



27 June 2024

[REDACTED]
[REDACTED]
[REDACTED]

Ref: OIA-2023/24-0912

Dear [REDACTED]

Official Information Act request relating to cost savings proposal documents (follow up request)

Thank you for your Official Information Act 1982 (the Act) request received on 30 May 2024. You requested:

"I refer to your response to my following request that was lodged on 11 April: Copies of all proposal documents prepared to give effect to the Government's directive to reduce expenditure in the public service, including but not limited to reduction of staff numbers and resulting redundancies. If no such specific proposal document exists, please provide copies of all documents concerning the reduction of staff and redundancies from 27 November 2023 to present. Your response indicated that information and/or document(s) were withheld due to active consideration / budget sensitivities. As the budget is now public, I repeat my request above, now for any material from 27 November 2023 to 30 May 2024 (inclusive)."

I have interpreted your request for formal documents prepared by the Department of the Prime Minister and Cabinet (DPMC), including the National Emergency Management Agency, a department agency hosted by DPMC, relating to the Government's Fiscal Sustainability Programme. I have also interpreted your request for documents covering the time frame 27 November 2023 to 30 May 2024.

Please find enclosed the following documents that are within scope of your request:

Item	Date	Document description	Decision
1	15 December 2023	Briefing: Achieving DPMC's saving targets [REDACTED]	Some information withheld under: s9(2)(a) s9(2)(g)(i)
2	11 January 2024	Aide- Memoire: Future DPMC and Savings	Some information withheld or refused under: s9(2)(a) s9(2)(g)(i)
3	30 January 2024	Briefing: Department of the Prime Minister and Cabinet – Savings Options	Some information withheld or refused under: s9(2)(a) s9(2)(g)(i)
4	9 February 2024	Briefing: Vote Prime Minister and Cabinet Budget 2024 Submission (Prime Minister)	Some information withheld under: s9(2)(a) s9(2)(g)(i)
5	12 February 2024	Briefing: Vote Prime Minister and Cabinet Budget 2024 Submission Emergency Management and Recovery (Minister Mitchell),	Some information withheld under: s9(2)(a) s9(2)(g)(i)

6	15 March 2024	Briefing: DPMC – Approach to Budget 24	Some information withheld under: s9(2)(f)(iv) s9(2)(g)(i)
7	18 April 2024	Aide-Memoire: DPMC - Budget 2024 Impact Analysis	Some information withheld under: S9(2)(a) s9(2)(f)(iv) s9(2)(g)(i)

I have decided to release the documents listed above, subject to information being withheld under the following sections of the Act, as applicable:

- section 9(2)(a), to protect the privacy of individuals
- section 9(2)(f)(iv), to maintain the confidentiality of advice tendered by or to Ministers and officials
- section 9(2)(g)(i), to maintain the effective conduct of public affairs through the free and frank expression of opinion

There is one additional document, *Briefing: Portfolio priorities and savings proposals* dated 19 January 2024 to Hon Mark Mitchell, Minister for Emergency Management and Recovery, covered by your request that I have decided to withhold in full under section 9(2)(g)(i) of the Act - to maintain the effective conduct of public affairs through the free and frank expression of opinion.

In making my decision, I have considered the public interest considerations in section 9(1) of the Act. No public interest has been identified that would be sufficient to outweigh the reasons for withholding the information.

You have the right to ask the Ombudsman to investigate and review my decision under section 28(3) of the Act.

This response will be published on DPMC’s website during our regular publication cycle. Typically, information is released monthly, or as otherwise determined. Your personal information including name and contact details will be removed for publication.

Yours sincerely



Clare Ward
Executive Director
Strategy, Governance and Engagement



Coversheet

Briefing: Achieving DPMC's savings target

out of scope

out of scope

Date:	15/12/2023	Report No:	DPMC-2023/24-577
		Security Level:	SENSITIVE
		Priority level:	Medium

	Action sought	Deadline
Rt Hon Christopher Luxon Prime Minister	agree to recs	22 December

Name	Position	Telephone	1 st Contact
Rebecca Kitteridge	Chief Executive	s9(2)(a)	✓
Clare Ward	Executive Director, Strategy, Governance and Engagement		

Departments/agencies consulted on Briefing
No agencies were consulted in the preparation of this briefing.

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: YES: out of scope

Briefing

Achieving DPMC's savings target

out of scope

To: Rt Hon Christopher Luxon
Prime Minister

Date

15/12/2023

Security Level

SENSITIVE

Purpose

1. This paper sets out options for how the Department of the Prime Minister and Cabinet (DPMC) might deliver on its Cabinet-agreed savings target – and the implications

out of scope

Recommendations

We recommend you:

out of scope

2. **Note** that Cabinet has agreed to DPMC and other public service agencies delivering a savings requirement;
3. **Note** that it is now timely to test how you wish us to respond to these directions and the funding tensions that inevitably arise;

