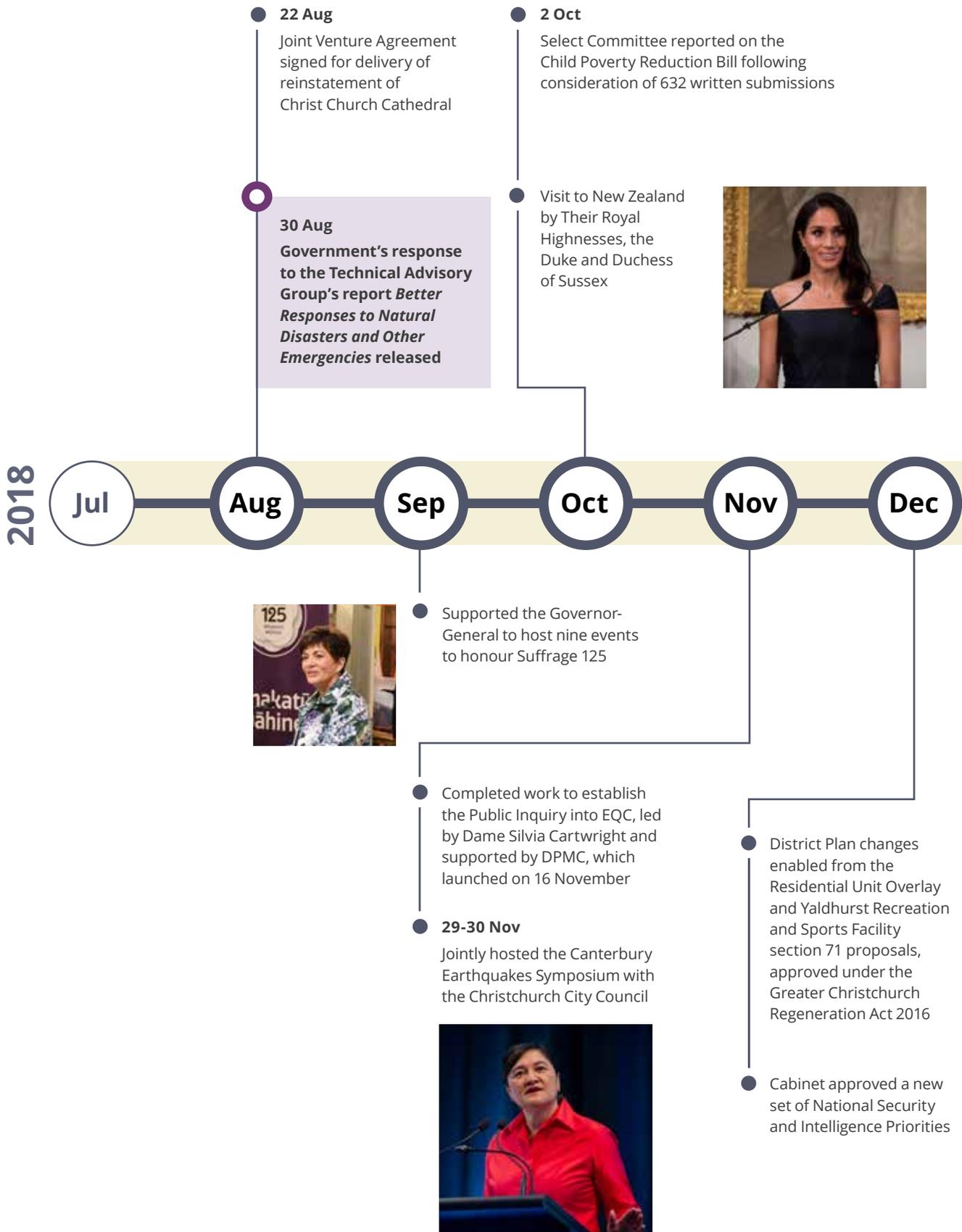
Advancing an ambitious, resilient and well-governed New Zealand.

Following a review of our strategic direction, we updated our strategic intentions in December 2018. We used this as an opportunity to align our direction with the Government's priorities, refine our roles and reset our medium-term strategic objectives. This section sets out our achievements in 2018/19 against our five strategic intentions:

1. A proactive and responsive public service, helping shape and deliver the Government's priorities
2. New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation
3. Our cohesive, risk-based national security system makes New Zealand stronger and more resilient
4. New Zealand is the best place in the world for children and young people
5. Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest.

In 2019, we began development of a framework to support performance reporting against our new strategic intentions. It reflects what we deliver, what we aim to influence through our work and will include indicators that help us assess our performance and contribution to the outcomes we seek. We will continue to develop and embed this over the coming year.

2018/19 at a glance





- Governor-General undertook commemorations at Waitangi, and the annual reception at Wellington

- **5-27 Feb**
Supported the response to the Tasman District fires

- **10 Apr**
National Disaster Resilience Strategy came into effect

- Visit to Christchurch by His Royal Highness the Duke of Cambridge

- **Child Poverty targets formally gazetted and first Child Poverty report published as part of the Wellbeing Budget**

- Agreement in principle reached as part of Global Settlement negotiations with Christchurch City Council



- **18 Mar**
District planning powers returned to Christchurch City Council from the Crown

- **25 Mar**
Responded to the West Coast flooding

- **Responded to the 15 March Christchurch terror attack, including providing support to the Prime Minister and Ministers, supporting the Police as lead agency, undertaking engagements with communities and international visitors and supporting victims and survivors**

- **7 Jun**
First sods turned at Metro Sports Facility, Christchurch by the Minister for Greater Christchurch Regeneration, Minister of Sport and Christchurch Mayor



Photo credit: Christchurch City Council

- Refreshed Policy Quality Framework and revised Ministerial Satisfaction Survey finalised

- Final claim received from Christchurch City Council to wrap up the Christchurch horizontal infrastructure programme

- Suspensory loan agreement signed with Christ Church Cathedral Reinstatement Trust and \$15 million advanced to support reinstatement of Christ Church Cathedral

Our numbers at a glance

In 2018/19 we:

Provided policy advice and support to our portfolio Ministers

Advice provided on
1,077 decision-making
policy papers

submitted to Cabinet and Cabinet
Committees

632
written
submissions

49
oral
submissions

on the Child Poverty Reduction Bill
analysed

More than
65 meetings, workshops
and hui

including more than

11 regional hui with Māori

10 regional health sector
workshops

held from Kaitaia to Invercargill on
the Child and Youth Wellbeing Strategy

More than
10,000 New Zealanders

including more than

6,000 children and young
people

provided feedback on key
components of the Child and Youth
Wellbeing Strategy

Supported the Governor-General and the executive government

Activities undertaken by the Governor-General:

314 Government House
Wellington

199 At other places
in New Zealand

54 Government
House Auckland

22 Overseas

Enabling the effective operation of Cabinet:

98.5
% Cabinet minutes
published on time

98
% Papers for Cabinet
and Cabinet committee
meetings published
on time

89
% Submissions lodged by
Ministers' offices by the
Cabinet Office deadline

0.5
% Cabinet and Cabinet
committee minutes
requiring subsequent
amendment

Developed public sector policy capability and development

Approx.

1,300 page views

on the Policy Project resources website per week

19 events

held to provide exposure to international experts and support policy capability development

500 people

attended Policy Project hosted events

Led and stewarded the national security and emergency management systems

3 NCMC activations

- Tasman District fires 5 Feb 2019
- Christchurch terror attack 15 Mar 2019
- West Coast severe weather 25 Mar 2019

17 ODESC meetings

12 Security & Intelligence Board meetings

54 Watch Group meetings

5 Hazard Risk Board meetings

Provided advice, leadership and coordination for the regeneration of greater Christchurch

43/45 projects

now complete in the Waimakariri Three-waters Horizontal Infrastructure Programme¹

Around **300** participants

attended the Canterbury Earthquakes Symposium

Last claim received for the Stronger Christchurch Infrastructure Rebuild Team Programme

Total Crown contribution
\$916.1m

2 Section 71 proposals approved

one with **18** written comments and the other with **138** written comments

All **\$300m**

of Crown regeneration funding from the Christchurch Regeneration Acceleration Facility earmarked for projects²

across **743** three-waters projects

¹ As a result of removing projects ineligible for government funding and combining others, the total number of projects in this Programme has reduced from 65 to 45. All projects will be complete in the first quarter of 2019/20.

² This includes \$220 million towards the Canterbury Multi-Use Arena, \$40 million towards residential red zone projects, and \$40 million towards roading projects.

A proactive and responsive public service, helping shape and deliver the Government's priorities

What we intended to achieve

The Prime Minister, Cabinet and other Ministers are supported by timely, well-informed information and advice.

What we achieved in 2018/19

We supported the delivery of the Government's priorities

The Policy Advisory Group provided high-level advice on strategic issues and issues of the day to support informed decision-making throughout 2018/19. This included the provision of advice on all Cabinet Papers, excluding appointments, and supporting the Prime Minister on her international travel programme.

Throughout the year, we worked with our central agency colleagues to monitor and support the implementation of the Government's priorities.

We drove the continuous improvement of policy quality and capability across the public sector

During 2018/19, we worked across the public sector to improve the quality of policy advice by:

- developing a refreshed Policy Quality Framework and revised Ministerial Policy Satisfaction Survey that agencies must use from 2019/20 onwards to report on their performance. The framework provides a common set of standards that specify what good quality advice looks like, to help agencies to assess their policy advice papers. The survey contains a common set of questions for agencies to assess their ministers' satisfaction with their policy advice. Together, these will provide, for the first time, a universal way of assessing, scoring and reporting on the quality of policy advice across the public sector
- working with a group of stewardship experts to provide advice to the State Services Commission on strengthening stewardship through the State Sector Act reforms

- working with local government agencies to co-produce and launch the *Guide for Central Government Engagement with Local Government*
- supporting 12 agencies in using our policy improvement tools and frameworks through workshops, presentations and advice (see case study).

We also supported agencies and policy practitioners to build their policy capability. Key achievements over the past year include:

- launching a new online Development Pathways Tool in December 2018, which sets out the actions policy practitioners can take to develop their skills to get to the next level (see case study)
- hosting 19 events with around 500 people to provide exposure to international experts and support capability development
- hosting forums that connect the policy community to share experiences and knowledge, such as the Policy Manager Forums and Policy Training Network.

Where we are going in 2019/20

We will advance a proactive and responsive public service, helping shape and deliver the Government's priorities by:

- working with relevant agencies to explore opportunities to improve social inclusion
- helping agencies improve their policy capability and the quality of advice, by establishing what good public engagement means and how this can apply to New Zealand's public sector policy community.

CASE STUDY



Striving for policy excellence through continuous improvement

We worked with several public sector agencies, including the Ministry of Transport, over the past year as part of the ongoing focus to improve policy quality across the public sector. Here is what they had to say.

There is a real commitment across the Ministry to ensure we provide ministers with the best possible advice. Our engagement with the Policy Project provided an opportunity to take our performance to the next level. We have been able to leverage the Policy Project’s range of tools developed to assist agencies in their journey towards improving policy quality.

The team at the Policy Project took the time to get to know our specific business and context. The team ran bespoke workshops with our policy staff to map our performance against the Policy Capability Framework. This helped us identify targeted areas where we could continue to build our policy capability.

Our work with the Policy Project has helped to build ownership and support for a Ministry-wide approach to improving our policy capability and quality.

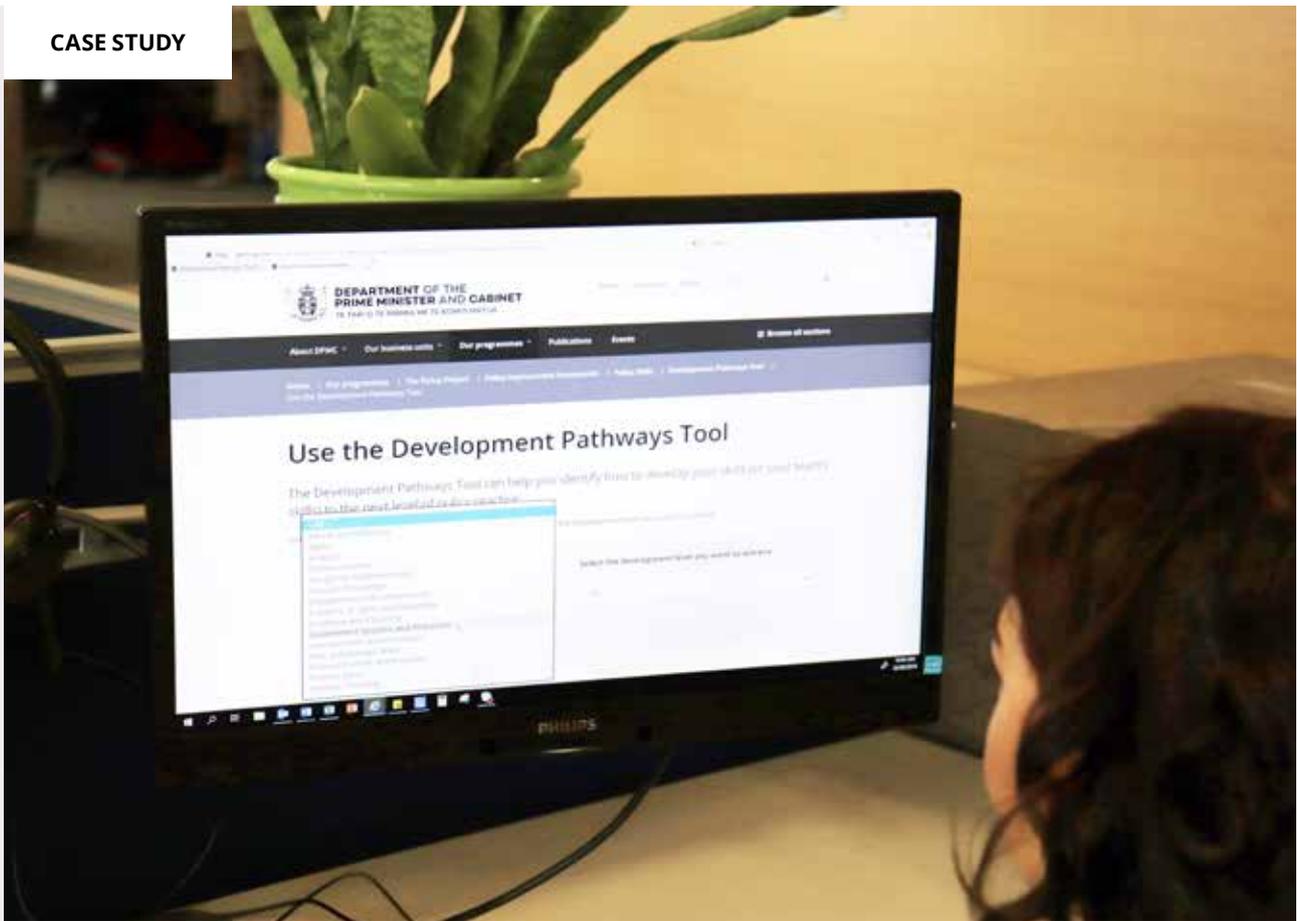
We look forward to working with the team at the Policy Project as we continue to embed new initiatives that drive further improvements in our policy capability and performance.

