



# Annual Report Pūrongo-ā-tau

for the year ended 30 June 2021

and National Emergency Management Agency Annual Report 2020/21  
and Report by the Prime Minister on a Non-departmental Appropriation  
and Report by the Minister for Emergency Management on Non-departmental Appropriations  
and Report by the Minister of Finance on a Non-departmental Appropriation



**Presented to the House of Representatives pursuant to  
the Public Service Act 2020 and the Public Finance Act 1989**

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### Te Reo Māori terms used in this report

**Hauora** – health

**Hui** – meeting

**Iwi** – tribe

**Kaitiakitanga** – guardianship

**Kaupapa** – purpose, topic

**Kōrero** – discussion, conversation

**Mahi** – work

**Motu** – country

**Tikanga** – correct procedure, protocol

**Wānanga** – conference, forum



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## 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



## Chief Executive's foreword

### Kupu whakataki a te Tumu Whakarae

The Department of the Prime Minister and Cabinet (DPMC) took on significant additional responsibilities during a year of considerable challenge for the country.

DPMC, supported by our business partners, worked at pace to ensure the successful establishment of new business units to manage those responsibilities and to bring on board associated new staff.

COVID-19 continued to confront New Zealand and the rest of the globe with a range of challenges, requiring resilience and innovation from Government, the public service, business and communities.

DPMC worked closely with agencies and other groups to ensure a coordinated and effective response to the evolving nature of COVID-19. The COVID-19 Response Group was established in DPMC with responsibility for integrating strategy and policy, system readiness and planning, risk and assurance, and the national communications and public engagement campaign.

Reporting directly to the Minister of Health, a Health and Disability System Review Transition Unit was set up to develop the policy response and design of the system operating model to transform the health and disability system, and deliver New Zealanders with better health outcomes. The Government response was announced in April 2021 and the Unit then continued work with the sector to implement those decisions.

The year also saw the establishment of a small Implementation Unit, reporting directly to the Deputy Prime Minister. The Unit is charged with monitoring and reporting on some of the Government's critical initiatives to help ensure they remain on track and deliver the intended outcomes.

In December 2020, *Ko tō tātou kāinga tēnei*, the report of the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain was delivered.

The Government accepted the findings and agreed in principle to the 44 recommendations. The National Security Group within DPMC was tasked with leading the work to implement the recommendations, beginning with a series of 33 hui to engage with communities. It hosted He Whenua Taurikura, New Zealand's first annual hui on countering terrorism and violent extremism, and supported establishment of an Implementation Oversight Advisory Group to support the lead Minister. A small unit was also established in DPMC during the year to support the Christchurch Call, aimed at eliminating terrorist and violent extremist content online.

Cabinet Office continued to support Cabinet and its committees and provided procedural and constitutional advice, particularly in the pre and post-election periods for the 2020 General Election, which was delayed due to a resurgence of COVID-19. The team also played an important role in the organisation of the State Memorial Service for His Royal Highness Prince Philip, Duke of Edinburgh.

Government House supported the Governor-General, Her Excellency the Rt Hon Dame Patsy Reddy, as she continued to connect with New Zealand communities. Planning also began for the transition to the next Governor-General, Dame Cindy Kiro.

The advice of the Policy Advisory Group assisted the Prime Minister and Cabinet in a year of complex challenges and decision making, while the Policy Project continued work to help lift the quality of public sector policy advice.

Advice was provided by the Child Wellbeing and Poverty Reduction Group on the second set of child poverty reduction targets. It also published the first *Child and Youth Wellbeing Strategy Annual Report*, tracking progress and setting out the next steps for the Government's vision to make Aotearoa New Zealand the best place in the world for children and young people.

As steward of the emergency management system, the National Emergency Management Agency continued to build its capability and capacity while also supporting the COVID-19 response and responding to emerging events.

The work to support DPMC through such a period of growth, pressure and change was supported by the Strategy, Governance and Engagement Group (SGE). Along with business partners in Central Agencies Shared Services, SGE helped keep us connected across DPMC so we could effectively deliver our work.



Brook Barrington  
**Chief Executive**

As a department, DPMC focused on progressing our three central organisational priorities of strengthening our commitment to diversity and inclusion through enriched understanding of te ao Māori, building cultural competence and further lifting the quality of the department's policy advice.

The dedication and professionalism of staff right across the department was consistently demonstrated in a year that required great commitment, flexibility and stamina. Through our shared sense of purpose and collective effort we remained focused on advancing an ambitious, resilient and well-governed Aotearoa New Zealand.





# Our story | Te kōrero

This section sets out our strategic framework and key achievements in 2020/21.