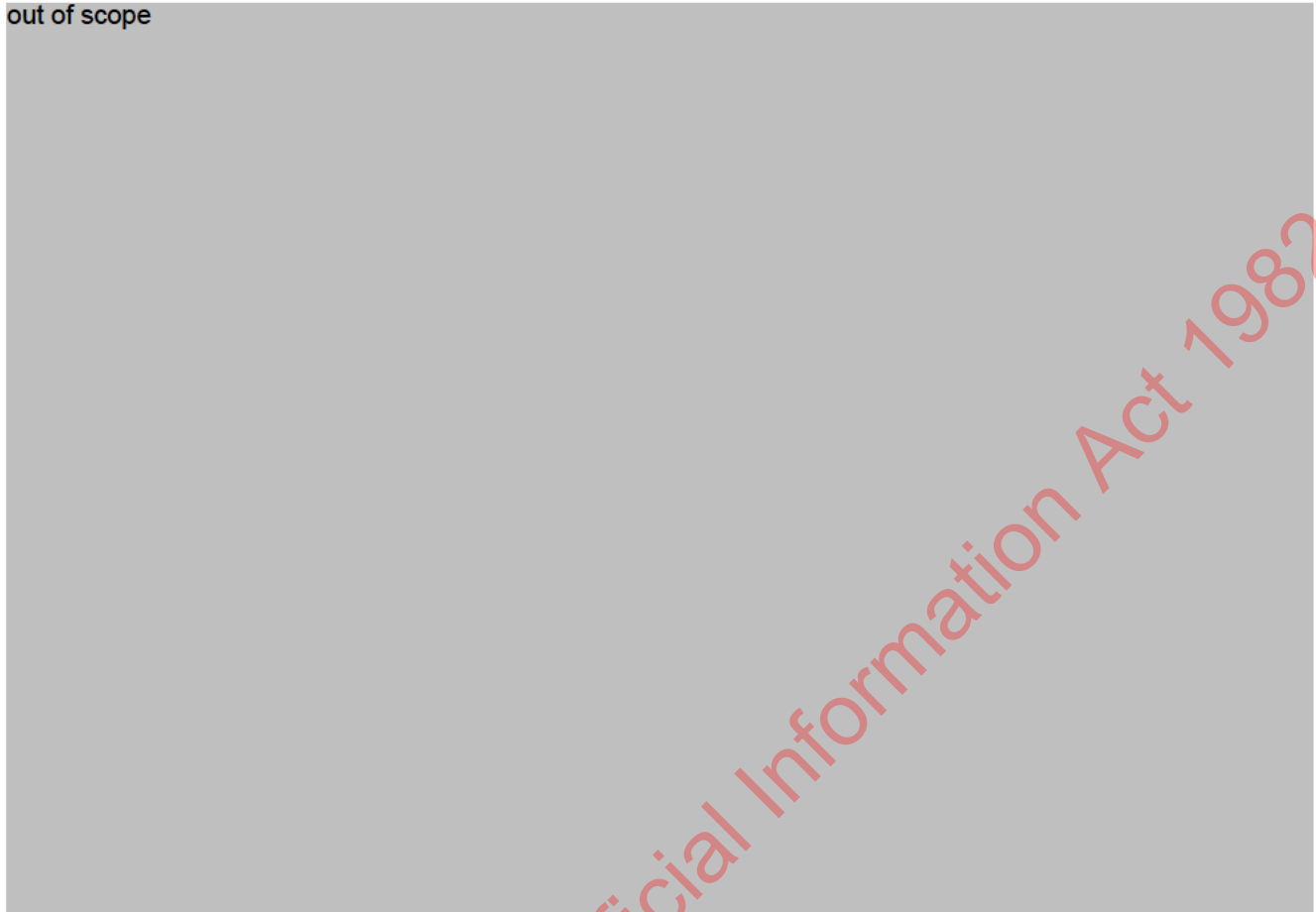
out of scope

Briefing: Achieving DPMC's savings target

out of scope

DPMC-2023/24-577

out of scope



7. **Agree to discuss the contents of this paper with the Chief Executive.** **YES / NO**

<p>Rebecca Kitteridge Chief Executive</p> <p>...../...../.....</p>
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<p>Rt Hon Christopher Luxon Prime Minister</p> <p>...../...../.....</p>

out of scope

Background

out of scope



Public service savings requirements

9. On Monday 11 December 2023, Cabinet agreed to apply savings requirements across the public service.
10. The baseline figure used to calculate DPMC's savings contribution was inflated by the inclusion of money provided to address the "future of severely affected locations" (i.e., time-limited funding to help respond to the consequences of extreme North Island weather events).

out of scope

Briefing: Achieving DPMC's savings target

DPMC-2023/24-577

11. A remedial process is underway, led by Treasury, to formalise a lower savings contribution on a corrected baseline. We expect this process to revise DPMC's savings target down [redacted] s9(2)(g)(i)

out of scope



DPMC's savings exercise

15. DPMC has been running a baseline savings exercise for some weeks in anticipation of an explicit savings requirement. We are well-placed to identify options and impacts of reducing expenditure at different levels.

Options and impacts of providing savings out of scope

s9(2)(g)(i)

s9(2)(g)(i)

out of scope



s9(2)(g)(i)

out of scope

out of scope



s9(2)(g)(i)

Released under the Official Information Act 1982

out of scope

Briefing: Achieving DPMC's savings target

DPMC-2023/24-577

s9(2)(g)(i)

s9(2)(g)(i)

out of scope

Released under the Official Information Act 1982

out of scope

Briefing: Achieving DPMC's savings target

DPMC-2023/24-577

out of scope

Released under the Official Information Act 1982

Next steps

32. DPMC will continue its work to deliver on Cabinet's directed savings requirement.

33. Depending on your indicated preferences to the options provided above, DPMC will either:


- Provide you with further advice out of scope [REDACTED]

or

- Provide you with material to support engagement with the Minister of Finance regarding Budget 2024.


Released under the Official Information Act 1982

out of scope



Released under the Official Information Act 1982

out of scope





Coversheet

Aide-Mémoire: Future DPMC and Savings

Date:	11/01/2024	Report No:	DPMC-2023/24-632
		Security Level:	[BUDGET SENSITIVE]
		Priority level:	URGENT

	Action sought	Deadline
Rt Hon Christopher Luxon Prime Minister	Discuss with officials	12/1/24

Name	Position	Telephone	1 st Contact
Rebecca Kitteridge	Chief Executive	s9(2)(a)	✓
Clare Ward	Executive Director, Strategy Governance and Engagement	[REDACTED]	

Departments/agencies consulted on Briefing
None

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

[Empty text box for comment]

Attachments: Yes/No

Aide-Mémoire

Future DPMC and Savings

To:	Rt Hon Christopher Luxon, Prime Minister		
From:	Rebecca Kitteridge, Chief Executive	Date:	11/01/2024
Briefing Number:	DPMC-2023/24-632	Security Level:	[BUDGET-SENSITIVE]

Purpose

1. We are due to meet you at 3pm on 12 January 2024 to discuss the future Department of the Prime Minister and Cabinet (DPMC) and the savings requirements.
2. The purpose of meeting is to:

out of scope

- discuss the financial position of the department (especially given recent savings requirements); and

out of scope

3. You have requested copies of previous briefings provided on these matters. These are attached (see table overleaf).
4. I have also attached the talking points that I plan to use at the meeting as these help summarise the material provided to date.

Recommendations

5. I recommend that you:

out of scope

- b. **Note** the financial position of the department (especially given recent savings requirements);

c.

out of scope

Yes/No

Rebecca Kitteridge
Rebecca Kitteridge
Chief Executive

11 January 2024

Rt Hon Christopher Luxon
Prime Minister

...../...../.....