“As a Ministry, the advice we provide has a significant and lasting impact on how people access and use the transport system. It is essential that the Ministry provides the highest quality of advice so all New Zealanders benefit from a high-performing transport system. The support and tools provided by the Policy Project help enhance the quality and impact of our advice, which is critical in driving the overall direction and performance of the transport system.”

Peter Mersi
Secretary of Transport
and Member of the Policy
Profession Board



Above: Cross government workshop facilitated by the Policy Project, Bottom-left: Policy Quality Framework



Supporting individuals to develop and grow their policy skills

"The Development Pathways Tool has helped our policy practitioners to own their development. The tool helps unpack practical ideas, by providing not just the 'what', but the 'how' you develop your skills."

Sarah Metwell
Policy Manager
Land Information
New Zealand

Land Information New Zealand has been using the Development Pathways Tool to help its policy teams develop and grow their skills and to enrich development plan discussions. The tool sets out the actions a policy practitioner can take to develop their skills to get to the next level.

Sarah Metwell, Policy Manager at Land Information New Zealand, says the tool has been effective in helping team members take personal responsibility for their development. It 'demystifies' development and helps them understand the link between day-to-day

tasks and their learning goals. Individuals are actively seeking out opportunities to lead or contribute to projects that are an appropriate challenge for them. For example, Sarah says individuals are coming to her and asking for experience in developing Regulatory Impact Assessments, as the tool has helped them identify these as a way to develop their skills. Sarah is also looking at her team's work programme to help her map projects to the skills that individuals have said they would like to develop and grow.

Above: Using the Development Pathways Tool

New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation

What we intended to achieve

- Greater transparency in the operation and conduct of government
- Effective operation of the Cabinet system in support of the Government's operating arrangements
- Greater understanding of the role and purpose of the Governor-General and the nature and functioning of Cabinet government in New Zealand
- New Zealanders acknowledge and celebrate the services, achievements and diversity of recipients of New Zealand Royal Honours.

What we achieved in 2018/19

We supported the Government's operating arrangements

We continued to support executive government to run smoothly by:

- providing advice and support to the Prime Minister and Ministers on the functioning of executive government, the management of conflicts of interest and other Cabinet Manual matters
- supporting the Leader of the House to prepare and manage the Government's legislation programme for the 2018 and 2019 calendar years
- assisting the Prime Minister with making the portfolio changes announced at the end of June 2019
- upgrading the underlying software of, and making enhancements to, CabNet, our online system that supports Cabinet processes.

These activities enabled the Prime Minister and other Ministers to exercise their constitutional, legal, governance and Cabinet decision-making roles and responsibilities effectively.

We supported the Governor-General's programme of diverse events and New Zealand's relationship with our Sovereign

One of our key roles is to support the Governor-General's programme of activities and initiatives. Among other purposes, each official activity has the objective of raising awareness of the role as a symbol of

national unity and leadership. One of our main considerations is to maximise opportunities for engagement with the various communities of New Zealand, in all their diversity. This was never more explicit than in the days following the Christchurch terror attack when the Governor-General visited and supported the victims in Christchurch, and denounced discrimination based on cultural differences.

Their Royal Highnesses, the Duke and Duchess of Sussex, visited New Zealand from 28 October to 1 November 2018. The Cabinet Secretary was responsible to the Prime Minister for delivering a programme that both met New Zealand's interests and captured the key areas of interest for the Duke and Duchess. The Duke and Duchess visited Wellington, Auckland, the Abel Tasman National Park and Rotorua. A focus of their visit was meeting community representatives which particularly highlighted work in the areas of conservation, youth and mental health. A highlight of the visit was the Suffrage 125 event hosted by the Governor-General (see case study). His Royal Highness the Duke of Cambridge also visited Christchurch in April 2019 to honour the victims and meet with the survivors of the Christchurch terror attacks.

Another crucial part of our work to support the Governor-General is the stewardship of the properties in Wellington and Auckland for decades to come. This was supported by a planned capital and maintenance programme throughout the year.

Increasing public awareness of the Governor-General's activities

Social media followers
as at 30 June 2019

47,698

Facebook
(+9.0%)

10,735

Twitter
(+11.0%)

6,064

Instagram
(+87.8%)

Government House
Visitor Centre ranked

#21

on Trip Advisor's list
of things to do in Wellington

We supported the New Zealand Royal Honours processes

Awarding New Zealand Royal Honours is one way New Zealand acknowledges and celebrates the significant contribution of New Zealanders. We provide support to the Prime Minister and Ministers in considering and progressing nominations, through to organising the awards. In 2018, the 125th anniversary of women's suffrage in New Zealand, the Queen's Birthday Honours list reached a 50/50 gender balance for the first time. This was maintained for the New Year and Queen's Birthday Honours lists in 2019.

To mark Suffrage 125, we arranged special investitures for the 2018 Queen's Birthday Honours List. Two of the ceremonies involved all female recipients, and two korowai were commissioned. These two korowai, 'Te iti kahurangi' (the journey to achievement) and 'Whakaawe kāpara' (reaching great heights through effort), are now available to Dames Companion or Dames Grand Companion of the New Zealand Order of Merit to wear at their investiture.

We also supported the State Services Commission in its work to introduce the New Zealand Public Service Medal for public servants who have given meritorious service. The medal was established by Royal Warrant in August 2018 and is now part of the New Zealand Royal Honours system.

Where we are going in 2019/20

We will ensure New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation by:

- modernising the Royal Honours nominations process, including scoping an online nomination function to make it easier for all New Zealanders to be involved
- enhancing Cabinet and Cabinet Committee processes, through updating templates for submissions and increasing the functionality of the CabNet system
- focusing on further lifting the impact of the Governor-General's programme of community engagement and understanding the role of the Governor-General.



*The Topp Twins,
Dame Julie Topp DNZM and
Dame Lynda Topp DNZM,
at their investitures with
the Governor-General,
Her Excellency the
Rt Hon Dame Patsy Reddy*

CASE STUDY



Honouring Suffrage 125

In 2018, one of the Governor-General's highest priorities was honouring the 125th anniversary of women's suffrage in New Zealand. This programme of activities culminated in the 'Women's Words' reception in honour of Their Royal Highnesses the Duke and Duchess of Sussex on 28 October 2018, which acknowledged the work of community organisations in promoting gender equity.

Along with members of Parliament and government agencies, such as the Office of Ethnic Communities and the New Zealand Defence Force, the diversity of organisations represented showed how broad this effort is, with attendees from long-established not-for-profits including the United Nations Women, the Duke of Edinburgh scheme and Scouts, advocacy groups like Girl Boss and Nanogirl and sporting organisations including the Black Ferns and Football Ferns.

All year, the Governor-General's Suffrage 125 events gave a voice to New Zealand women. At this final event, messages came from New Zealand Poet Laureate Selina Tusitala Marsh, Le Art, a student singing group from Porirua College, and Te Wharekura o Ngā Mokopuna, kapa haka performers.

In her remarks, the Governor-General spoke of the skill that Kate Sheppard and her fellow suffragists brought to networking, 'the power of women's words to raise awareness and bring about change'. Her Royal Highness commented that suffrage represents 'the basis and fundamental human right of being able to participate in the choices for your future and that of your community'.

Te Wharekura o Ngā Mokopuna perform at the 'Women's Words' Suffrage 125 event at Government House

Our cohesive, risk-based national security system makes New Zealand stronger and more resilient

Emergency Mobile Alert (EMA)

60%

New Zealanders received the test alert on their phones (up from 34% in 2017)

75%

mobile users believe the EMA system will be an effective way of alerting New Zealanders in an emergency

What we intended to achieve

- New Zealand uses its understanding of risk to inform policy, investment and operational decisions
- There is an effective response and recovery to highly complex national security risks and emergencies in New Zealand
- Our communities are able to manage risk, respond to, and recover from, emergencies.

What we achieved in 2018/19

We used our understanding of risk to inform key decisions

We focus on the national security system's identification and treatment of risks, and work with agencies to increase New Zealand's security, wellbeing and resilience. We made good progress on developing and implementing a risk-based approach for the key national security governance boards (the Security and Intelligence Board and the Hazard Risk Board) through leading cross-agency assessment, analysis and treatment of risk.

A new set of National Security and Intelligence Priorities were approved by Cabinet in December 2018. The Priorities outline key areas of national security interest to the New Zealand Government and assist agencies that have a national security role to make informed, joined-up decisions and define key areas of focus. New Zealand takes an 'all hazards, all risks' approach to national security, which means the priorities cover a large range of potential risks to New Zealand's security and wellbeing. We worked with government agencies to implement the Priorities, including ensuring frameworks are in place to inform policy and decision-making, and measure progress and impact.

This year, we developed an unclassified version of the Priorities to provide transparency on the key areas of national security interest. See page 85 for a full list of the priorities.

During the year, we led the development of two strategies that will strengthen New Zealand's resilience and ability to manage hazards and risks:

- we worked in collaboration with the wider cyber security sector to refresh the *Cyber Security Strategy*, which was released in July 2019. It outlines priority actions to respond to cyber risks affecting New Zealand, to ensure that New Zealanders are confident and secure in the digital world
- we collaborated across central government, local government, the private sector and community organisations to develop the new *National Disaster Resilience Strategy*, which seeks a 'whole of society' approach to disaster resilience (see case study).

The National Assessments Bureau, which sits within DPMC, continued to provide independent, all source assessments designed to give Ministers and officials a 'decision advantage' to inform decisions on New Zealand's security and foreign policy interests.

We led work to strengthen the emergency management system's ability to support response to, and recovery from, emergencies

The increased frequency of emergencies and threats over the past few years has led to heightened public awareness about the importance of being well prepared for emergencies when they occur. During the year, we have led work to ensure that our emergency management system works cohesively and collaboratively to make New Zealand stronger and more resilient.

In August 2018, the Minister of Civil Defence released the Government's response to a Technical Advisory Group report into how New Zealand responds to natural disasters and emergencies. The response set out a multi-year programme to improve how New Zealand responds to natural disasters and other emergencies.

We also developed the *Wellington Earthquake Initial Response Plan* to enable the effective immediate response if a major Wellington earthquake occurs.

We responded to, and recovered from, national security issues and emergencies

Throughout the year, we led and supported lead agencies to respond to, and support recovery from, a number of national security issues and emergencies. The most significant of these was the 15 March Christchurch terror attack. We had several roles to play to support New Zealanders and the Government in the response to the attack. This involved us working front and centre across the system, in support of the Police as lead agency. Other events that we supported the response to during 2018/19 included the Tasman District fires in February 2019 and severe weather on the West Coast in March 2019.

We activated the national security system to provide whole-of-government decision support for agencies and Ministers for 17 meetings of ODESC and 54 meetings of the senior officials' Watch Group, on 14 topics. A wide range of issues prompted activation of the system in 2018/19, including food safety, biosecurity, the security of upcoming major events both within New Zealand and overseas, and system resilience due to increasing pressures.

We increased the ability of communities to prepare for, respond to and recover from emergencies

During the year, we have had a strong focus on ensuring that communities are prepared for an emergency and know how to look after themselves if an event occurs. We created a new 'Get Ready' website containing public emergency preparedness information. This website encourages New Zealanders to take steps to make sure they are prepared for emergencies.

Our work to improve the information and intelligence system that supports decision-making in emergencies will increase timeliness and accuracy of information provided to the public in an emergency.

We are also exploring how changes to the Civil Defence Emergency Management Act 2002 can better reflect the mana of iwi/Māori. This is an opportunity to ensure Māori are able to fully participate in and influence emergency management where it matters. Drawing on the Ministry of Civil Defence & Emergency Management's Resilience Fund, we are assisting Te Puni Kōkiri to build marae emergency preparedness as part of its Oranga Marae programme and the *National Disaster Resilience Strategy* has been fully translated into Te Reo Māori.

Capability

Approx.
6,000
Takatū³ users

18
participants on the first tier of the new Response & Recovery Leadership Programme

Over
2,000
learners have completed the Integrated Training Framework (ITF) Coordination Centre Intermediate course to support Coordination Centres nationally

Public education

85%
of New Zealanders know to evacuate if they are near the coast and a long or strong earthquake happens

86%
of New Zealanders have done at least one action to be prepared for an emergency

Over
870,000
New Zealanders participated in New Zealand ShakeOut earthquake drill and tsunami hīkoi

3 Takatū is the civil defence emergency management learning management system managed by the Ministry of Civil Defence & Emergency Management.

Where we are going in 2019/20

We will develop our cohesive, risk-based national security system to make New Zealand stronger and more resilient by:

- establishing the National Emergency Management Agency (NEMA), including finalising organisational design and preparing for the transition of activities from the Ministry of Civil Defence & Emergency Management
- implementing the *National Disaster Resilience Strategy* and the 2019 *Cyber Security Strategy*, which will improve New Zealand's security and resilience
- responding to matters arising from the Christchurch terror attack, including supporting the Royal Commission of Inquiry and developing a work programme to respond to the findings or lessons that are identified.

CASE STUDY



Developing a new National Disaster Resilience Strategy

The *National Disaster Resilience Strategy* came into effect on 10 April 2019 and replaces the previous National Civil Defence Emergency Management Strategy. The Strategy outlines the vision and long-term goals for civil defence emergency management in New Zealand, and the objectives to be pursued to meet those goals.

The vision of the Strategy is that “New Zealand is a disaster resilient nation that acts proactively to manage risks and build resilience in a way that contributes to the wellbeing and prosperity of all New Zealanders”.

The new Strategy was developed collaboratively with partners and stakeholders, including central government departments, local government, non-governmental agencies and the private sector, over a three-year period. The Ministry of Civil Defence & Emergency Management coordinated the development process with an explicit aim of ensuring wide buy-in and a whole-of-government, whole-of-society approach to building our disaster resilience.



National Disaster Resilience Strategy

New Zealand is the best place in the world for children and young people

What we intended to achieve

Supporting the Government to make effective policy and investment decisions aimed at reducing child poverty and improving child wellbeing.

What we achieved in 2018/19

We supported the passing of the Child Poverty Reduction Act

The Child Poverty Reduction Bill was passed in December 2018 reflecting broad New Zealand support for the ambition to become the best place in the world for children and young people.

The Child Poverty Reduction Act 2018 establishes an enduring commitment to reducing child poverty and improving child wellbeing. The Act sets out targets and a system of monitoring and reporting on child poverty for the first time in New Zealand. It is part of making sure efforts to reduce child poverty are well-governed. It also amended the Children's Act 2014, setting out the requirement for a Child Wellbeing Strategy to be developed and refreshed every three years. We developed key aspects of the legislation, advised the Select Committee through its consideration of submissions and supported Ministers throughout the process.

We supported the Government to set child poverty reduction targets

Between 150,000 and 250,000 children and young people are living in poverty in New Zealand. In May 2019, targets were gazetted to reduce child poverty over the next 10 years against three primary measures of child poverty (see case study). We led the development of these targets and measures, with the support of other agencies.