# Our strategic intentions

## He takunetanga rautaki

**WHY** we exist and what we aim to influence

Our <b>purpose</b> is to advance an ambitious, resilient and well-governed Aotearoa New Zealand	
Our outcomes are	Our intermediate outcomes are
<b>Outcome 1</b> The Government is enabled to deliver its priorities	<ul style="list-style-type: none"><li>Our Ministers and Cabinet are supported by timely, well-informed information and advice</li><li>Aotearoa New Zealand's public service is proactive and responsive, helping shape and deliver the Government's priorities</li></ul>
<b>Outcome 2</b> Aotearoa New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation	<ul style="list-style-type: none"><li>The operation of the Cabinet system is effective</li><li>New Zealanders acknowledge the role of the Governor-General in our system of government</li><li>The significant contribution of New Zealanders in service to Aotearoa New Zealand is recognised, acknowledged and celebrated</li></ul>
<b>Outcome 3</b> People living in Aotearoa New Zealand are, and feel, resilient, safe and secure	<ul style="list-style-type: none"><li>The National Security and Emergency Management Systems are cohesive, collaborative and trusted, enabling cross-agency leadership</li><li>Effective reduction, readiness, response and recovery to complex national security risks, emergencies and adverse events</li><li>Communities are more resilient, allowing them to be better placed to respond to and recover from emergencies</li></ul>

**WHAT** we will deliver

Our enduring roles are
Supporting informed decision making
Supporting well-conducted government
Leading an effective, strategically focused National Security System

**HOW** we work

To deliver on this strategic direction we need to be an ambitious, resilient and well-governed DPMC
<ul style="list-style-type: none"><li>Strategic, effective influencers, leaders and system stewards</li><li>First choice employer</li><li>Well-positioned to deliver, now and in the future</li></ul>
Our values underpin everything we do
<div><div>Courageous We stand up</div><div>Connected We join together</div><div>Committed We believe in what we do</div><div>And we do it with Respect</div></div> <p><b>Mahia i runga i te rangimārie me te ngākau māhaki</b> With a calm mind and a respectful heart, we will always get the best results</p>



# Who we are and what we do

Ko wai mātou, he aha ā mātou mahi

## Our purpose is to advance an ambitious, resilient and well-governed Aotearoa New Zealand

Te Tari o te Pirimia me te Komiti Matua, the Department of the Prime Minister and Cabinet (DPMC), supports the government of the day, and does so by leading, advising, stewarding and delivering activities across the public service, as well as providing specific advice and support to the Governor-General, Prime Minister and

our portfolio Ministers. As one of the three central agencies, we also play a role in leading and coordinating across the public service. Our functions and services are growing and evolving to meet the changing needs and expectations of us as a department, however our purpose and enduring roles remain consistent.

## We have three core and enduring roles which help us deliver on our purpose

### Supporting informed decision making

We provide the Prime Minister, portfolio Ministers and Cabinet with intelligence, advice, support and brokerage on the business of the day. We also provide strategic advice, taking a whole-of-government view to help the Government shape its agenda, and ensure the public service is aligned with and gets traction to implement the Government's programme.

We support the Prime Minister and Cabinet, which includes providing advice on all Cabinet and Cabinet Committee papers (excluding appointments), as well as emerging issues. We also serve Ministers with responsibilities relating to national security and intelligence, cyber security, health, the response to COVID-19, the regeneration of greater Christchurch, and child wellbeing and poverty reduction. Through the National Emergency Management Agency (NEMA), we provide advice to Ministers with responsibilities relating to civil defence and emergency management.

We host the Policy Project whose role is to build a high-performing policy system that supports good government decision making. The Policy Project support the Chief Executive in his stewardship role as Head of the Policy Profession.

### Supporting well-conducted government

We support the Governor-General, Prime Minister, Cabinet and Ministers to exercise their constitutional roles. We ensure the smooth, lawful and trustworthy

running of executive government through the provision of secretariat services, constitutional advice and support, legislative support and administration of the New Zealand Royal Honours system. In 2020/21 this included providing advice and support in the pre and post-election period, as well as advice and support on the appointment of the next Governor-General.

We support the Governor-General across the four main duties of the office: constitutional, ceremonial, community leadership and international, and undertake kaitiakitanga for the heritage buildings and grounds of the residences in Auckland and Wellington.