Attachments:	Title	Security classification
Attachment A:	Talking points for meeting with PM on 12 January 2024 re future of DPMC and Savings	BUDGET SENSITIVE
out of scope		
Attachment C:	Briefing: Achieving DPMC's savings target out of scope	SENSITIVE

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Talking points for meeting with PM on 12 January 2024 re future of DPMC and savings

The purpose of meeting is to:

out of scope

- discuss the financial position of the department (especially given recent savings requirements);
and

out of scope

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Later in December DPMC received Budget and savings guidance [redacted]
out of scope [redacted]

- The guidance:
 - requires DPMC to find \$6.3m annual savings from Vote PMC [redacted]
 - [redacted]
 - out of scope [redacted]
- DPMC has gone through a thorough process to identify the required savings.
- Without intervention from you the consequences for the department are as follows:

	Annual	FTE impact	Impact on outputs
Savings target (excl. NEMA)	s9(2)(g)(i)	out of scope	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]
Total	out of scope	[redacted]	[redacted]
% reduction	[redacted]	[redacted]	[redacted]

out of scope [redacted]

s9(2)(g)(i) [redacted]

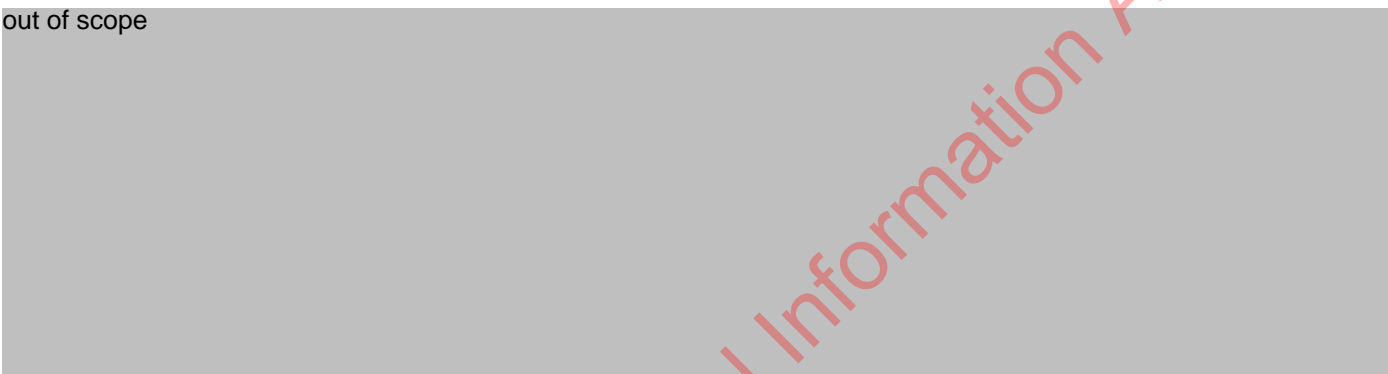
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s9(2)(g)(i)



Recommendations:

out of scope



- Note the financial position of the department (especially given recent savings requirements);

s9(2)(g)(i)



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Coversheet

Briefing: Department of the Prime Minister and Cabinet - Savings Options

Date:	30/01/2024	Report No:	DPMC-2023/24-681
		Security Level:	
		Priority level:	URGENT

	Action sought	Deadline
Rt Hon Christopher Luxon Prime Minister	agree to recommendations	2/02/2024

Name	Position	Telephone	1 st Contact
Rebecca Kitteridge	Chief Executive	s9(2)(a)	✓
Clare Ward	Executive Director, Strategy, Governance and Engagement		

Departments/agencies consulted on Briefing
None

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: No

Briefing

Department of the Prime Minister and Cabinet - Savings Options

To: Rt Hon Christopher Luxon, Prime Minister

Date	30/01/2024	Security Level	
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Purpose

1. This briefing outlines how the Department of the Prime Minister and Cabinet (DPMC) intends to deliver its \$3.244 million savings package. out of scope

Executive Summary

out of scope

s9(2)(g)(i)

- Delivering DPMC's savings package of \$3.244 million per annum;

s9(2)(g)(i)

4. **Savings package:** We have developed a package that will deliver the \$3.244 million package required by the Government's savings exercise. These savings are achievable, s9(2)(g)(i)

s9(2)(g)(i)

s9(2)(g)(i)

7. s9(2)(g)(i) the department is in a position to deliver its required \$3.244 million savings requirement. s9(2)(g)(i)

Recommendations

We recommend you:

DPMC's savings package

1. **note** that DPMC has developed a draft savings package to deliver its \$3.244 million per annum savings requirement;

s9(2)(g)(i)

[REDACTED]

Detailed decisions to support DPMC's Savings Package

- 3. **agree** to including a redirection of \$500,000 per annum from the programme component of the Cyber Security appropriation to the staffing component within DPMC's savings package, enabling an equivalent reduction in the Advice and Support Services Multi-Category Appropriation; **YES / NO**

- 4. **agree** to not introduce a planned increase in current level of scholarships available through the Centre for Preventing and Countering Violent extremism, thereby realising a savings of \$825,000 for inclusion within DPMC's savings package; **YES / NO**

s9(2)(g)(i)

[REDACTED]

Released under the Official Information Act 1982

s9(2)(g)(i)



Released under the Official Information Act 1982

Rebecca Kitteridge
Chief Executive

30 January 2024

Rt Hon Christopher Luxon
Prime Minister

...../...../.....

Background

s9(2)(g)(i)

Delivering DPMC's required savings package

9. DPMC (excluding NEMA) is required to contribute \$3.244 million to the Government's savings exercise. We have developed a \$3.244 million savings package that reduces expenditure on people, property, operational budgets, and one significant item of non-departmental expenditure.
10. The savings package is summarised in table 1 below, identifying two items that will require your agreement (these are discussed in detail below).