Progress against the targets is independently measured by the Government Statistician and reported to Parliament on an annual basis, as well as making up part of the Budget reporting. The Government Statistician reported for the first time in April 2019, using data relating to 2017/18. We worked closely with the Treasury on the first Child Poverty Report which was included in the Budget, and outlined the key actions the Government is taking to reduce child poverty. The report also provides estimates of the impact of these actions on the achievement of the interim targets.

We drafted a Child and Youth Wellbeing Strategy for agreement by the Government

The Government has set a priority of making New Zealand the best place in the world for children and young people. It has tasked DPMC to coordinate the development of a Child and Youth Wellbeing Strategy, which is intended to align efforts to improve wellbeing for all New Zealand children and young people, with a particular focus on those with greater needs.

Between October and December 2018, we engaged with New Zealanders on the development of the initial Child and Youth Wellbeing Strategy (see case study).

This included an online survey, focus groups and interviews with children and young people, supporting 11 regional hui to engage Māori, 10 regional workshops in the health sector, engagement with Pacific families, written submissions and a host of specific meetings with people from across the country. In all, more than 10,000 people provided feedback which has helped inform both the direction and the key content of the initial Child and Youth Wellbeing Strategy.

Where we are going in 2019/20

We will work to make New Zealand the best place in the world for children and young people by:

- delivering the first Child and Youth Wellbeing Strategy, with a particular focus on implementation and engagement across the public sector during 2019/20
- aligning work across the public sector to reduce child poverty, including supporting the design and implementation of specific initiatives to address child poverty and engaging with stakeholders to identify other potential actions for reducing child poverty.



CASE STUDIES

Above left: Postcards capturing the thoughts of children and young people on how to make New Zealand the best place in the world to be a child and young person

Above right: Picnic at Premier House, hosted by the Prime Minister and Minister for Children

Engaging New Zealanders: What makes for a good life?

More than 6,000 children and young people were engaged and provided feedback on the development of the Child and Youth Wellbeing Strategy. Our partners, the Office of the Children’s Commissioner and Oranga Tamariki, completed face-to-face engagement with 432 children and young people and more than 5,000 responded to their survey.

One mechanism we developed involved children and young people filling in postcards to the Prime Minister on the one thing children need to have good lives, now and in the future. Almost 1,000 of these were received and all were read by the Prime Minister, as a way of hearing children and young people’s views directly.

The Prime Minister and the Minister for Children hosted a picnic at Premier House to thank a group of children and young people for contributing their ideas.

Setting targets to reduce child poverty

We provided advice to the Government on the establishment of a suite of targets to reduce child poverty over the next 10 years. These align to, and are more ambitious than, the Sustainable Development Goal of reducing poverty by half by 2030.

Over the next 10 years, the Government aims to reduce the proportion of children in:

- low income households on the before housing costs primary measure from 16% of children to 5% – a reduction of around 120,000 children
- low income households on the after housing costs primary measure from 23% of children to 10% – a reduction of around 130,000 children
- material hardship from 13% of children to 6% – a reduction of around 80,000 children.

The monitoring of these targets involves collecting information on an annual basis from around 20,000 households in New Zealand, the Government Statistician analysing results analysed and a report being provided to Parliament each year.

Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest

What we intended to achieve

The Crown works well with local leadership to sustain and improve the pace and momentum of regeneration in greater Christchurch.

What we achieved in 2018/19

We supported the ongoing transition to local leadership

We made further significant progress towards the transition of greater Christchurch back to local leadership. The Crown is increasingly taking a step back from its lead role as major projects and issues are resolved, leading to a new-normal relationship with local agencies.

We have continued our strong working relationships with our partners to provide for a seamless transition, foster ongoing, long-term positive relationships between central and local government and help provide assurance to the wider community that regeneration momentum will continue at pace.

Our key achievements over the past year were the:

- confirmation of an Agreement in Principle in May 2019, as part of negotiations towards a full and final Global Settlement between the Crown and Christchurch City Council
- revocation of the Canterbury Earthquake (Christchurch Replacement District Plan) Order 2014. The Order came into effect on 18 March 2019, returning Christchurch City Council control over their district planning processes.

We utilised Greater Christchurch Regeneration Act powers to achieve optimal regeneration outcomes

The draft Ōtākaro Avon River Corridor Regeneration Plan, developed by Regenerate Christchurch, was received by the Minister for Greater Christchurch Regeneration in March 2019. The Plan is intended to enable uses of land within 602 hectares of the Ōtākaro Avon River Corridor residential red zone that will make a positive contribution to the wellbeing and resilience of surrounding communities and greater Christchurch. We are supporting the Minister in her decision-making on whether to approve or decline the Plan.

We also provided advice that enabled the unique section 71 powers of the Greater Christchurch Regeneration Act to be utilised. This meant changes to the district planning documents could be fast tracked for the Residential Unit Overlay and the Yaldhurst Recreation and Sports Facility District Plan changes.

We monitored and supported key regeneration activities

We maintained strong relationships with regeneration partners through regular engagement, providing ongoing support to their work programmes, actively participating in a number of government groups and facilitating solutions to ensure key projects were progressed collaboratively. This included:

- development of the agreement for, and advancement of, the \$15 million suspensory loan to support reinstatement of Christ Church Cathedral, following the release of the \$10 million Crown grant in 2017/18
- delivery of the Canterbury Earthquakes Symposium in November 2018 (see case study)
- progressing the investment case for the Canterbury Multi-Use Arena to near-completion
- awarding the construction contract and the first sods being turned for the Metro Sports Facility
- Te Pae Christchurch Convention Centre being on track for opening and hosting its first event in October 2020.

We also provided monitoring of regeneration progress and continued to collate and disseminate knowledge, lessons and tools on the Canterbury recovery to build New Zealand's resilience.

We advanced the regeneration

We coordinated across agencies to recommend ways to address outstanding residential insurance claims. As a result, the Greater Christchurch Claims Resolution service, hosted by the Ministry of Business, Innovation and Employment, was set up to fast track such claims from October 2018. It also led to oversight and coordination for the wider Canterbury insurance programme being transferred to the Treasury in August 2018.

We completed work to establish a Public Inquiry into the performance of the Earthquake Commission, including preparing advice which led to the approval of its Terms of Reference and the appointment by the Governor-General of Dame Silvia Cartwright as the Inquiry Member. We are now providing secretariat support to the Inquiry which commenced in November 2018 and will report back by March 2020.

Where we are going in 2019/20

We will make Christchurch a dynamic, productive and inspiring place to live, work, visit and invest by:

- progressing the transition of regeneration leadership from central to local institutions in greater Christchurch, which includes approval by the Crown of the Global Settlement agreement and ensuring a clear plan for the transition of Regenerate Christchurch responsibilities to local agencies is in place
- continuing to provide advice and support on Greater Christchurch Regeneration Act processes, such as the Ōtākaro Avon River Corridor Regeneration Plan, and providing oversight and leadership on regeneration anchor projects and issues, including the Canterbury Multi-Use Arena.



*Arihia Bennett,
Chief Executive Officer,
Te Rūnanga o Ngāi Tahu,
giving her keynote talk
at the Symposium*

CASE STUDY

Sharing lessons to increase our future resilience

The Canterbury Earthquakes Symposium, jointly hosted with the Christchurch City Council, was held on 29 and 30 November 2018 at the University of Canterbury in Christchurch. The purpose of the event was to share lessons from the 2010 and 2011 Canterbury earthquakes so that New Zealand as a whole can be better prepared in future for any similar large-scale emergencies.

Around 300 local and national participants from the public, private, and voluntary sectors and academia attended the Symposium. They represented those involved in the Canterbury recovery effort and also leaders of organisations that might be impacted by future disasters or involved in recovery efforts. The focus of the Symposium was on ensuring that we learn from the Canterbury experience and apply those learnings.

A Symposium report has been prepared. It will be used as a basis for further work to help all sectors across New Zealand increase their resilience and be better prepared for recovery from any future large-scale emergencies, as well as other highly complex challenges.

CASE STUDY



Transitioning to local leadership

Almost a decade after the Canterbury earthquakes, Christchurch City Council and the Minister for Greater Christchurch Regeneration have marked a major milestone towards getting greater Christchurch back to full local leadership. An Agreement in Principle has been reached on the Global Settlement.

Global Settlement is a final agreement between the Crown and Council on a number of key regeneration matters that are important to get certainty on, such as decisions on long-term ownership of assets, project responsibilities and institutional arrangements. It signals the final stages of transitioning back to local leadership.

A key step this year in the journey towards the Crown stepping back from its extraordinary role in Christchurch was the Council resuming control over its district planning processes in March 2019, ahead of schedule. Progressing the transition to local leadership will enable decision-making in due course on long-term land use such as the Ōtākaro Avon River Corridor.

*Regeneration progress in central Christchurch, Ōtākaro Avon River
Photo credit: Christchurch City Council*



Managing our functions

This section sets out how we have managed and built our organisational health and capability during 2018/19.

Improving our organisational health and capability

270

staff numbers at 30 June 2019 (excluding the Inquiry into EQC)

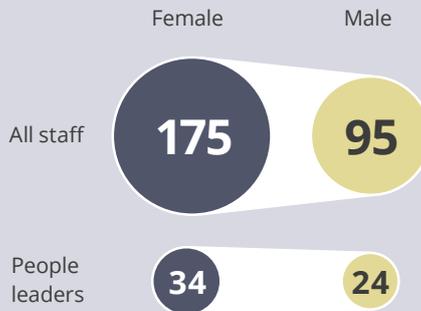
Inquiry into EQC: 11 staff

Groups

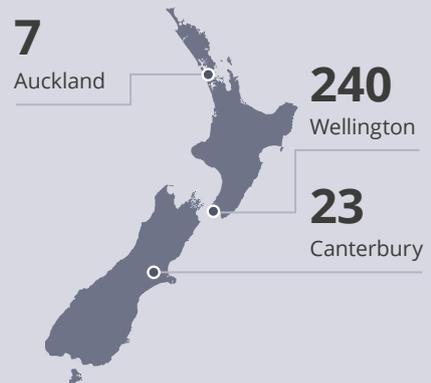


- National Security Group
- Ministry of Civil Defence & Emergency Management
- Government House
- Strategy, Governance & Engagement
- Cabinet Office
- Policy Advisory Group
- Greater Christchurch Group
- Child Wellbeing & Poverty Reduction Group

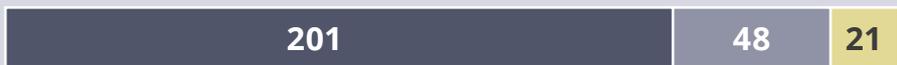
Gender



Location



Workforce



- Permanent
- Secondee
- Fixed term

Ethnicity

- 159** NZ European/Pākehā
- 18** Other European
- 14** NZ Māori
- 6** Asian
- 61** Not disclosed
- 3** NZ Māori and NZ European/Pākehā
- 3** Asian and Pacific Islands
- 3** Pacific Islands
- 1** Other ethnic group
- 1** NZ European/Pākehā and Asian
- 1** NZ European/Pākehā and other European

The Public Inquiry into the Earthquake Commission is supported by the Department of the Prime Minister and Cabinet. The Inquiry operates independently of DPMC and decisions on its conduct and expenditure are at its discretion. Apart from the overall number of staff, data relating to those working on the Inquiry has not been included in the information on this page.

What we achieved

We supported our people to be engaged, empowered and high-performing

Ensuring our employees are engaged and empowered is fundamental to DPMC being a high-performing organisation, delivering on our purpose. To support this, over the past year we have progressed our priority goals, and used the results of our first Kōrero Mai survey to help shape our work programme. This led us to focus on remuneration (transparency, communication and equity), developing manager capability and taking a more proactive approach to flexible working.

We are building One DPMC

We are focused on our priority of building One DPMC. For us, this means creating an integrated department with a strong sense of community and belonging, and improving the wellbeing of our people.

Since 2017, we have been steadily changing the way we communicate with, employ, induct, develop, manage and reward our staff so that it is consistent across the Department. Key achievements in building One DPMC during 2018/19 include improving our approach to remuneration and delivering a Gender Pay Gap Action Plan. We are continuing to work on flexible work for all, promotion and progression, engagement with part-time workers and the development of a Speaking up Safely Framework, along with having better, more easily accessible information on our intranet.

Recruiting the right staff and skills where we need them has also been a priority over the past year. Internally, more staff are being offered short-term opportunities to support our key work and priorities, helping us to work towards our aim of managing our workforce resources in a smart way.

We are also proactively supporting the initiatives delivered across the system by the State Services Commission, including leadership and talent, inclusion and diversity, and employment and workplace relations. As part of this, we joined as a pilot agency for the implementation of the flexi-work by default programme.

We are creating a happy, healthy and high-performing DPMC

Our new organisational values were launched in August 2018. They have driven a shift in the way we work, as well as underpinning how we approach engaging with staff. For example, we used our values as a base for both our new Performance, Development and Growth Policy and Expectations and our Quality Conversations workshops.

During the year we used Kōrero Mai twice – once to gather staff views and feedback on remuneration, behaviours and performance management, and another time on health and safety. As a result of the survey into performance and behaviours, we undertook extensive consultation on changing our Performance Policy and establishing clear expectations of what a DPMC performer looks like. The key components of the Policy – delivery of results, behaving in accord with DPMC values and individual development – were all included in the new expectations. This work built on issues raised in the first two Kōrero Mai surveys and our Stakeholder Survey about the importance of not only what we deliver, but how we deliver.

We are committed to providing every employee with career pathways and development, a safe environment that reflects our values and support to ensure they are well-positioned for success. In 2019, Quality Conversations workshops were provided to all staff and managers to help us improve the conversations we are having with each other. Staff workshops were focused on providing effective feedback and establishing meaningful goals for their development. Managers were provided with an additional workshop on lifting performance, helping build manager capability to support all staff to succeed in their roles.

**In 2018/19
we recruited**

103

new staff including:

38

permanent

41

fixed term

24

secondees

In 2018/19
we completed

653

responses to requests
made under the Official
Information Act 1982 and
the Privacy Act 1993
(up from 625 in 2017/18)

We continued to create a diverse and inclusive workplace

We are continuing to build a workplace where all employees are valued, included and celebrated for the different perspectives they bring, recognised for the contribution they make and offered equitable access to opportunities to succeed.

In 2018/19, we progressed our diversity and inclusion work programme through:

- reviewing and substantially updating our Gender Pay Gap Action Plan to consider environmental and policy impacts as we ensure gender is not a factor in remuneration outcomes
- decreasing our gender pay gap, which reduced from 10.2% in June 2018 to 8.1%⁴ in June 2019
- providing Quality Conversations workshops to all managers and staff to enable strong relationships and a positive focus on performance and development
- offering managers and staff to attend workshops on mental health and ensuring managers were aware of phone-in support available to discuss concerns.

We have also focused on increasing employee and organisational Māori capability through targeted learning opportunities. Over the past year, this included launching access to Puna Ako (a te reo and tikanga app), supporting and enabling business groups to undertake te reo development as a group and offering policy staff access to a new course on Crown Māori relations.

During 2019/20, we will focus on improving access to flexible working, creating a single promotion and progression framework and continuing to grow DPMC's Māori capability. We will also upgrade our HR systems, which will help us to better identify our diversity profile and increase our ethnicity disclosure in the future.