Table 1: DPMC's proposed savings package

Preferred options summary	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
People				
Disestablish Strategy Unit	650,000	650,000	650,000	650,000
Reduce s9(2)(g)(i) [redacted] by two FTE	300,000	300,000	300,000	300,000
Reduce s9(2)(g)(i) [redacted] by two FTE	288,000	288,000	288,000	288,000
s9(2)(g)(i) [redacted]	265,000	211,000	131,000	211,000
Property				
Exit Defence House, reduce SCIF (secure) desks	420,000	420,000	420,000	420,000
Operational budgets				
Reduce Implementation Unit consultancy budget	266,000	0	0	0
Reduce National Security sponsorships for hosting conferences ⁹	50,000	50,000	50,000	50,000
Reduce programme expenditure from Cyber Security appropriation (Requires PM agreement)	500,000	500,000	500,000	500,000
Reduce frequency of National Risks Public Survey	80,000	0	80,000	0
Reduce external legal budget	100,000	0	0	0
Non-departmental option				
Hold current level of scholarships available through Centre for Preventing and Countering Violent Extremism. (Requires PM agreement)	825,000	825,000	825,000	825,000

Preferred options summary	2024/25 \$	2025/26 \$	2026/27 \$	2027/28 \$
Implementation costs				
Implementation costs estimate s9(2)(g)(i)	-500,000	0	0	0
Totals	3,244,000	3,244,000	3,244,000	3,244,000

Detailed choices to support DPMC's savings package

11. As noted above, two elements of DPMC's proposed savings package require your agreement before submission to the Minister of Finance. These are detailed in the following sub-sections.

Cyber Security

12. There is an annual \$1.964 million Cyber Security appropriation that currently funds a mix of staffing (approximately \$720k) and programmes (approximately \$1.2 million; grants are made to applicants who present programme proposals).

13. Your agreement is sought to reducing the amount of programme funding available by \$500k per annum, s9(2)(g)(i). There is currently sufficient unallocated funding available within 2024/25 to achieve this reduction.

Centre of Excellence for Preventing and Countering Violent Extremism

14. There is a \$2.150 million non-departmental appropriation for a National Centre of Research Excellence for Preventing and Countering Violent Extremism (Centre) hosted by Victoria University of Wellington (VUW).

15. This initiative was established in response to recommendation 14 of the *Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019* (RCOI). This recommendation related to funding for independent, New Zealand-specific research on the causes of, and measures to prevent, violent extremism and terrorism.

16. \$500k of this funding covers the operating costs of the Centre (primarily VUW staffing costs), while the remaining \$1.65 million is allocated for research (including scholarships and projects). The funding for research was \$825k in 2022/23 and doubled to the full \$1.65 million in 2023/24.

s9(2)(g)(i)

Released under the Official Information Act 1982

Released under the Official Information Act 1982

s9(2)(g)(i)



Released under the Official Information Act 1982

Next steps

45. We will provide you with further advice on a package for submission into the government-wide savings exercise, reflecting your decisions made in response to this paper.



46. If you opt to pursue a bid in Budget 2024, we will provide you a draft letter for sending to the Minister of Finance and develop a new initiative template for submission on 16 February alongside the savings package.

s9(2)(g)(i)

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Coversheet

Briefing: Vote Prime Minister and Cabinet Budget 2024 Submission

Date:	9/02/2024	Report No:	DPMC-2023/24-741
		Security Level:	
		Priority level:	[High]

	Action sought	Deadline
Rt Hon Christopher Luxon Prime Minister	agree to sign the attached letter to the Minister of Finance	1.00pm 16/2/2024

Name	Position	Telephone	1 st Contact
Clare Ward	Executive Director, Strategy, Governance and Engagement	s9(2)(a)	✓
Jude Ulrich	Director, Organisation Direction and Development		

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Released under the Official Information Act 1982

Briefing

Vote Prime Minister and Cabinet Budget 2024 Submission

To: Rt Hon Christopher Luxon
Prime Minister

Date	9/02/2024	Security Level	[BUDGET-SENSITIVE]
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Purpose

- This briefing provides information and documents related to Budget 2024. Specifically it provides:
 - a letter summarising all Budget 2024 initiatives for you to sign and forward it to the Minister of Finance by 1pm, 16 February 2024 (**Attachment A**), and
 - an overview of all Budget 2024 submissions for Vote Prime Minister and Cabinet (PMC) and completed initiative templates in relation to all portfolios within the Vote
out of scope

Recommendations

We recommend you:

- note** that on 21 December 2023 the Minister of Finance advised you to identify options within Vote PMC to meet a savings target of \$6.3 million per annum from 2024/25
- agree** to submit the s9(2) savings templates s9(2)(g)(i)
 s9(2)(g)(i)

YES / NO

s9(2)(g)(i)

YES / NO

YES / NO

s9(2)(g)(i)

- 7. **provide** feedback to DPMC on the Vote PMC submission YES / NO
- 8. **sign** the letter to the Minister of Finance at **Attachment A** by the Budget 2024 deadline of **1pm Friday 16 February 2024** YES / NO
- 9. **note** that DPMC will submit the initiatives on your behalf by the Budget 2024 deadline, and
- 10. **agree** to proactively release this report, subject to any appropriate withholding of information that would be justified under the Official Information Act 1982, in conjunction with the usual proactive release of Budget information. YES / NO

Clare Ward

Clare Ward
Executive Director, Strategy,
Governance and Engagement

9 February 2024

...../...../.....

Rt Hon Christopher Luxon
Prime Minister

Released under the Official Information Act 1982

Background

- Cabinet has agreed to a fiscal sustainability programme that includes the following priorities:
 - Addressing the rising cost of living
 - Delivering effective and fiscally sustainable public services (the focus of Budget 2024)
 - Building for growth and enabling private enterprise.
- On 21 December 2023 the Minister of Finance advised you to identify options within Vote PMC to meet a savings target of \$6.3 million per annum from 2024/25. Advice on those options has been provided to you [DPMC-2023/24-632 and DPMC-2023/24-681 refer].

s9(2)(g)(i)

- The Minister of Finance requires you to write to her providing an overall summary of all Budget 2024 submissions for Vote PMC.
- DPMC is required to submit your signed letter to the Minister of Finance and all detailed templates by 1pm on Friday 16 February 2024.