We maintained a safe, healthy and secure working environment

Our staff often operate in busy and high pressure situations. This means it is even more important to maintain a safe, healthy and secure working environment. This year, along with a continued focus on mental health and wellbeing, we consulted on and delivered a new Wellbeing Policy, developed a policy on domestic violence and delivered a new Dependent Care Cost Policy in response to staff concerns.

We also assessed our needs for health, safety and security systems, now and in the future. Our assessment identified that we have some approaches that work well, and others that need to be further developed to be more systemic and systematic to suit our future needs. This will be a priority over the next year.

We enhanced our information and communication systems

Information and communication systems are key enablers for how we work. Our *Information and Technology Strategy* supports our goal of being connected and working collaboratively, both together and with the wider world. Key achievements in 2018/19 include the refresh, modernisation and standardisation of workstations across all teams, and the pilot of Microsoft Teams as an internal collaboration tool.

We also began several projects to take advantage of cloud-based technologies throughout the year. This involved migrating the CabNet application to the next generation Government Cloud with Datacom, migrating FinanceOne to the Technology Cloud and commencing a suite of projects to modernise workplace productivity with Office 365. These projects required us to review our security approach for cloud-based technologies to make sure we managed any potential risks.

We managed our risks effectively

Our senior management regularly review the Department's top strategic and operational risks. We also commission independent assurance to examine specific aspects of our operations. Risk reviews and independent assurance are used to identify actions we can take to ensure we are operating effectively and can deliver on our intentions.

Oversight of our risk and assurance activities continued to be provided by DPMC's Risk and Assurance Committee, who provided the Chief Executive with direct and independent advice.

⁴ This figure excludes staff working on the Public Inquiry into the Earthquake Commission.

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Our performance information

This section reports on what we achieved within each appropriation against the expectations set in the Estimates of Appropriations for **Vote Prime Minister and Cabinet 2018/19**.

Appropriation Statements

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

for the year ended 30 June 2019

	2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000	Where performance information is reported
DEPARTMENTAL OUTPUT EXPENSES				
Canterbury Earthquake Recovery	10,271	10,784	11,569	Part D
Support for Inquiry into EQC	974	1,782	2,088	Part D
TOTAL DEPARTMENTAL OUTPUT EXPENSES	11,245	12,566	13,657	
DEPARTMENTAL CAPITAL EXPENDITURE				
Department of the Prime Minister and Cabinet – Capital Expenditure PLA	302	400	968	Part D
TOTAL DEPARTMENTAL CAPITAL EXPENDITURE	302	400	968	
NON-DEPARTMENTAL CAPITAL EXPENSES				
Suspensory Loan for Christ Church Cathedral Reinstatement	15,000	-	15,000	Minister's Report appended to the DPMC Annual Report
TOTAL NON-DEPARTMENTAL CAPITAL EXPENDITURE	15,000	-	15,000	
NON-DEPARTMENTAL OTHER EXPENSES				
Civil Defence Emergency Management Training	91	-	1,000	Minister's Report appended to the DPMC Annual Report
Contributions to Local Authorities Following an Emergency Event	609	1,900	1,900	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Emergency Management Preparedness Grants	642	889	1,048	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Ex gratia Payment to the University of Auckland	-	120	-	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Fair Value Write-down of Suspensory Loan for Christ Church Cathedral Reinstatement	15,000	-	15,000	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Governor-General's Programme PLA	1,508	1,239	1,500	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Governor-General's Salary and Allowance PLA	395	500	500	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Governor-General's Travel Outside New Zealand PLA	113	407	407	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Inquiry into EQC	107	648	180	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Local Authority Emergency Expenses PLA	2,951	5,000	5,000	Minister's Report appended to the DPMC Annual Report

	2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000	Where performance information is reported
Prime Minister's Chief Science Advisor Research Programme	120	-	120	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Rehabilitation of Kaikōura Harbour	300	300	300	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Remuneration of Commissioners of Intelligence Warrants PLA	39	174	174	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Restoration of Kaikōura District Three Waters Network	662	-	2,400	Minister's Report appended to the DPMC Annual Report
TOTAL NON-DEPARTMENTAL OTHER EXPENSES	22,537	11,177	29,529	
MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE				
Emergency Management MCA				
DEPARTMENTAL OUTPUT EXPENSES				
Community Awareness and Readiness	2,612	1,938	2,045	Part D
Emergency Sector and Support and Development	7,480	5,644	7,444	Part D
Management of Emergencies	6,738	7,005	9,166	Part D
Policy Advice – Emergency Management	1,129	943	1,393	Part D
TOTAL EMERGENCY MANAGEMENT MCA	17,959	15,530	20,048	
Government House Buildings and Assets MCA				
NON-DEPARTMENTAL OTHER EXPENSES				
Depreciation of Crown Assets	771	1,962	1,212	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Government House – Maintenance	497	600	665	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
NON-DEPARTMENTAL CAPITAL EXPENDITURE				
Government House Buildings and Assets – Capital Investment	1,344	800	1,350	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
TOTAL GOVERNMENT HOUSE BUILDINGS AND ASSETS MCA	2,612	3,362	3,227	
Policy Advice and Support Services MCA				
DEPARTMENTAL OUTPUT EXPENSES				
National Security Priorities and Intelligence Coordination	11,792	11,417	12,468	Part D
Policy Advice – Child Poverty Reduction	2,631	1,873	2,823	Part D
Policy Advice – Prime Minister and Cabinet	5,416	4,542	5,560	Part D
Science Advisory Committee	725	675	725	Part D
Support Services to the Governor-General and Maintenance of the Official Residences	4,719	4,139	4,564	Part D
Support, Secretariat and Coordination Services	5,596	5,940	6,151	Part D
TOTAL POLICY ADVICE AND SUPPORT SERVICES MCA	30,879	28,586	32,291	

	2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000	Where performance information is reported
Tsunami Monitoring and Detection Network MCA				
DEPARTMENTAL OUTPUT EXPENSES				
Management of Tsunami Monitoring and Detection Network	25	-	204	Part D
NON-DEPARTMENTAL CAPITAL EXPENDITURE				
Tsunami Monitoring and Detection Network – Capital Expenditure	4,753	-	5,548	Part D
TOTAL TSUNAMI MONITORING AND DETECTION NETWORK MCA	4,778	-	5,752	
TOTAL MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE	56,228	47,478	61,318	
TOTAL ANNUAL AND PERMANENT APPROPRIATIONS	105,312	71,621	120,472	

Multi-year appropriation

The Department has a multi-year appropriation for output expenses incurred by the Crown for the establishment costs and the development of strategies and planning activities, with communities, stakeholders and decision-makers, for the regeneration of areas in Christchurch.

	2018/19 Actual \$000	Location of end-of-year performance information
Appropriation for Non-departmental output expenses: Regenerate Christchurch		
Original Appropriation	20,000	Minister's Report appended to the DPMC Annual Report
Adjustments	1,073	
TOTAL ADJUSTED APPROVED APPROPRIATION	21,073	
Actual Expenditure 2016/17	4,000	
Actual Expenditure 2017/18	4,000	
Actual Expenditure 2018/19	5,072	
APPROPRIATION REMAINING AT 30 JUNE 2019	8,001	

Expires: 30 June 2021.

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 2019

For the year ended 30 June 2019, there is one item of unappropriated expenditure in Vote Prime Minister and Cabinet.

	2018/19 Actual \$000
Non-departmental output expenses	
Settlement of Legal Dispute	500

The Department of the Prime Minister and Cabinet made a payment of \$0.500 million to settle a legal dispute inherited from the former Canterbury Earthquake Recovery Authority. As no suitable Non-departmental Output Expenses appropriation existed for this purpose the expenditure was unappropriated. (2018: \$1.145 million relating to the Rehabilitation of Kaikōura Harbour.)

Statement of Capital Injections

for the year ended 30 June 2019

	2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
Capital Injection	668	300	668

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

for the year ended 30 June 2019

DPMC has not received any capital injections during the year without, or in excess of, authority (2018: Nil).

Reporting Against Appropriations

Canterbury Earthquake Recovery

This appropriation is intended to achieve support for the regeneration of greater Christchurch, including the ongoing provision of corporate capability.

In 2018/19, this appropriation contributed to achievements in Strategic Intention 1 (A proactive and responsive public service, helping shape and deliver the Government's priorities) and Strategic Intention 5 (Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest).

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Policy and Legislation				
The satisfaction of the responsible Minister with policy advice service, as measured using the Common Satisfaction Survey (see Note 1), is at least:	6	4.7	10	✓
A sample of policy advice fits within the target ranges for quality (see Note 2)	Achieved	Not achieved: 64% scored above 7, 29% scored above 8	Not achieved: 64% scored above 7, 16% scored above 8	✗
Leadership/Brokering/Coordination				
The satisfaction of the responsible Minister with the leadership/brokering/coordination role as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	5.3	9.8	✓
Monitoring and Reporting				
Report to the Minister(s) at least twice per year on recovery/regeneration progress and the performance of the Regenerate Christchurch Board	Achieved	Achieved	Achieved	✓
The satisfaction of the responsible Minister with the monitoring and reporting activity, as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	6	10	✓
The total cost per hour of producing outputs	\$90-\$120	\$103	\$104	✓

Note 1 – The Common Satisfaction Survey measures Ministers' satisfaction with the quality, timeliness and value for money of policy advice on a scale from 1 to 10, where 1 means fell well short of expectations and 10 means far exceeded expectations.

Note 2 – A sample of the department's policy advice was assessed by a panel using the Policy Project quality framework. The target ranges for the quality of our policy advice are: that 70% of our assessed papers will score 7 or more, and that 30% will score 8 or more out of 10, with 10 being the highest quality.

How the policy quality and satisfaction measures are calculated

The quality of policy advice is measured across all of DPMC's first-opinion policy functions. Due to small sample sizes, we are unable to report on specific policy portfolio areas.

The result for Ministerial satisfaction is an average of a rating of overall satisfaction and the ratings for the following dimensions: advice meets needs, is timely and of a high quality. This measure will be reviewed ahead of reporting for 2019/20, and updated to reflect the revised Ministerial Satisfaction Survey released by the Policy Project in June 2019.

Why we did not achieve our target

In 2018/19 we focused on improving the consistency of our policy papers, which was reflected in an increase in the average score of each policy paper between 2017/18 and 2018/19. Over the next year, we will continue to work across DPMC to improve the consistency to a higher level.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
12,005	Revenue Crown	11,384	10,784	11,384
201	Revenue Other	320	-	185
12,206	TOTAL REVENUE	11,704	10,784	11,569
10,306	Expenses	10,271	10,784	11,569
1,900	Net Surplus/(Deficit)	1,433	-	-

Expenditure was lower than budget owing to costs associated with the transition to local government leadership continuing into 2019/20.

Support for Inquiry into EQC

This appropriation is intended to provide effective support to the Inquiry into the Earthquake Commission.

In 2018/19, this appropriation contributed to achievements in Strategic Intention 5 (Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest).

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Inquiry's satisfaction with the Support for Inquiry into EQC, as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	Not applicable, the Commissioner had not been appointed by 30 June 2018	9	✓

Note 1 – The Common Satisfaction Survey measures the Inquiry's satisfaction with the quality, timeliness and value for money of advice on a scale from 1 to 10, where 1 means fell well short of expectations and 10 means far exceeded expectations.

How satisfaction is measured

The result reported is an average of a rating of overall satisfaction and the ratings for the following dimensions: advice meets needs, is timely and of a high quality.

This measure will be reviewed ahead of reporting for 2019/20, and updated to be consistent with the revised Ministerial Satisfaction Survey released by the Policy Project in June 2019.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
592	Revenue Crown	2,088	1,782	2,088
592	TOTAL REVENUE	2,088	1,782	2,088
-	Expenses	974	1,782	2,088
592	Net Surplus/(Deficit)	1,114	-	-

Expenditure was below budget due to the later than expected commencement of the Inquiry which will continue into 2019/20.

Department of the Prime Minister and Cabinet – Capital Expenditure PLA

This appropriation is intended to achieve the renewal, upgrade or redesign of assets in support of the delivery of the Department's services.

What we achieved

In 2018/19, expenditure was in accordance with the Department's approved capital asset management plan.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
151	Property, Plant and Equipment	264	350	918
21	Intangibles	-	-	-
-	Other	38	50	50
172	TOTAL EXPENSES	302	400	968

Emergency Management

The purpose of this multi-category appropriation is to support communities to be resilient, by enhancing their capacity and capability to manage civil defence emergencies.

In 2018/19, all categories in this appropriation contributed to achievements in Strategic Intention 3 (Our cohesive, risk-based national security system makes New Zealand stronger and more resilient). The Policy Advice – Emergency Management category also contributed to Strategic Intention 1 (A proactive and responsive public service, helping shape and deliver the Government's priorities).

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
New Zealand communities are aware of their hazards and risks, are prepared and resilient and are able to respond and recover from an emergency	85%	86%	76%	✘

How the overarching measure is calculated

This overarching measure is a summary of the other measures in the Emergency Management appropriation.

Why we did not achieve our target

This measure was not achieved in 2018/19 owing to four measures from the Emergency Management multi-category appropriation not achieving the target set in the Estimates of Appropriations 2018/19. Variance explanations for measures not meeting their targets are included in the relevant categories.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
25,174	Revenue Crown	18,311	15,300	18,311
1,866	Revenue Other	1,254	230	1,737
27,040	TOTAL REVENUE	19,565	15,530	20,048
25,588	Expenses	17,959	15,530	20,048
1,452	Net Surplus/(Deficit)	1,606	-	-

Expenditure is higher than originally budgeted owing to funding approvals later in the year relating to a programme of work in response to recommendations from the Technical Advisory Group (a range of initiatives to promote better responses to natural disasters and other emergencies), a programme of work to promote disaster resilience in the Pacific (in partnership with MFAT) and the Emergency Management Alerting project. Underspends against the Supplementary Estimates are due to delays in completing all projects within the year, with activity expected to continue into 2019/20.

Category: Community Awareness and Readiness

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

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Availability of the civil defence website 24 hours a day, 7 days a week, at least:	99.9%	99.9%	99.9%	✓
The proportion of New Zealanders who have taken action to prepare for an emergency in the last 12 months will increase on the previous year by:	2%	Baseline year (50%)	Not achieved (41%, 9% decrease)	✗
The proportion of New Zealanders who know the correct action to take during an earthquake will increase on the previous year by:	2%	Not achieved (64%)	Not achieved (64%, no change)	✗
The proportion of New Zealanders who know the correct action to take if they feel a long or strong earthquake near the coast will increase on the previous year by:	2%	Achieved (90%)	Not achieved (85%, 5% decrease)	✗

Why we did not achieve our targets

The decrease in the proportion of New Zealanders who have taken action to prepare for an emergency reflects the pattern observed after the Canterbury earthquakes of 2010 and 2011. Historically, preparedness rates have risen sharply after a large-scale event before gradually tailing off in the absence of another such event. Our work to promote preparedness is ongoing, and in 2018/19 included the new Get Ready website (see page 23) and targeting of vulnerable groups.

Similarly, we expect that the lack of recent significant earthquakes is linked to there being no increase in the proportion of New Zealanders who know the correct action to take during an earthquake. We expect the increased frequency of ShakeOut from three-yearly to annually will improve performance in future years.

While there was a decrease in the proportion of New Zealanders who know the correct action if they feel a long or strong earthquake near the coast, the proportion remains higher than 2017. This reflects a high rate of dissemination and retention of the message of the Long or Strong, Get Gone campaign, even though it has been scaled back. A number of activities are planned to ensure this rate of awareness is maintained; for example, the national ShakeOut earthquake drill now includes a tsunami hīkoi to keep tsunami evacuation front of mind. Alongside continuing to disseminate a wide range of public education material, we are also translating resources into multiple languages to better reach culturally and linguistically diverse communities.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
2,661	Revenue Crown	2,015	1,915	2,015
63	Revenue Other	7	23	30
2,724	TOTAL REVENUE	2,022	1,938	2,045
2,547	Expenses	2,612	1,938	2,045
177	Net Surplus/(Deficit)	(590)	-	-

Expenditure is higher than originally budgeted for this category owing to increased personnel and technical resources related to communications, promotion and preparedness in order to meet requirements as recommended by the Technical Advisory Group. This category is part of the Emergency Management multi-category appropriation (MCA) and any overspend in a category can be offset by underspends in other categories in this MCA.

Category: Emergency Sector and Support and Development

This category is focused on the development and implementation of operational policies and projects, advice, assistance and information to the civil defence and emergency management sector.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The number of Director Guidelines, Technical Standards and Codes that are either reviewed or published (see Note 1) will be at least:	2 per year	6	4	✓
Satisfaction is at least 6 in relation to the two measures below (see Note 2):				
• If a Guideline, Technical Standard, or Code was required did it meet the CDEM sector users' needs (see Note 1)	6	6.6	6.6	✓
• MCDEM supports capability development by facilitating learning and training activities for organisations with responsibilities under the Civil Defence Emergency Management Act	6	6.3	6.4	✓
The number of CDEM initiatives developed or implemented in partnership with the public sector, private sector and/or the not-for-profit sector will be at least:	5	7	5	✓

Note 1 – Relevant publications are those found on Ministry of Civil Defence & Emergency Management publications list website <http://www.civildefence.govt.nz/resource/publications>

Note 2 – Satisfaction performance measure involves a 10-point scale, where 1 means fell well short of expectations and 10 means far exceeded expectations.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
5,410	Revenue Crown	5,823	5,523	5,823
981	Revenue Other	1,247	121	1,621
6,391	TOTAL REVENUE	7,070	5,644	7,444
6,317	Expenses	7,480	5,644	7,444
74	Net Surplus/(Deficit)	(410)	-	-

Expenditure is higher than originally budgeted owing to funding approvals later in the year for the programme of work to promote disaster resilience in the Pacific (in partnership with the Ministry of Foreign Affairs and Trade).

Category: Management of Emergencies

This category is focused on management of national emergency readiness, response and recovery. This includes support to local civil defence emergency management organisations, maintaining the National Crisis Management Centre 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.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
National Warning System tests conducted, at least:	4	4	4	✓
An initial National Warning is issued within 20 minutes of the Duty Manager's decision to issue a National Warning	100%	Not applicable – no National Warnings were issued in 2017/18	Not applicable – no National Warnings were issued in 2018/19	-
National Crisis Management Centre managed, during activations, with:				
• An initial Action Plan is issued within 24 hours of a Mode 3 or 4 ⁵ National Crisis Management Centre/National Coordination Centre activation	Achieved	Not applicable – there were no Mode 3 or 4 activations in 2017/18	Not applicable – there were no Mode 3 or 4 activations in 2018/19	-
• Critical information technology systems available and operating at agreed performance levels	95%	99.9%	99.9%	✓
• Back-up information technology systems and equipment fully functional, at least:	99.8%	99.8%	99.9%	✓
National Crisis Management Centre activations reviewed:				
• The MCDEM Leadership Team reviews the amalgamated corrective actions plan at least 4 times during each financial year and ensures target dates are on track (or adjusts target dates when events outside MCDEM's control, such as natural disasters, occur)	Achieved	Achieved	Achieved	✓

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
16,572	Revenue Crown	9,080	6,919	9,080
822	Revenue Other	-	86	86
17,394	TOTAL REVENUE	9,080	7,005	9,166
16,019	Expenses	6,738	7,005	9,166
1,375	Net Surplus/(Deficit)	2,342	-	-

Expenditure is lower than originally budgeted owing to the timing of expenditure for the emergency management alerting project and a range of initiatives to promote better responses to natural disasters and other emergencies. Underspends against the Supplementary Estimates are due to delays in completing all projects and initiatives within the year, with activity expected to continue into 2019/20.

5 The Ministry of Civil Defence & Emergency Management response framework contains the following four modes:

- Mode 1 – Monitor
- Mode 2 – Support
- Mode 3 – Coordinate
- Mode 4 – Direct.

Category: Policy Advice – Emergency Management

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

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
A sample of policy advice fits within the target ranges for quality (see Note 1)	Achieved	Not achieved: 64% scored above 7, 29% scored above 8	Not achieved: 64% scored above 7, 16% scored above 8	✘
The satisfaction of the responsible Minister with the policy advice service, as measured using the Common Satisfaction Survey (see Note 2), is at least:	6	7.5	8	✓
Total cost per hour of producing outputs	\$90-\$120	\$103	\$104	✓

Note 1 – A sample of the Department’s policy advice was assessed by a panel using the Policy Project quality framework. The target ranges for the quality of our policy advice are: that 70% of our assessed papers will score 7 or more, and that 30% will score 8 or more out of 10, with 10 being the highest quality.

Note 2 – The Common Satisfaction Survey measures Ministers’ satisfaction with the quality, timeliness and value for money of policy advice on a scale from 1 to 10, where 1 means fell well short of expectations and 10 means far exceeded expectations.

How the policy quality and satisfaction measures are calculated

The quality of policy advice is measured across all of DPMC’s first-opinion policy functions. Due to small sample sizes, we are unable to report on specific policy portfolio areas.

The result for Ministerial satisfaction is an average of a rating of overall satisfaction and the ratings for the following dimensions: advice meets needs, is timely and of a high quality. This measure will be reviewed ahead of reporting for 2019/20, and updated to reflect the revised Ministerial Satisfaction Survey released by the Policy Project in June 2019.

Why we did not achieve our target

In 2018/19 we focused on improving the consistency of our policy papers, which was reflected in an increase in the average score of each policy paper between 2017/18 and 2018/19. Over the next year, we will continue to work across DPMC to improve the consistency to a higher level.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
531	Revenue Crown	1,393	943	1,393
705	Expenses	1,129	943	1,393
(174)	Net Surplus/(Deficit)	264	-	-

Expenditure is higher than originally budgeted owing to funding approvals later in the year to promote policy development related to better responses to natural disasters and other emergencies as recommended by the Technical Advisory Group.

Government House Buildings and Assets

The purpose of this multi-category appropriation is to maintain the Government House buildings and related assets in Wellington and Auckland to the standards necessary to fulfil their constitutional, ceremonial and community roles.

In 2018/19, all categories in this appropriation contributed to achievements in Strategic Intention 2 (New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation).

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The Governor-General's official residences are well maintained, with maintenance, heritage and gardening plans adhered to	Plans are adhered to	Achieved	Achieved	✓

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
949	Depreciation of Crown Assets	771	1,962	1,212
705	Government House – Maintenance	497	600	665
248	Government House Buildings and Assets – Capital Investment	1,344	800	1,350
1,902	TOTAL GOVERNMENT HOUSE BUILDINGS AND ASSETS MCA	2,612	3,362	3,227

Policy Advice and Support Services

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

This appropriation contributes to achievements in the following Strategic Intentions:

- Strategic Intention 1: A proactive and responsive public service, helping shape and deliver the Government's priorities
- Strategic Intention 2: New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation
- Strategic Intention 3: Our cohesive, risk-based national security system makes New Zealand stronger and more resilient
- Strategic Intention 4: New Zealand is the best place in the world for children and young people.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The satisfaction of the Prime Minister and the Governor-General with the quality of services and/or support provided by the Department of the Prime Minister and Cabinet is at least:	6	7.6	7.4	✓

How the overarching measure is calculated

This overarching measure averages the satisfaction ratings of the Prime Minister and Governor-General reported in categories of this appropriation scores reported in the following categories. It includes:

- the Prime Minister's satisfaction with the policy advice and support provided through the 'Policy Advice – Prime Minister and Cabinet', 'Science Advisory Committee' and 'Support, Secretariat and Coordination Services' categories
- the Governor-General's satisfaction with support services provided in the 'Support Services to the Governor-General and Maintenance of the Official Residences' and 'Support, Secretariat and Coordination Services' categories.

This measure will be reviewed ahead of reporting for 2019/20, and updated to be consistent with the revised Ministerial Satisfaction Survey released by the Policy Project in June 2019.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
26,874	Revenue Crown	30,093	28,556	30,093
1,565	Revenue Other	2,132	30	2,198
28,439	TOTAL REVENUE	32,225	28,586	32,291
27,442	Expenses	30,879	28,586	32,291
997	Net Surplus/(Deficit)	1,346	-	-

Expenditure is higher than originally budgeted owing to funding approvals later in the year for activities supported largely by revenue from other agencies. Underspends against the Supplementary Estimates are owing to delays in completing some initiatives and are intended to be transferred to 2019/20.

Category: National Security Priorities and Intelligence Coordination

This category is intended to ensure that New Zealand has world-class processes in place to deal with national security events and emergencies, and an intelligence community that is trusted, integrated, customer-oriented and crucial to building national resilience. The category encompasses three primary functions – gathering information, assessment of information and intelligence coordination.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The satisfaction of the Prime Minister with the leadership and coordination around national security matters, leading collaboration within the New Zealand intelligence community and providing intelligence assessments to support national security priorities is at least:	6	6.6	6.6	✓

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
10,337	Revenue Crown	11,961	11,417	11,961
568	Revenue Other	536	-	507
10,905	TOTAL REVENUE	12,497	11,417	12,468
10,560	Expenses	11,792	11,417	12,468
345	Net Surplus/(Deficit)	705	-	-

Expenditure is higher than originally budgeted owing to funding approvals later in the year for security and intelligence co-ordination activities supported by revenue from other agencies.

Category: Policy Advice – Child Poverty Reduction

This category is intended to support decision-making by Ministers on government policy matters relating to child poverty reduction.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The satisfaction of the Minister for Child Poverty Reduction with the advice provided by the Child Poverty Unit and the Child Wellbeing Strategy Unit, as measured using the Common Satisfaction Survey is at least:	6	New measure	7.5	✓

In the Estimates of Appropriations 2018/19, the above measure was incorrectly listed in the 'Policy Advice – Prime Minister and Cabinet' category. For reporting purposes, we have moved the measure to the category it was intended to be included in.

How satisfaction is measured

The result reported is an average of a rating of overall satisfaction and the ratings for the following dimensions: advice meets needs, is timely and of a high quality.

This measure will be reviewed ahead of reporting for 2019/20, and updated to reflect the revised Ministerial Satisfaction Survey released by the Policy Project in June 2019.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
-	Revenue Crown	2,823	1,873	2,823
-	TOTAL REVENUE	2,823	1,873	2,823
-	Expenses	2,631	1,873	2,823
-	Net Surplus/(Deficit)	192	-	-

Expenditure is higher than originally budgeted owing to funding approvals later in the year to support the development and communication of the Child and Youth Wellbeing Strategy.

Category: Policy Advice – Prime Minister and Cabinet

This category is intended to ensure that decisions by the Prime Minister and Cabinet are supported with appropriate advice.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The satisfaction of the Prime Minister with the policy advice service, as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	9	8.5	✓
The total cost per hour of producing outputs	\$90-\$120	\$103	\$104	✓

Note 1 – The Common Satisfaction Survey measures the Prime Minister’s satisfaction with the quality, timeliness and value for money of policy advice on a scale from 1 to 10, where 1 means fell well short of expectations and 10 means far exceeded expectations.

How satisfaction is measured

The result reported is an average of a rating of overall satisfaction and the ratings for the following dimensions: advice meets needs, is timely and of a high quality.

This measure will be reviewed ahead of reporting for 2019/20, and updated to reflect the revised Ministerial Satisfaction Survey released by the Policy Project in June 2019.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
6,069	Revenue Crown	4,010	4,542	4,010
911	Revenue Other	1,430	-	1,550
6,980	TOTAL REVENUE	5,440	4,542	5,560
6,632	Expenses	5,416	4,542	5,560
348	Net Surplus/(Deficit)	24	-	-

Expenditure is higher than originally budgeted owing to funding approvals later in the year for activities supported by revenue from other agencies.

Category: Science Advisory Committee

This category is intended to provide high-quality scientific advice to the Prime Minister.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The satisfaction of the Prime Minister with the scientific advice provided, as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	7.8	8	✓

Note 1 – The Common Satisfaction Survey measures the Prime Minister's satisfaction with the quality, timeliness and value for money of policy advice on a scale from 1 to 10, where 1 means fell well short of expectations and 10 means far exceeded expectations.

How satisfaction is measured

The result reported is an average of a rating of overall satisfaction and the ratings for the following dimensions: advice meets needs, is timely and of a high quality.

This measure will be reviewed ahead of reporting for 2019/20, and updated to be consistent with the revised Ministerial Satisfaction Survey released by the Policy Project in June 2019.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
675	Revenue Crown	675	675	675
50	Revenue Other	50	-	50
725	TOTAL REVENUE	725	675	725
725	Expenses	725	675	725
-	Net Surplus/(Deficit)	-	-	-

Expenditure is higher than originally budgeted owing to funding approval later in the year for activities supported by revenue from another agency.

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

This category provides advice and support to the Governor-General to help her carry out her constitutional, ceremonial, community and international roles. It is also intended to ensure that the official residences are appropriately maintained.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The satisfaction of the Governor-General with services provided as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	7	6	✓
The satisfaction of the Building and Grounds Committee with support and advice in relation to the maintenance of the official residences (see Note 2) is at least:	6	6.6	6.6	✓

Note 1 – Satisfaction performance measure involves a 10-point scale, where 1 means fell well short of expectations and 10 means far exceeded expectations.

Note 2 – The Building and Grounds Committee's role is to ensure the Capital and Long-Term Maintenance Plan developed by Government House and formally approved by the Chief Executive is properly devised and then implemented. The Committee receives support and advice from DPMC officials following the development of the Plan regarding its implementation. The Committee's satisfaction was assessed through an annual feedback form.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
3,990	Revenue Crown	4,534	4,109	4,534
21	Revenue Other	61	30	30
4,011	TOTAL REVENUE	4,595	4,139	4,564
4,126	Expenses	4,719	4,139	4,564
(115)	Net Surplus/(Deficit)	(124)	-	-

Expenditure is higher than originally budgeted for this category owing to higher than expected property maintenance costs and utilities. This category is part of the Policy Advice and Support Services MCA and any overspend can be offset by underspends in other categories in this MCA.