We have proposed s9(2)(g)(i) **areas for ongoing savings** s9(2)(g)(i)

s9(2)(g)(i)

- The proposed savings options include a mix of non-departmental and departmental expenditure, operational delivery and staffing. The potential value of savings for individual initiatives will not be consistent across years, where there are particular transition costs to absorb. Together we are confident that this package of initiatives can deliver the required level of ongoing savings. s9(2)(g)(i)

DPMC Priority	Item	Annual saving (\$m)	Detail
1	Department of the Prime Minister and Cabinet – rationalisation of property footprint	0.420	This involves DPMC rationalising its secure office space from three down to two locations, s9(2)(g)(i)
2	National Centre of Research Excellence for Preventing and Countering Violent Extremism – reducing research funding	0.825	This involves reducing the recently-increased level of research funding administered by the DPMC-funded National Centre of Research Excellence for Preventing and Countering Violent Extremism, through halving funding back to the 2022/23 level of \$0.825 million annually.

BUDGET SENSITIVE

3	Department of the Prime Minister and Cabinet – realisation of efficiencies and output reductions in operational budgets	0.550	This involves reducing non-staffing operational budgets including in consultancy and external legal advice, reduced expenditure from the Cyber Security Fund, a move from annual to bi-annual national risk public survey and reduced sponsorship of conferences.
4	Department of the Prime Minister and Cabinet – reduction in staffing levels	1.449	This involves disestablishment of the Strategy Unit, and reducing staffing s9(2)(g)(i)
SUB-TOTAL DPMC		3.244	

s9(2)(g)(i)

s9(2)(g)(i)

out of scope

out of scope

Released under the Official Information Act 1982

out of scope

Next steps

- 17. You may wish to make changes to the proposed submission, and should that be the case, we will action those changes within the Budget 2024 timeframe.
- 18. If you agree with the attached submissions, you will need to sign and send the letter at **Attachment A** to the Minister of Finance no later than **1pm Friday 16 February 2024**. DPMC will then submit the initiatives on your behalf.

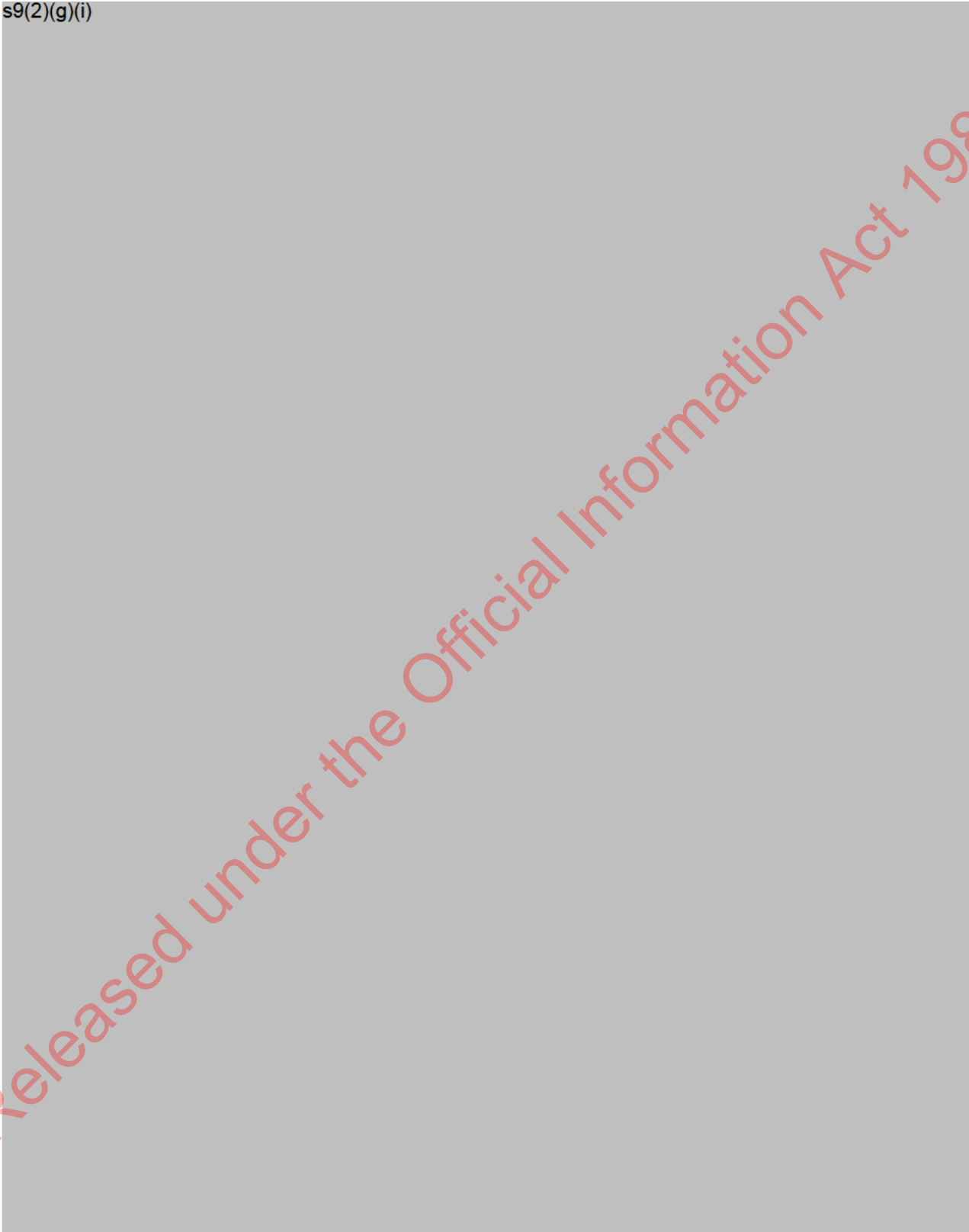
Attachments:	Title	Security classification
Attachment A:	Prime Minister's letter to Minister of Finance	BUDGET SENSITIVE
Attachment B:	DPMC – rationalisation of property footprint	BUDGET SENSITIVE
Attachment C:	DPMC – National Centre of Research Excellence for Preventing and Countering Violent Extremism – reducing research funding	BUDGET SENSITIVE
Attachment D:	DPMC – realisation of efficiencies and output reductions in operational budgets	BUDGET SENSITIVE
Attachment E:	DPMC – reduction in staffing levels	BUDGET SENSITIVE

s9(2)(g)(i)

out of scope

Attachment A: Prime Minister's letter to the Minister of Finance


s9(2)(g)(i)



Released under the Official Information Act 1982

Attachment B: DPMC – rationalisation of property footprint

s9(2)(g)(i)