Category: Support, Secretariat and Coordination Services

This category provides advice and support to the Prime Minister and Ministers to enable them to discharge their portfolio responsibilities. It also supports the coordination of the Government's legislation programme, the provision of secretariat services to the Executive Council, Cabinet and its committees, and administration of the New Zealand Royal Honours system.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Cabinet and Cabinet committee minutes requiring subsequent amendment (excluding amendments made as the result of Cabinet decisions)	0.5%	0.3%	0.5%	✓
Papers for Cabinet and Cabinet committee meetings will be published on CabNet by the close of business, two days before the meeting (subject to on-time lodgement in CabNet)	90%	94%	98%	✓
Cabinet minutes will be published on CabNet by the close of business, three days after the Cabinet meeting	95%	97.6%	98.5%	✓
The satisfaction of the Governor-General with the services provided as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	6.6	6	✓
The satisfaction of the Prime Minister with services provided as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	9	9	✓

Note 1 – Satisfaction performance measure involves a 10-point scale, where 1 means fell well short of expectations and 10 means far exceeded expectations.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
5,803	Revenue Crown	6,090	5,940	6,090
15	Revenue Other	55	-	61
5,818	TOTAL REVENUE	6,145	5,940	6,151
5,399	Expenses	5,596	5,940	6,151
419	Net Surplus/(Deficit)	549	-	-

Expenditure is lower than originally budgeted, owing to some of the costs for CabNet system enhancements continuing into 2019/20.

Tsunami Monitoring and Detection Network

The purpose of this multi-category appropriation is to provide comprehensive monitoring, early detection and subsequent early warning of tsunami threats to New Zealand and the Pacific Realm countries (Niue, Tokelau and the Cook Islands).

In 2018/19, all categories in this appropriation contributed to achievements in Strategic Intention 3 (Our cohesive, risk-based national security system makes New Zealand stronger and more resilient).

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The Tsunami Monitoring and Detection Network programme is managed within agreed timeframes	Achieved	New measure	Achieved	✓

Agreed timeframes for this performance measure

Phase I of the Tsunami Detection Network is scheduled to be deployed between December 2019 and May 2020. Key milestones within the Tsunami Monitoring and Detection Network programme during 2018/19 included:

- forming a cross-agency governance group, who then approved a terms of reference outlining roles, responsibilities and project commitments as well as a project management plan defining the scope, milestones and management controls for the implementation project
- the signing of a contract for supply of the Dart Buoys in March 2019.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
-	Revenue Crown	204	-	204
-	TOTAL REVENUE	204	-	204
-	Expenses	25	-	204
-	Net Surplus/(Deficit)	179	-	-
-	Capital Expenditure	4,753	-	5,548

It is expected the full cost of the equipment will be capitalised in 2019/20.

Category: Management of Tsunami Monitoring and Detection Network

This category provides ongoing management and maintenance of a tsunami monitoring and detection network for New Zealand and the Pacific Realm countries.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
The Tsunami Monitoring and Detection Network programme is delivered to schedule	Achieved	New measure	Achieved	✓

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
-	Revenue Crown	204	-	204
-	Revenue Other	-	-	-
-	TOTAL REVENUE	204	-	204
-	Expenses	25	-	204
-	Net Surplus/(Deficit)	179	-	-

Operating expenditure is lower due to the capital expenditure occurring later than budgeted.

Category: Tsunami Monitoring and Detection Network – Capital Expenditure

This category provides the capital expenditure necessary to acquire and preserve the functionality of a tsunami monitoring and detection network for New Zealand and the Pacific Realm countries.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
DART Buoys contract negotiated and order placed	Achieved	New measure	Achieved	✓

DART (Deep-ocean Assessment and Reporting of Tsunami) buoys are deep-ocean instruments that monitor changes in sea level. They are currently the only accurate way, in real-time, to confirm a tsunami has been generated before it reaches the coast. This is particularly critical for unfelt earthquakes originating from the Kermadec trench. Early detection of a tsunami using DART buoys will allow New Zealand to accurately provide early warnings.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
-	Expenses	4,753	-	5,548

Expenditure is lower due to the timing of the network components purchases. It is expected the full cost of the equipment will be capitalised in 2019/20.

E

Our financial statements

This section contains our financial statements for 2018/19, which report on the financial resources used by DPMC to deliver the goods and services purchased by our Ministers, as well as financial statements, notes and other explanatory 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 2019 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 2020 and its operations for the year ending on that date.



Brook Barrington
Chief Executive

Date: 30 September 2019

Independent Auditor's Report



Independent Auditor's Report

To the readers of the Department of the Prime Minister and Cabinet's annual report for the year ended 30 June 2019

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

- the financial statements of the Department on pages 62 to 73, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2019, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the year ended on that date and the notes to the financial statements that include accounting policies and other explanatory information;
- the performance information prepared by the Department for the year ended 30 June 2019 on pages 16 to 29 and 40 to 54;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2019 on pages 36 to 39; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 74 to 80 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2019;
 - the schedules of expenses; and revenue for the year ended 30 June 2019;
 - the statement of trust monies for the year ended 30 June 2019; and
 - the notes to the schedules that include accounting policies and other explanatory information.

Opinion

In our opinion:

- the financial statements of the Department on pages 62 to 73:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2019; and
 - its financial performance and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Standards.
- the performance information of the Department on pages 16 to 29 and 40 to 54:
 - presents fairly, in all material respects, for the year ended 30 June 2019:
 - 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; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Department on pages 36 to 39 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 the Department on behalf of the Crown on pages 74 to 80 present fairly, in all material respects, in accordance with the Treasury Instructions:
 - the assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2019; and
 - expenses; and revenue for the year ended 30 June 2019; and
 - the statement of trust monies for the year ended 30 June 2019.

Our audit was completed on 30 September 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Chief Executive and our responsibilities relating to the information to be audited, we comment on other information, and we explain our independence.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

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

Responsibilities of the Chief Executive for the information to be audited

The Chief Executive is responsible on behalf of the Department for preparing:

- financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- 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 the Department, 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 the Department on behalf of the Crown.

The Chief Executive is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive is responsible on behalf of the Department for assessing the Department's ability to continue as a going concern. The Chief Executive is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Department, or there is no realistic alternative but to do so.

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

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Estimates and Supplementary Estimates of Appropriations 2018/19 for Vote Prime Minister and Cabinet, and the 2018/19 forecast financial figures in the Department's 2017/18 Annual Report.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive.
- We evaluate the appropriateness of the reported performance information within the Department's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Department's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Department to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive is responsible for the other information. The other information comprises the information included on pages 1 to 15, 32 to 34, 56 and 82 to 86, but does not include the information we audited, and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The reports by the Minister of Civil Defence and the Minister for Greater Christchurch Regeneration on relevant non-departmental appropriations that are appended to the Ministry's annual report are not part of the Ministry's annual report. The Public Finance Act 1989 does not require the information in the Ministers' reports to be audited and we have performed no procedures over the information in the Ministers' reports.

Independence

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

Other than in our capacity as auditor, we have no relationship with, or interests, in the Department.



S B Lucy
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 2019

2017/18 Actual \$000		Note	2018/19 Actual \$000	2018/19 Unaudited Budget \$000	2019/20 Unaudited Forecast \$000
REVENUE					
64,645	Revenue Crown – Non-exchange		62,080	56,422	65,279
3,632	Other Revenue – Exchange	2	3,706	260	260
68,277	TOTAL REVENUE		65,786	56,682	65,539
EXPENSES					
31,748	Personnel Costs	3	35,489	27,375	37,261
1,091	Depreciation and Amortisation Expense	6	1,089	1,004	1,186
483	Capital Charge	4	498	486	549
30,014	Other Operating Expenses	5	23,032	27,817	26,543
63,336	TOTAL EXPENDITURE		60,108	56,682	65,539
4,941	NET SURPLUS/(DEFICIT)		5,678	-	-
4,941	TOTAL COMPREHENSIVE REVENUE AND EXPENSES		5,678	-	-

Statement of Changes in Equity

for the year ended 30 June 2019

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Unaudited Budget \$000	2019/20 Unaudited Forecast \$000
7,997	Balance at 1 July	8,297	8,297	8,965
COMPREHENSIVE REVENUE/(EXPENSE)				
4,941	Surplus for the Year	5,678	-	-
300	Capital Injection	668	300	546
(4,941)	Return of Operating Surplus to the Crown	(5,678)	-	-
8,297	BALANCE AT 30 JUNE	8,965	8,597	9,511

Explanations of major variances against the original budget are provided in Note 11.

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

Statement of Financial Position

as at 30 June 2019

2017/18 Actual \$000		Note	2018/19 Actual \$000	2018/19 Unaudited Budget \$000	2019/20 Unaudited Forecast \$000
ASSETS					
CURRENT ASSETS					
11,754	Cash and Cash Equivalents		8,891	8,037	8,603
5,323	Debtor Crown		9,983	5,323	6,107
1,034	Debtors and Other Receivables		1,016	1,350	1,350
26	Prepayments		-	-	-
271	Inventory		286	199	199
18,408	TOTAL CURRENT ASSETS		20,176	14,909	16,259
NON-CURRENT ASSETS					
1,996	Intangible Assets	6	1,069	1,056	154
579	Property, Plant and Equipment	6	717	1,379	1,845
2,575	TOTAL NON-CURRENT ASSETS		1,786	2,435	1,999
20,983	TOTAL ASSETS		21,962	17,344	18,258
LIABILITIES					
CURRENT LIABILITIES					
5,179	Creditors and Other Payables		4,484	6,547	6,547
4,941	Provision for Repayment of Surplus		5,678	-	-
85	Provisions	7	85	-	-
1,858	Employee Entitlements	8	2,374	2,000	2,000
12,063	TOTAL CURRENT LIABILITIES		12,621	8,547	8,547
NON-CURRENT LIABILITIES					
190	Provisions	7	106	-	-
433	Employee Entitlements	8	270	200	200
623	TOTAL NON-CURRENT LIABILITIES		376	200	200
12,686	TOTAL LIABILITIES		12,997	8,747	8,747
8,297	NET ASSETS		8,965	8,597	9,511
EQUITY					
8,297	Taxpayers' Funds		8,965	8,597	9,511
8,297	TOTAL EQUITY		8,965	8,597	9,511

Explanations of major variances against the original budget are provided in Note 11.

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

Statement of Cash Flows

for the year ended 30 June 2019

The Statement of Cash Flows summarises the cash movements in and out of the Department during the financial year.

2017/18 Actual \$000		Note	2018/19 Actual \$000	2018/19 Unaudited Budget \$000	2019/20 Unaudited Forecast \$000
CASH FLOWS FROM OPERATING ACTIVITIES					
64,796	Receipts from the Crown		58,028	56,422	65,279
4,213	Receipts from Other Revenue		4,393	260	260
(30,332)	Payments to Suppliers		(24,085)	(27,892)	(26,618)
(31,684)	Payments to Employees		(35,136)	(27,300)	(37,186)
(483)	Payments for Capital Charge		(498)	(486)	(549)
(1,263)	Goods and Services Tax (net)		(991)	-	-
5,247	NET CASH FLOWS FROM OPERATING ACTIVITIES	9	1,711	1,004	1,186
CASH FLOWS FROM INVESTING ACTIVITIES					
(151)	Purchase of Property, Plant and Equipment		(301)	(400)	(646)
(21)	Purchase of Intangible Assets		-	-	-
(172)	NET CASH FLOWS FROM INVESTING ACTIVITIES		(301)	(400)	(646)
CASH FLOWS FROM FINANCING ACTIVITIES					
(11,809)	Repayment of Net Surplus to the Crown		(4,941)	-	-
300	Capital Injection		668	300	546
(11,509)	NET CASH FROM FINANCING ACTIVITIES		(4,273)	300	546
(6,434)	Net Increase/(Decrease) in Cash and Cash Equivalent		(2,863)	904	1,086
18,188	Cash and Bank Balances at the Beginning of the Year		11,754	7,133	7,517
11,754	CASH AND BANK BALANCES AT YEAR END		8,891	8,037	8,603

Explanations of major variances against the original budget are provided in Note 11.

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

Statement of Commitments

as at 30 June 2019

Capital commitment

At 30 June 2019, the Department has no capital commitments (2018: 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 floors 4 and 17 in Bowen House. In Auckland, office space is leased from another government agency for MCDEM staff. An office is leased in Christchurch for the Greater Christchurch Group. Christchurch based MCDEM staff lease space within the Christchurch Justice and Emergency Services Precinct. The amounts disclosed below as future commitments are based on the current rental rates.

There are no restrictions placed on the Department by any of the operating lease arrangements.

2017/18 Actual \$000		2018/19 Actual \$000
OPERATING COMMITMENTS		
NON-CANCELLABLE OPERATING LEASE COMMITMENTS		
808	No later than one year	1,303
1,109	Later than one year and not later than 5 years	2,515
-	Later than five years	591
1,917	TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS	4,409

Statement of Contingent Liabilities and Contingent Assets

as at 30 June 2019

Contingent liabilities – quantifiable

Dispute with third party

At 30 June 2019, the Department has no quantifiable contingent liabilities (2018: A dispute between the Crown and another party over a privacy matter was disclosed without further information as this may have prejudiced the Department's position).

Contingent assets

At 30 June 2019, the Department has no contingent assets (2018: Nil).

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

Notes to the Departmental Financial Statements

for the year ended 30 June 2019

1. Statement of Accounting Policies

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.

In addition, the Department has reported separately, in the Non-departmental Schedules, financial information on public funds managed by the Department, on behalf of the Crown.

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 Departmental Financial Statements and the Non-departmental Financial Schedules are for the year ended 30 June 2019. Both sets of Financial Statements were authorised for issue by the Chief Executive of the Department on 30 September 2019. The Forecast Financial Statements are for the year ended 30 June 2020.

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 2019.

Statement of compliance

The Departmental Financial Statements, Non-departmental Financial Schedules and the 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 and 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 Financial Statements have been prepared on a going concern basis. The accounting policies have been consistently applied throughout the year 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 an historical-cost basis adjusted for the revaluation of Government House land and buildings, antiques and artworks. 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 early adopted the PBE IFRS 9 Financial Instruments which has the effective date of 1 January 2022. There are no changes resulting from the adoption of this standard.

These Financial Statements have been presented in accordance with the current PBE accounting standards.

Standards issued and not yet effective and not early adopted

New standards and amendments issued but not yet effective and not early adopted are not material for the Department.

Critical accounting estimates and assumptions

In preparing these Financial Statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the Non-departmental assets and liabilities within the next reporting period are in respect of estimating the fair value of land and buildings (see Note 13 Property, Plant and Equipment) and the Non-departmental provisions for emergencies (see Note 14 Provisions).

Significant accounting policies

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

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.

Financial instruments

Financial assets

Cash and cash equivalents include 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 the non-current liabilities which are designated at amortised values using the effective interest rate method. Financial liabilities entered into with durations of less than 12 months are recognised at their nominal value.

Commitments

Future expenses and liabilities to be incurred on non-cancellable contracts at balance date.

Budget figures

The budget figures are those included in the Department's Budget Estimates for the year ended 30 June 2019, 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 the 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 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 2019/20 Actual Financial Statements include changes to the baseline budget through new initiatives, transfer of funding across financial years or technical adjustments.

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 18 April 2019. 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 disclosures. 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 may be material.

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.

Statement of cost accounting policies for Department Financial Statements

There have been no changes in cost accounting policies since the date of the last audited Financial Statements. The Department has determined the cost of outputs 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 Strategy, Governance and Engagement Group. Indirect costs are allocated to appropriations based on full-time equivalent personnel numbers. Indirect costs include those costs incurred by the Central Agencies Shared Services function within the Treasury and then recovered from DPMC.

2. Other Revenue

2017/18 Actual \$000		2018/19 Actual \$000
1,262	Revenue Department – Other Government Agencies	1,313
526	Revenue Department – Secondment Recovery	778
1,490	Revenue Department – Other	1,282
354	Third Party – Other Revenue	333
3,632	TOTAL OTHER REVENUE AND GAINS	3,706

3. Personnel Costs

2017/18 Actual \$000		2018/19 Actual \$000
29,969	Salaries and Wages	33,367
922	Employer Contributions to Defined-Contribution Plans	1,057
(6)	Increase/(Decrease) in Employee Entitlements	259
863	Other ⁶	806
31,748	TOTAL PERSONNEL COSTS	35,489

⁶ Other includes recruitment, staff training and attendance at conferences and seminars.

4. Capital Charge

DPMC pays a capital charge to the Crown based on its equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2019 was 6% (2018: 6%).

5. Other Operating Expenses

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2019/20 Unaudited Forecast \$000
99	Audit Fees for Audit of Financial Statements	100	100	100
1,931	Premises Rental	2,028	1,904	3,000
477	Facilities Costs	455	364	368
113	Inventories Consumed	120	150	150
12,368	Consultancy	5,510	5,504	5,800
1,575	Travel Costs	1,830	2,236	2,232
732	Building and Ground Maintenance Costs	591	529	621
1,777	Promotion and Publicity Costs	728	773	776
196	Photocopying and Printing Costs	190	154	191
239	Cell Phone and Telephone	246	282	231
323	IT-related Costs	489	613	816
7,671	Central Agencies Shared Services	7,534	7,850	7,534
2,513	Other Operating Expenses	3,211	7,358	4,724
30,014	TOTAL OTHER OPERATING EXPENSES	23,032	27,817	26,543

6. Property, Plant, Equipment and Intangibles

Accounting policy

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.

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)
Fixtures	10 years
Furniture	5 years
Plant and Equipment	5 years
Motor Vehicles	4 years

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.

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 Revenue and Expenses. 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.

	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 2017	881	20	35	1,021	4,605	6,562
Additions	13	-	-	138	21	172
Other Movements	(129)	(1)	(35)	21	-	(144)
BALANCE AT 30 JUNE 2018	765	19	-	1,180	4,626	6,590
Balance at 1 July 2018	765	19	-	1,180	4,626	6,590
Additions	17	-	266	18	-	301
BALANCE AT 30 JUNE 2019	782	19	266	1,198	4,626	6,891
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 July 2017	510	20	-	832	1,707	3,069
Depreciation Expense	84	-	-	82	925	1,091
Other Movements	(133)	(1)	-	(9)	(2)	(145)
BALANCE AT 30 JUNE 2018	461	19	-	905	2,630	4,015
Balance at 1 July 2018	461	19	-	905	2,630	4,015
Depreciation Expense	73	-	-	89	927	1,089
Other Movements	-	-	-	1	-	1
BALANCE AT 30 JUNE 2019	534	19	-	995	3,557	5,105
CARRYING VALUE						
At 1 July 2017	371	-	35	189	2,898	3,493
At 30 June 2018	304	-	-	275	1,996	2,575
At 30 June 2019	248	-	266	203	1,069	1,786

7. Provisions

Accounting policy

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.

2017/18 Actual \$000		2018/19 Actual \$000
PROVISIONS		
364	Opening Balance	275
(89)	Provision Used/(Reversed) During the Year	(84)
275	CLOSING BALANCE	191
85	CURRENT PROVISION	85
190	NON-CURRENT PROVISION	106

The provision at 30 June 2019 relates to an onerous lease on a property in Christchurch where there is a differential between the lease cost and the recoveries from a sub-lease.

8. Employee Entitlements

This note includes an analysis of the exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities.

2017/18 Actual \$000		2018/19 Actual \$000
CURRENT EMPLOYEE ENTITLEMENTS		
217	Salary Accrual	212
1,392	Annual Leave	1,590
39	Long Service Leave	143
64	Sick Leave	69
-	Retirement Leave	113
146	Other Employee Benefits	247
1,858	TOTAL CURRENT LIABILITIES	2,374
NON-CURRENT EMPLOYEE ENTITLEMENTS		
190	Long Service Leave	118
243	Retirement Leave	152
433	TOTAL NON-CURRENT LIABILITIES	270
2,291	TOTAL EMPLOYEE ENTITLEMENTS	2,644

The present value of the retirement and long service leave obligations depends on a number of factors. Two key factors are the discount rate and the salary inflation factor. Any changes in these assumptions will change the carrying amount of the liability.

In determining the appropriate discount rate, the Department has adopted the central table of risk free discount rates and Consumer Price Index assumptions provided by the Treasury to all departments.

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

2017/18 Actual \$000		2018/19 Actual \$000
4,941	NET SURPLUS (DEFICIT)	5,678
	INCREASE/(DECREASE) IN NON-CASH ITEMS	
1,091	Depreciation and Amortisation	1,089
1,091	TOTAL NON-CASH ITEMS	1,089
	ADD/(LESS) WORKING CAPITAL MOVEMENT	
366	(Increase)/Decrease in Receivables and Prepayments	(3,946)
(13)	(Increase)/Decrease in Inventories	(15)
180	Increase/(Decrease) in Creditors and Other Payables	(982)
(1,263)	Increase/(Decrease) in Goods and Services Tax	(382)
15	Increase/(Decrease) in Provisions	-
12	Increase/(Decrease) in Employee Entitlements	516
(703)	TOTAL NET MOVEMENT IN WORKING CAPITAL ITEMS	(4,809)
(82)	Increase/(Decrease) in Movements in Non-current Liabilities	(247)
	ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES	
-	(Gain)/Losses on Disposal of Property, Plant and Equipment	-
5,247	NET CASH FLOWS FROM OPERATING ACTIVITIES	1,711

10. Related-party Transactions

Accounting policy

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 therefore not disclosed as 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.

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.

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

2017/18 Actual \$000		2018/19 Actual \$000
2,408	Remuneration	2,580
7	Full-time Equivalent Staff	8

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 (2018: Nil).

11. Explanations of Major Variances Against Budget

Explanations for major variances from the Department's original 2018/19 budget figures and comparison to 2018/19 year actuals are as follows:

Revenue

Revenue was higher than budgeted by \$9.104 million due to decisions made since the 2018/19 Budget.

These mainly relate to:

- approvals for increased funding due to transfers from the prior year for CabNet maintenance, Christchurch Earthquake Regeneration, Child Poverty reduction, Emergency Mobile Alerting, Inquiry into EQC and other general emergency recovery initiatives (\$3.776 million).
- new funding approved for Better Responses to Natural Disasters and Other Emergencies as a response to the Technical Advisory Group recommendations and Management of Tsunami Monitoring and Detection Network (\$1.995 million).
- increased cost recoveries and contributions from other departments (\$3.333 million).

Expenditure

Expenditure was higher than budgeted by \$3.426 million owing to decisions made since the 2018/19 Budget. These mainly relate to:

- approvals for expenditure incurred from funding carried forward from 2017/18 to ensure work is completed for Better Responses to Natural Disasters and Other Emergencies as a response to the Technical Advisory Group recommendations (\$0.991 million)
- approvals for expenditure made from underspends carried forward from 2017/18 to support Child Poverty reduction (\$0.350 million)
- approvals for expenditure made from third-party contributions (\$2.557 million). These mainly relate to expenditure on the Policy Project, and the disaster resilience programme in the Pacific region.

Balance Sheet

Delays in some expenditure resulted in an unbudgeted net surplus for the 2018/19 year reflected in a higher Debtor Crown figure owing to the later than expected operating cash drawdowns. Total liabilities exceeded 2018/19 Budget owing to a provision for repayment of the surplus.

12. Events After the Balance Date

There have been no events after the balance date in respect to the Departmental Financial Statements.

Non-departmental Financial Schedules

Schedule of Non-departmental Expenses

for the year ended 30 June 2019

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

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000
VOTE PRIME MINISTER AND CABINET			
13,454	Grants and Contributions	7,460	8,309
5,078	Increase to Provisions for Emergency Expenses	2,951	5,000
-	Write down of Suspensory Loan	15,000	-
949	Depreciation	770	1,962
6,936	Other Operating Costs	3,195	3,541
2,777	Goods and Services Tax	3,399	4,216
29,194	TOTAL	32,775	23,028
REMEASUREMENTS:			
(8,948)	Movement in Provision for Horizontal Infrastructure (Three Waters)	(9,119)	-
20,246	TOTAL NON-DEPARTMENTAL EXPENSES	23,656	23,028

Schedule of Non-departmental Revenue and Receipts

for the year ended 30 June 2019

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000
VOTE PRIME MINISTER AND CABINET			
126	Other Revenue	1,413	150
126	TOTAL NON-DEPARTMENTAL REVENUE AND RECEIPTS	1,413	150

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

Schedule of Non-departmental Assets and Liabilities

as at 30 June 2019

2017/18 Actual \$000		Note	2018/19 Actual \$000	2018/19 Budget \$000
ASSETS				
CURRENT ASSETS				
46,139	Cash in Bank		10,750	16,562
10	Debtors and Other Receivables		74	-
46,149	TOTAL CURRENT ASSETS		10,824	16,562
NON-CURRENT ASSETS				
109,202	Property, Plant and Equipment	13	127,733	108,497
109,202	TOTAL NON-CURRENT ASSETS		127,733	108,497
155,351	TOTAL NON-DEPARTMENTAL ASSETS		138,557	125,059
LIABILITIES				
CURRENT LIABILITIES				
10,789	Creditors and Other Payables		3,506	2,174
11,600	Provision – Horizontal Infrastructure (Three Waters)	14	2,455	-
29,494	Provision – Emergency Expenses	14	26,916	17,419
51,883	TOTAL CURRENT LIABILITIES		32,877	19,593
51,883	TOTAL NON-DEPARTMENTAL LIABILITIES		32,877	19,593
REVALUATION RESERVES				
42,748	Property Revaluation Reserves	13	55,952	42,723
42,748	TOTAL REVALUATION RESERVES		55,952	42,723

Schedule of Non-departmental Commitments

as at 30 June 2019

As at 30 June 2019, there are no operating commitments in Vote Prime Minister and Cabinet (2018: Nil).

As at 30 June 2019, there is a capital commitment of \$4.846 million (USD 3.245 million) in Vote Prime Minister and Cabinet (2018: Nil).

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

Schedule of Non-departmental Contingent Liabilities and Contingent Assets

as at 30 June 2019

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 2019.

Contingent liabilities – quantifiable

Dispute with supplier

There are no quantifiable contingent liabilities for 2018/19 (2018: A dispute with a supplier inherited from CERA relating to services provided as part of recovery activities post Christchurch earthquake was disclosed as a quantifiable contingent liability and no amount was disclosed so as not to prejudice the Department's position).

Contingent assets – quantifiable

Dispute with supplier

There are no quantifiable contingent assets for 2018/19 (2018: A dispute with a supplier inherited from CERA relating to services provided as part of recovery activities post Christchurch earthquake was disclosed as a quantifiable contingent asset and no amount was disclosed so as not to prejudice the Department's position. This was a counterclaim to the contingent liability above).

Contingent liabilities – unquantifiable

New Zealand Local Authorities

Section 39 of the Civil Defence Emergency Management Act 2002 provides for 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 for costs incurred as a result of a local or national emergency.

As at 30 June 2019 there were five events (2018: 11) from which we expect to receive claims for reimbursement from local authorities for welfare, response and recovery costs, being:

When	Event
14 November 2016	A severe magnitude 7.8 earthquake in the Kaikōura region
April 2017	Ex-tropical Cyclones Debbie and Cook in the Bay of Plenty region
February 2018	Cyclones Gita and Fehi
March 2018	Ruapehu District flooding
March 2019	West Coast Flooding

In relation to the above events, a provision of \$26.916 million has been made for costs that have been ascertained (see Note 14) (2018: \$29.494 million for events pre-June 2018).

Contingent assets – unquantifiable

There are no unquantifiable contingent assets as at 30 June 2019 (2018: Nil).

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

Statement of Trust Monies

for the year ended 30 June 2019

DPMC operates a trust account as the agent under section 66 of the Public Finance Act 1989. This account was set up during the prior financial year. The transactions through this account and its balance are not included in the Department’s own Financial Statements. There have been no transactions through this account during the year.

2017/18 Actual \$000		2018/19 Actual \$000
-	Balance at 1 July	-
-	Contributions	-
-	Balance at 30 June	-

A Crown bank account was set up during 2018 with a purpose of holding donated funds from donors who would like to make early donations to the Christ Church Cathedral restoration project.

DPMC has been appointed as agent to administer the Trust money and will not purchase services from the Trust nor is it a beneficiary of the Trust. It is expected that the account will be closed during 2019/20.

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

Notes to the Non-departmental Financial Schedules

Explanatory notes provide details of significant Vote Prime Minister and Cabinet 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

	Land \$000	Buildings \$000	Antiques and Artworks \$000	Other Assets \$000	Work in Progress \$000	Total \$000
COST						
Balance at 1 July 2017	46,630	58,808	3,279	2,555	-	111,272
Additions	-	165	-	83	-	248
Other Movements	9,750	(9,724)	-	(342)	-	(316)
BALANCE AT 30 JUNE 2018	56,380	49,249	3,279	2,296	-	111,204
Balance at 1 July 2018	56,380	49,249	3,279	2,296	-	111,204
Additions	-	8	-	162	5,927	6,097
Revaluations	5,320	6,662	-	-	-	11,982
BALANCE AT 30 JUNE 2019	61,700	55,919	3,279	2,458	5,927	129,283
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 July 2017	-	-	-	1,393	-	1,393
Depreciation Expense	-	610	-	316	-	926
Revaluations	-	-	-	(317)	-	(317)
BALANCE AT 30 JUNE 2018	-	610	-	1,392	-	2,002
Balance at 1 July 2018	-	610	-	1,392	-	2,002
Depreciation Expense	-	612	-	158	-	770
Revaluations	-	(1,222)	-	-	-	(1,222)
BALANCE AT 30 JUNE 2019	-	-	-	1,550	-	1,550
CARRYING VALUE						
At 1 July 2017	46,630	58,808	3,279	1,162	-	109,879
At 30 June 2018	56,380	48,639	3,279	904	-	109,202
At 30 June 2019	61,700	55,919	3,279	908	5,927	127,733

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. Antiques and artworks are not depreciated. The useful lives of other major classes of assets have been estimated as follows:

Type of Asset	Estimated Life (years)
Buildings	100-120 years
Other Assets	5-10 years

Revaluations

Government House land and buildings in Auckland and Wellington were revalued to fair values as at 30 June 2019 by an independent registered valuer from Quotable Value Limited. The collection of antiques and artwork was revalued as at 30 June 2017 by the registered valuer Art and Object Limited.