Released under the Official Information Act 1982

**Attachment C: DPMC – National Centre of Research
Excellence for Preventing and Countering Violent Extremism
– reducing research funding**

s9(2)(g)(i)



Released under the Official Information Act 1982



Attachment D: DPMC – realisation of efficiencies and output reductions in operational budgets

s9(2)(g)(i)



Released under the Official Information Act 1982

Attachment E: DPMC – reduction in staffing levels

s9(2)(g)(i)



Released under the Official Information Act 1982

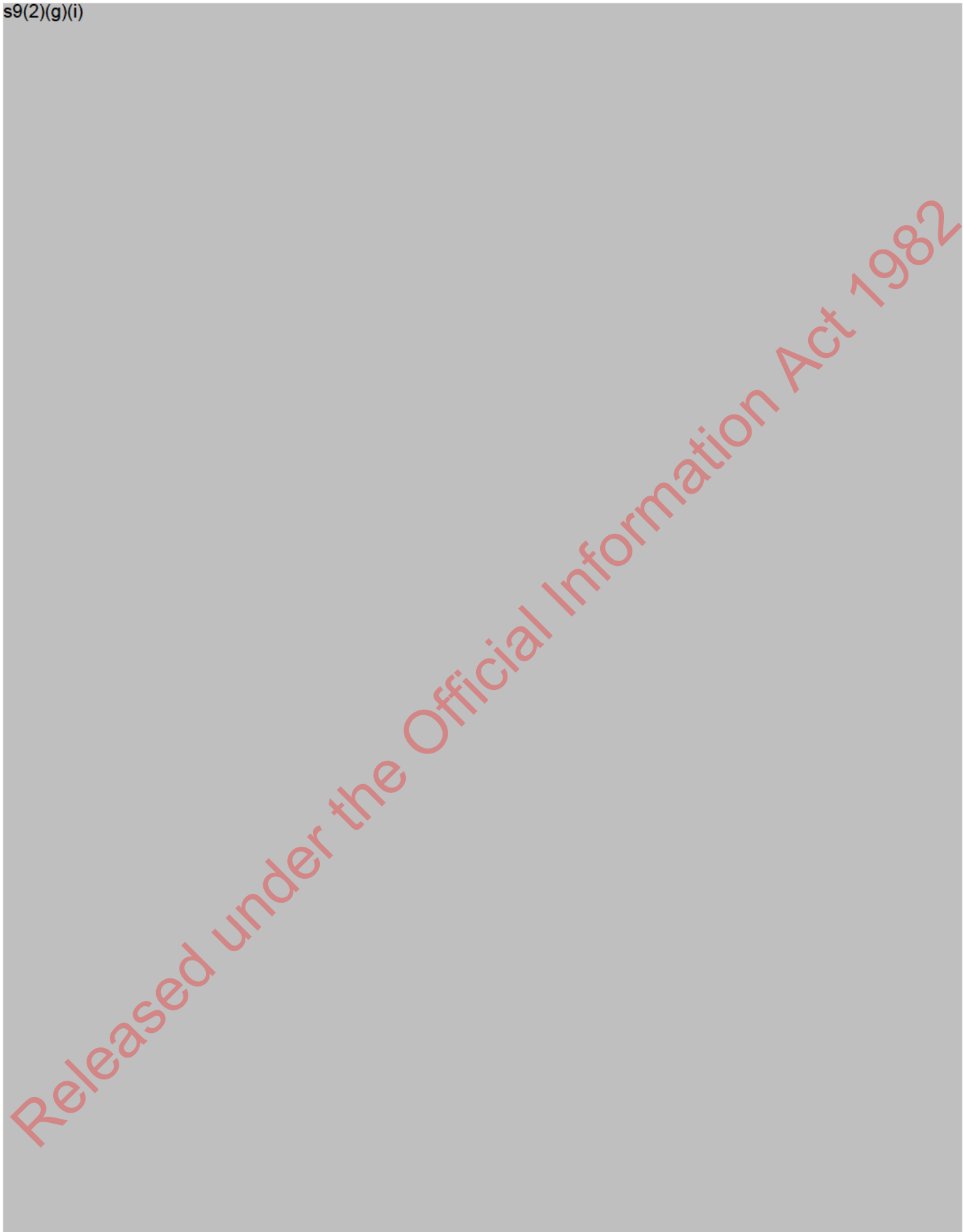
s9(2)(g)(i)

Released under the Official Information Act 1982

s9(2)(g)(i)

Released under the Official Information Act 1982

s9(2)(g)(i)



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out of scope

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out of scope

Released under the Official Information Act 1982

out of scope

Released under the Official Information Act 1982



Coversheet

Briefing: Vote Prime Minister and Cabinet Budget 2024 Submission Emergency Management and Recovery

Date:	12/02/2024	Report No:	DPMC-2023/24-740
		Security Level:	
		Priority level:	[High]

	Action sought	Deadline
Hon Mark Mitchell Minister for Emergency Management and Recovery	provide any feedback on initiative templates	5.00pm 15/2/2024

Name	Position	Telephone	1 st Contact
Clare Ward	Executive Director, Strategy, Governance and Engagement, Department of the Prime Minister and Cabinet	s9(2)(a)	✓
Dave Gawn	Chief Executive, National Emergency Management Agency		

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: Yes

Briefing

Vote Prime Minister and Cabinet Budget 2024 Submission Emergency Management and Recovery

To: Hon Mark Mitchell
Minister for Emergency Management and Recovery

Date	12/02/2024	Security Level	
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Purpose

1. This briefing provides information and documents related to Budget 2024. Specifically it provides an overview of Budget 2024 submissions for Vote Prime Minister and Cabinet (PMC) relating to your emergency management and recovery portfolio and s9(2)(g)(i)

Recommendations

We recommend you:


1. **note** that in December 2023 the Minister of Finance advised the Prime Minister to identify options within Vote PMC to meet a savings target of \$6.3 million per annum from 2024/25, s9(2)(g)(i)
2. s9(2)(g)(i) YES / NO
3. **note** that the Prime Minister as Vote PMC Minister will submit the Budget 2024 package of initiatives to the Minister of Finance by **1pm Friday 16 February 2024**

out of scope



6. **agree** to proactively release this report, subject to any appropriate withholding of information that would be justified under the Official Information Act 1982, in conjunction with the usual proactive release of Budget information.