Government House, Wellington, has been classified as being of national significance. This has been taken into account in the valuation of the property. Government House, Auckland, has a restrictive interest issued on the title of the property. For the purposes of the valuation, it is made subject to the property being free of detrimental interest/encumbrances with the property having freely transferrable titles.

Restrictions on land title include:

- Within the Wellington property, 11.29 hectares is zoned as Open Space B which provides for areas to be used for recreation and does not allow buildings and structures.
- Within the Auckland property, 1.74 hectares is marked as Natural Resources Significant Ecological Areas which restricts how this area is used.

In the absence of clear market evidence, the depreciated replacement cost less an allowance for depreciation and, where necessary, obsolescence, is used to determine the fair value of the assets.

Revaluations are performed with sufficient regularity to ensure the carrying amount does not differ materially from their fair value. Land and buildings are revalued every two years. Antiques and Artworks are revalued every three years.

The carrying value of revalued assets are assessed annually to ensure that they do not differ materially from fair value. If there is a material difference, then the off-cycle asset class is revalued.

14. Provisions

	2018/19 Actual \$000	Horizontal Infrastructure (Three Waters)
Balance at 1 July 2018	29,494	11,600
Additional Provision Recognised	8,286	-
Payments Made During the Year/Provision Used for the Year	(5,529)	(26)
Provision Released During the Year	(5,335)	(9,119)
Balance at 30 June 2019	26,916	2,455
Current Portion of the Provision	26,916	2,455
Non-current Portion of the Provision	-	-

When significant emergency events occur, the Crown may provide financial support to local authorities for response and recovery costs relating to damaged essential infrastructure. The National Civil Defence Emergency Management Plan Order 2015 stipulates how the Crown may contribute to these costs. The Crown's contribution to response and recovery costs, most notably for Three Waters infrastructure (wastewater, storm-water and potable water), is typically 60% of the total cost for valid and eligible work. Currently there are two provisions – the Horizontal Infrastructure (Three Waters) provision for the 2010/11 greater Christchurch earthquakes and the Emergency Expenses provision for other emergency events.

Horizontal Infrastructure (Three Waters) provision

The liability recorded by DPMC as at 30 June 2019 comprised a provision for the Crown's contribution to Three Waters response and recovery costs arising from the 2010 and 2011 greater Christchurch earthquakes. This provision consists of:

- the rebuild/repair of earthquake-damaged Three Waters infrastructure as per the cost-sharing agreement with the Christchurch City Council, and
- the rebuild/repair of earthquake-damaged Three Waters infrastructure as per the cost-sharing agreement with the Waimakariri District Council.

The Department considers the \$2.455 million balance at year end the appropriate provision to complete the Christchurch and Waimakariri District Horizontal Infrastructure programmes. The determination of this remaining liability is subject to some level of estimation and uncertainty with regard to the completion of physical works in the Waimakariri Horizontal Infrastructure Programme and final validation and 'wash-up' of all eligible programme costs.

Of the \$2.455 million balance at year end, \$2.179 million relates to the provision for the Waimakariri District Horizontal Infrastructure Programme for the final wash-up of costs. The remaining \$0.276 million is for the completion of the Christchurch Three Waters programme expected in July 2019.

The Waimakariri Horizontal Infrastructure Programme is expected to be largely complete by December 2019. The programme is currently progressing well, and is tracking under the original forecast programme budget. A small number of storm-water projects (located in the Waimakariri residential red zone) will continue into the 2019/20 year. The Crown's financial interest in the Programme will end with the completion of the physical works, after which the 12-month defects liability period will be managed by the Waimakariri District Council.

Emergency Expenses provision

The November 2016 earthquakes resulted in damage to the Three Waters networks across three districts (Hurunui, Kaikōura and Marlborough) and to river/stopbank infrastructure assets in the Marlborough District. The Emergency Expenses provision includes \$11.033 million for the estimated cost of the Crown's contribution to the local authorities' cost of repairs. This estimate was based on information provided from the District Councils based on damage assessments. The respective District Councils are progressing with the recovery and the estimate of the Crown's contribution to this will continue to be refined as the Councils undertake more comprehensive engineering assessments.

The Emergency Expenses provision also includes \$13.776 million for estimated costs associated with cyclones Debbie and Cook in the Bay of Plenty region in April 2017. The remainder of the provision is the estimated cost of \$2.107 million associated with cyclones Gita and Fehi in February 2018, flooding in Westland in March 2019, and other emergency events that have occurred. These estimates are based on information provided from the relevant local authorities.

To recognise the uncertainty associated with the estimates included in the Emergency Expenses provision, an unquantified contingent liability has been reported in the Financial Statements.

15. Events After the Balance Date

There are no events after the balance date of 30 June 2019 (2018: Nil).

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

F

Appendices

This section includes:

- Cabinet Office statistics
- Cabinet and Cabinet committee meeting statistics
- New Zealand Royal Honours
- National Security and Intelligence Priorities
- Our strategies.

Cabinet Office statistics

	2018/19 Actual	2017/18 Actual	2016/17 Actual
Meetings			
Executive Council	38	30	36
Cabinet	41	39	44
Cabinet committees	182	132	165
Submissions			
Summary cover sheets to Cabinet and Cabinet committee papers	1,631	1,219	1,701
Submissions lodged by Ministers' offices by the Cabinet Office deadline	89%	87.6%	90%
Papers published by the close of business, two days before the meeting	98%	94%	91%
Cabinet and Cabinet committee minutes			
Cabinet and Cabinet committee minutes	2,155	1,590	2,048
Cabinet and Cabinet committee minutes requiring an amendment by the Cabinet Office*	10	5	10
Cabinet minutes published by the close of business, three days after the Cabinet meeting	98.5%	97.6%	98.8%
Other Services			
Cabinet Office circulars	8	10	6
Briefing seminars to departments, Ministers' offices and other interested parties on the Cabinet decision-making process	26	30	18
Enquiries and requests from Ministers' offices and departments about Cabinet papers and related information	161	146	160

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

Cabinet and Cabinet committee meeting statistics

for the year ended 30 June 2019

	Number of Meetings	Number of Agenda Items	Average Number of Items per Meeting
Executive Council	38	266	7
Cabinet	41	375	9
Cabinet committee meetings			
Cabinet Appointments and Honours Committee	29	347	12
Cabinet Business Committee	10	53	5
Cabinet Economic Development Committee	30	354	12
Cabinet Environment, Energy and Climate Committee	13	62	5
Cabinet External Relations and Security Committee	9	33	4
Cabinet Government Administration and Expenditure Review Committee	13	79	6
Cabinet Legislation Committee	29	198	7
Cabinet Māori/Crown Relations Committee	12	57	5
Cabinet Priorities Committee	8	19	2
Cabinet Social Wellbeing Committee	29	204	7
TOTAL CABINET COMMITTEE MEETINGS	182	1,406	8

New Zealand Royal Honours

for the year ended 30 June 2019

The New Zealand Order of Merit

Knight Grand Companion	1
Dame Grand Companion	1
Dame Companion	8
Knight Companion	7
Companion	21
Officer	43
Member	134

The Queen's Service Order

Companion	6
The Queen's Service Medal	150
Honorary The Queen's Service Medal	1

The New Zealand Antarctic Medal

The New Zealand Antarctic Medal	2
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The New Zealand Distinguished Service Decoration

The New Zealand Distinguished Service Decoration	6
TOTAL	380

Other honours and appointments

Grant of the title "The Honourable" for life	5
GRAND TOTAL	385

Areas of contribution for the New Year and Queen's Birthday 2019 Honours List recipients*

Area of contribution	Female	Male	Total
Arts and Media	33	22	55
Business and the Economy	6	7	13
Community, Voluntary and Local Services	90	85	175
Education	16	10	26
Health	20	15	35
Science and Technology	3	7	10
Services to the State	11	12	23
Sport and Recreation	22	20	42
TOTAL	201	178	379

* This does not include the appointment of a Dame Grand Companion of the New Zealand Order of Merit, announced on the Special Honours List.

National Security and Intelligence Priorities

A new set of National Security and Intelligence Priorities (the Priorities) were approved by Cabinet in December 2018. The Priorities outline key areas of national security interest to the New Zealand Government, and assist agencies that have a national security role to make informed, joined-up decisions and define key areas of focus.

The 16 Priorities (in alphabetical order) are:

- Biosecurity and human health. Threats to New Zealand's biosecurity and human health arising from human activity.
- Environment, climate change and natural resources. International environment, climate change and natural resources challenges that may impact New Zealand's interests and national security.
- Foreign influence, interference and espionage. Acts of interference, influence and espionage in and against New Zealand that would erode New Zealand's sovereignty, national security or economic advantage.
- Global economy, trade and investment. Developments in international trade governance, and New Zealand's bilateral, plurilateral and multilateral trading relationships.
- Implications of emerging technology. The implications of emerging technology and innovation trends for New Zealand's national security, international relations and economic wellbeing.
- International governance, geopolitics and global security. Developments in international governance, geopolitics and global security that may impact New Zealand's interests.
- Malicious cyber activity. Cyber threats to New Zealand from state-sponsored and other malicious actors.
- Middle East regional security. The implications of events in the Middle East region on New Zealand's national security, international relations and economic wellbeing.
- New Zealand's strategic interest in the Asia region. The implications of events in the Asia region on New Zealand's national security, international relations and economic wellbeing.
- Pacific regional stability. Protecting and promoting stability, security and resilience in the Pacific region.
- Proliferation of weapons of mass destruction and conventional weapons. Non-proliferation and counter-proliferation of weapons of mass destruction and conventional weapons.
- Space security. The implications of the exploitation of space and space-based technology on New Zealand's national security, international relations and economic wellbeing.
- Territorial security and sovereignty. Threats to New Zealand's territorial security and sovereign rights arising from illegal, unregulated, negligent, harmful (or potentially harmful) human activity.
- Terrorism. Threats to New Zealand, New Zealanders and New Zealand's interests from terrorism (ideologically, politically or religiously motivated violence) at home and abroad.
- Threats to New Zealanders overseas. Threats to the safety and success of New Zealand people, platforms and missions (military, police, diplomatic and civilian) overseas.
- Transnational organised crime. Threats to New Zealanders and New Zealand's interests from transnational organised crime, including trafficking, irregular migration, financial crime, fraud and corruption.

Our strategies

Government department strategies are defined as documents which are publicly available, generated by government departments with a national focus, contain long-term thinking that links to a long-term vision or aim, and which guide the department's thinking and operations over the long term.

At 30 June 2019, the following DPMC-led strategies were in place:

- Cyber Security Strategy 2015⁷
- National Disaster Resilience Strategy.

⁷ The New Zealand Cyber Security Strategy 2019, which replaces the Cyber Security Strategy 2015, was issued on 2 July 2019. See page 22 for more detail on our work on updating the Cyber Security Strategy during 2018/19.

Report by the Minister of Civil Defence on Non-departmental Appropriations (B.14)

This report meets the requirement, set out in the Vote Prime Minister and Cabinet Estimates of Appropriations 2018/19 and Supplementary Estimates of Appropriations 2018/19, for information on certain non-departmental appropriations to be reported by the Minister of Civil Defence.

This report is presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989.

Although presented in the same document, this report does not form part of the Department of the Prime Minister and Cabinet's Annual Report 2018/19.

Civil Defence Emergency Management Training

This appropriation purchases the required skill-based training programmes for Civil Defence Emergency Management learners and volunteers.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Satisfaction is at least 6 in relation to the measure below (see Note 1):				
Civil defence emergency management training courses meet participants' expectations (see Note 2)	6	New measure	9.5	✓

Note 1 – Course participants to complete satisfaction survey.

Note 2 – Satisfaction is measured on a 10-point scale, where 1 means fell well short of expectations and 10 means far exceeded expectations.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
-	Expenses	91	-	1,000

This new appropriation commenced in March 2019. It is expected to reach full capacity during 2019/20.

Local Authority Emergency Expenses PLA

This appropriation is to provide reimbursements to local authorities for, or meeting, expenses incurred by a local authority in connection with an emergency as authorised by section 115A of the Civil Defence Emergency Management Act 2002.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Claims received against the appropriation will be assessed in conjunction with approved criteria as set out in clause 33 of the Guide to the National Civil Defence Emergency Management Plan	100%	100%	100%	✓

A total of 22 response and recovery reimbursements were made to local authorities in 2018/19. The total value of the 22 reimbursements was \$5.530 million.

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
5,078	Expenses	2,951	5,000	5,000

Restoration of Kaikōura District Three Waters Network

This appropriation provides additional resilience, capacity or other improvements, where appropriate, to the Kaikōura District Three Waters network.

What we achieved

In May 2019, the Minister of Civil Defence and the Minister of Finance jointly approved a prioritised list of Stage 1 betterment projects totalling \$1.695 million (from the \$2.400 million appropriation).

A balance of \$0.705 remains available for uncommitted Stage 2 betterment projects.

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Additional work scope over and above a 'like for like' repair or replacement must be recommended by the Kaikōura Rebuild Steering Group and must meet the requirements of the Memorandum of Understanding: drawdown of restoration of Three Waters appropriation (see Note 1).	Achieved	Achieved	Achieved	✓

Note 1 – 'Achieved' would be supported by the following – a copy of the Memorandum of Understanding, a copy of the steering group minute, a copy of the business case for the project/s or betterment work scope.

How much it cost

2017/18 Actual \$000	2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
- Expenses	662	-	2,400

Report by the Minister for Greater Christchurch Regeneration on Non-departmental Appropriations (B.14)

This report meets the requirement, set out in the Vote Prime Minister and Cabinet Estimates of Appropriations 2018/19 and Supplementary Estimates of Appropriations 2018/19, for information on certain non-departmental appropriations to be reported by the Minister for Greater Christchurch Regeneration.

This report is presented to the House of Representatives pursuant to section 19B of the Public Finance Act 1989.

Although presented in the same document, this report does not form part of the Department of the Prime Minister and Cabinet's Annual Report 2018/19.

Regenerate Christchurch

This appropriation is to support the development of strategies and planning activities for the regeneration of areas in Christchurch.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Regenerate Christchurch's achievement in leading and contributing to the regeneration of Christchurch, as measured using the performance targets in its annual Statement of Performance Expectations, is at least:	60%	75%	75%	✓

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
4,000	Expenses	5,072	5,073	5,073

Suspensory Loan for Christ Church Cathedral Reinstatement

This appropriation is intended to achieve the implementation of the Crown's offer to support the reinstatement of the Christ Church Cathedral.

What we achieved

Performance measure	Target for 2018/19	Result for 2017/18	Result for 2018/19	Achieved
Terms and criteria for advancing the \$15 million suspensory loan to support the Christ Church Cathedral reinstatement have been met and the suspensory loan has been advanced	Achieved	Not achieved	Achieved	✓

How much it cost

2017/18 Actual \$000		2018/19 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
-	Expenses	15,000	-	15,000

This appropriation was fully spent in 2018/19.