YES / NO


Clare Ward
**Executive Director, Strategy,
Governance and Engagement
Strategy, DPMC**

12 February 2024

Hon Mark Mitchell
**Minister for Emergency Management and
Recovery**

...../...../.....

Released under the Official Information Act 1982

Background

2. Cabinet has agreed to a fiscal sustainability programme that includes the following priorities:
 - Addressing the rising cost of living
 - Delivering effective and fiscally sustainable public services (the focus of Budget 2024)
 - Building for growth and enabling private enterprise.
3. On 21 December 2023 the Minister of Finance advised the Prime Minister to identify options within Vote PMC to meet a savings target of \$6.3 million per annum from 2024/25.

s9(2)(g)(i)

6. All Vote PMC initiatives will be submitted by the Prime Minister on behalf of the Vote by 1pm on Friday 16 February 2024.

We have proposed s9(2)(a)(i) **areas for ongoing savings** s9(2)(g)(i)

s9(2)(g)(i)

8. The proposed savings options include a mix of non-departmental and departmental expenditure, operational delivery and staffing. The potential value of savings for individual initiatives will not be consistent across years, where there are particular transition costs to absorb. Together we are confident that this package of initiatives can deliver the required level of ongoing savings. s9(2)(g)(i)

s9(2)(g)(i)

s9(2)(g)(i)

out of scope

Released under the Official Information Act 1982

Next steps

- 16. You may wish to propose changes to the proposed submission, and should that be the case, we will engage with the Prime Minister on finalising the templates within the Budget 2024 timeframe.
- 17. If there is agreement to the attached submissions, the Prime Minister will advise the Minister of Finance no later than **1pm Friday 16 February 2024**. DPMC will then submit the initiatives into the Treasury system.

Attachments:	Title	Security classification
s9(2)(g)(i)		

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s9(2)(g)(i)

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s9(2)(g)(i)

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s9(2)(g)(i)

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Coversheet

Briefing: DPMC - Approach to Budget 24

Date:	15/03/2024	Report No:	DPMC-2023/24-949
		Security Level:	[BUDGET SENSITIVE]
		Priority level:	URGENT

	Action sought	Deadline
Rt Hon Christopher Luxon Prime Minister	agree to recs	18/03/24

Name	Position	Telephone	1 st Contact
Rebecca Kitteridge	Chief Executive	s9(2)(a)	✓
Clare Ward	Executive Director, Strategy, Governance and Engagement		

Minister's Office

Status:

Signed

Withdrawn

Comment for agency

Attachments: No

Briefing

DPMC - Approach to Budget 24

To: Rt Hon Christopher Luxon Prime Minister			
Date	15/03/2024	Security Level	BUDGET SENSITIVE

Purpose

1. This paper seeks your direction on how to approach funding for DPMC for Budget 2024.

Executive Summary

s9(2)(g)(i), s9(2)(f)(iv)

s9(2)(g)(i), s9(2)(f)(iv)

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s9(2)(g)(i), s9(2)(f)(iv)



Recommendations

I recommend you:

s9(2)(g)(i), s9(2)(f)(iv)



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s9(2)(f)(iv), s9(2)(g)(i)



YES / NO

YES / NO

Rebecca Kitteridge
Rebecca Kitteridge
Chief Executive
15 / 3 / 24

Rt Hon Christopher Luxon
Prime Minister
...../...../.....

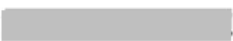
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Background

s9(2)(g)(i), s9(2)(f)(iv)



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s9(2)(g)(i), s9(2)(f)(iv)

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Annex A: DPMC's savings s9(2)(g)(i), s9(2)(f)(iv)

DPMC 6.5% savings

Savings summary	2024/25 \$m	2025/26 \$m	2026/27 \$m	2027/28 \$m
Rationalisation of property footprint	(0.420)	(0.420)	(0.420)	(0.420)
Reduced scholarship funding for National Centre of Research Excellence for Preventing and Countering Violent Extremism (PCVE)	(0.825)	(0.825)	(0.825)	(0.825)
Efficiencies and output reductions	(0.996)	(0.550)	(0.630)	(0.550)
Reduction in staffing levels	(1.003)	(1.449)	(1.369)	(1.449)
Total	(3.244)	(3.244)	(3.244)	(3.244)

s9(2)(f)(iv), s9(2)(g)(i)





Aide-Mémoire

DEPARTMENT OF THE PRIME MINISTER AND CABINET - BUDGET 2024 IMPACT ANALYSIS

To:	Rt Hon Christopher Luxon, Prime Minister		
From:	Clare Ward, Executive Director, Strategy, Governance and Engagement	Date:	18/04/2024
Briefing Number:	DPMC-2023/24-1075	Security Level:	BUDGET SENSITIVE

Purpose

1. This paper provides a high-level update on the likely impacts of the Budget 2024 savings package for the Department of the Prime Minister and Cabinet (DPMC) and the steps taken to mitigate and manage them.

DPMC has an implementation pathway to secure savings

2. Since our most recent advice to you on Budget 2024 options [DPMC-2023/24-949 refers] and confirmation of Budget decisions, we have prepared an implementation pathway to secure the savings identified. The savings are consistent with your desire to focus DPMC on its core role.
3. The savings will reduce the baseline by [redacted] across the Vote: \$3.244m for DPMC appropriations, s9(2)(f)(iv), s9(2)(g)(i)

Internal changes have been activated

4. Budget 2024 initiatives that require human resources processes are underway:
out of scope [redacted]
 - disestablishment of the Strategy Unit (staff consultation is underway)
5. The agreed transfer of the Child Wellbeing and Child Poverty Reduction Group to the Ministry of Social Development takes place on 25 April 2024 and staff consultation is complete. The reduction in the baseline funding that was agreed in relation to this transfer will be confirmed in the Budget 2024 package, along with other appropriation changes.
s9(2)(f)(iv), s9(2)(g)(i)

Table 1: Summary of DPMC's savings and their impacts

	2024/25 \$m	2025/26 \$m	2026/27 \$m	2027/28 \$m	Impacts
DPMC 6.5% savings					
Rationalisation of property footprint	(0.420)	(0.420)	(0.420)	(0.420)	Activated. No people impact.
Reduced scholarship funding for the National Centre of Research Excellence for Preventing and Countering Violent Extremism (PCVE)	(0.825)	(0.825)	(0.825)	(0.825)	To be activated after 30 May 2024. Significant impact. Options exploration to conduct research within the remaining annual operating grant, stakeholder engagement and communications
Efficiencies and output reductions	(0.996)	(0.550)	(0.630)	(0.550)	Activated. Mainly internal operational savings. Some external impact (see paragraph 11)
Reduction in staffing levels	(1.003)	(1.449)	(1.369)	(1.449)	Activated. Two staff in the Strategy Unit will be impacted (see below). To date, other reductions have been achieved by holding vacancies and reallocating/reprioritising work.
Total	(3.244)	(3.244)	(3.244)	(3.244)	

out of scope

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out of scope



Other changes with external impacts are underway or will be after Budget 24

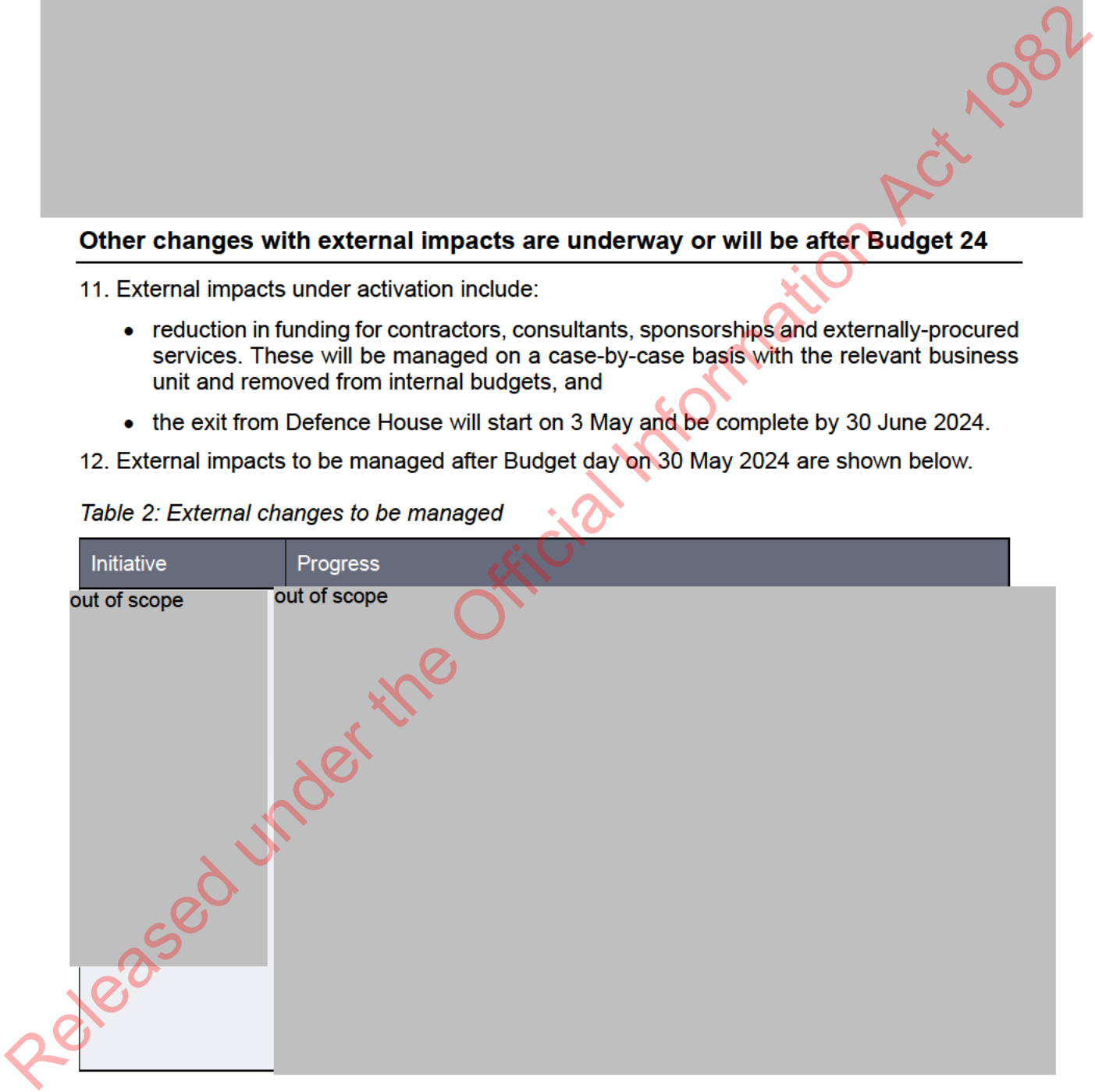
11. External impacts under activation include:

- reduction in funding for contractors, consultants, sponsorships and externally-procured services. These will be managed on a case-by-case basis with the relevant business unit and removed from internal budgets, and
- the exit from Defence House will start on 3 May and be complete by 30 June 2024.

12. External impacts to be managed after Budget day on 30 May 2024 are shown below.

Table 2: External changes to be managed

Initiative	Progress
out of scope	out of scope
[Redacted]	[Redacted]



Initiative	Progress
National Centre of Research Excellence for Preventing and Countering Violent Extremism: Maintenance of the centre and Removal of scholarships and grants funding	An annual operating grant of \$0.500m for the Centre will remain following removal of \$1.650m in research grants and scholarships. In 2023 the Centre reported an operating surplus of \$0.432m. In addition to the annual operating grant, DPMC has provided \$0.825m in research and scholarships funding. out of scope
Reduction for the cross-agency Cyber Security work programme	A reduction of \$0.500m leaves a total of \$1.445m of funding available for cyber security policy staff, and to fund proposals from other system agencies. While final funding decisions for these cross-agency programmes sit within DPMC, these are based on advice from a governance committee. s9(2)(f)(iv), s9(2)(g)(i)

s9(2)(f)(iv), s9(2)(g)(i)

Next steps

16. DPMC will keep you informed of progress on implementing the Budget 2024 package.

Contact for telephone discussion			
Name	Position	Telephone	1st contact
Ben King	Chief Executive	s9(2)(a)	✓
Clare Ward	Executive Director, Strategy, Governance and Engagement		