### Leading an effective, strategically focused National Security System

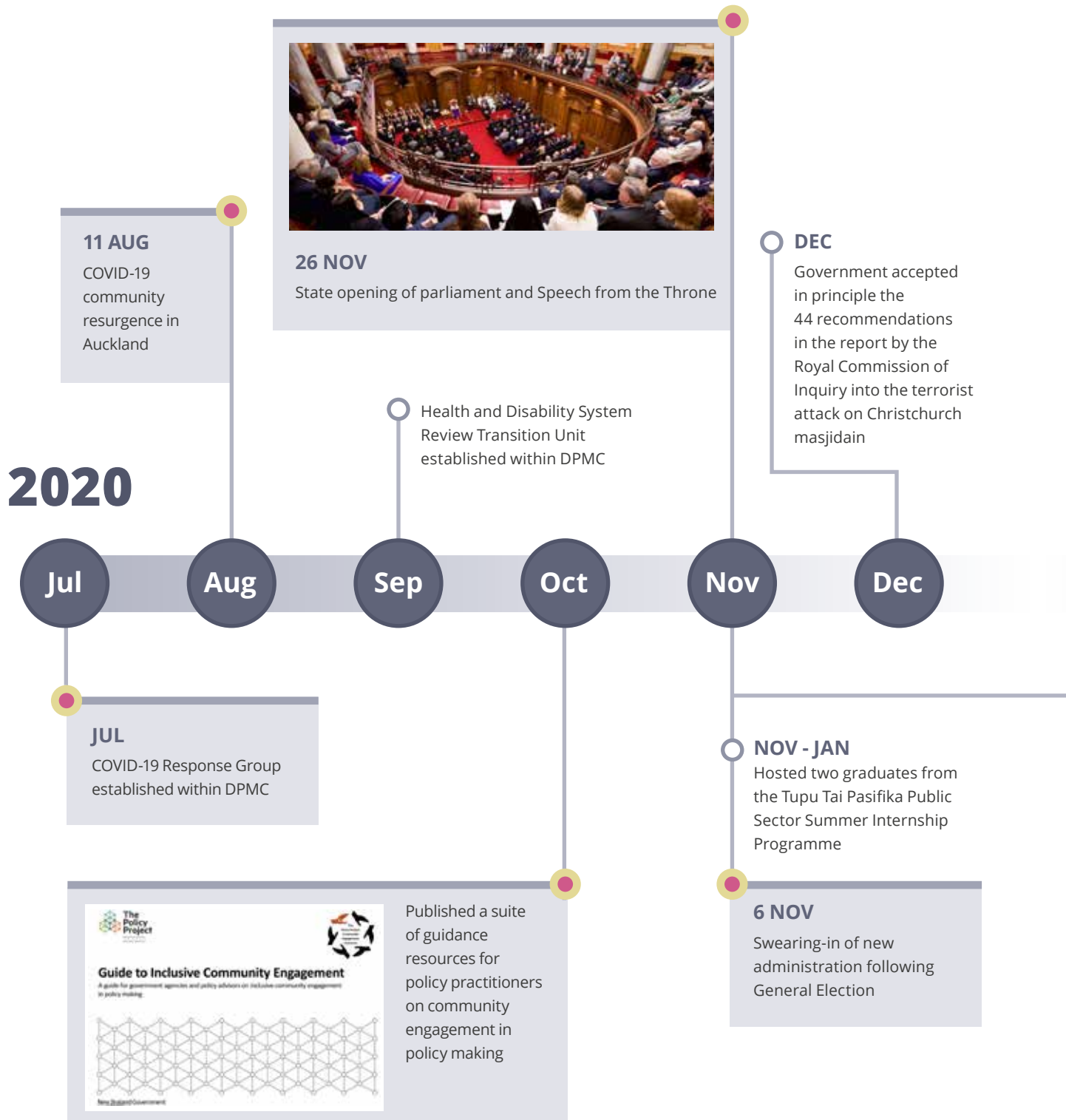
We lead and steward Aotearoa New Zealand's National Security System in strengthening national resilience, developing situational understanding, and improving coordination and collaboration on nationally significant issues. At the system level, this includes supporting the Hazard Risk Board and Security and Intelligence Board to carry out their governance and oversight role for Aotearoa New Zealand's national security risk, as well as leading the response to the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain.

In 2020/21, we also provided assurance of national level oversight and coordination of cross-government work on the COVID-19 response.

NEMA is a departmental agency hosted by DPMC, whose role is to lead and coordinate across the Emergency Management System to reduce risk and enable the system and communities to be ready for, and able to respond to and recover from, emergencies. More information on their role and achievements is set out in the *National Emergency Management Agency Annual Report 2020/21* on page 27.



## The year at a glance | Te tau kua hipa



2021

Jan

Feb

Mar

Apr

May

Jun

**APR**

*Child and Youth Wellbeing Strategy Annual Report and Child Poverty Related Indicators report published*



**APR**

The Governor-General, Her Excellency The Rt Hon Dame Patsy Reddy, signed the condolence book marking the death of His Royal Highness Prince Phillip, Duke of Edinburgh

Announcement outlining Cabinet approved decisions on the future design of the public health system

Christchurch Call Unit established within DPMC

**19 APR**

Quarantine-free travel with Australia commenced

**MAY**

The appointment of Dame Cindy Kiro as the next Governor-General announced

**17 MAY**

Quarantine-free travel with the Cook Islands commenced

**JAN TO FEB**

33 regional hui with Muslim and wider ethnic and faith communities held across Aotearoa New Zealand

**14 FEB**

COVID-19 community resurgence in Auckland

**MAR**

DPMC and NEMA Rainbow Network established



**JUN**

He Whenua Taurikura, Aotearoa New Zealand's first hui on countering terrorism and violent extremism, held in Christchurch

Implementation Unit established within DPMC

Kāpuia, the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain Ministerial Implementation Oversight Advisory Group, established

Supported the Government to set the next three-year child poverty targets



# Advancing an ambitious, resilient and well-governed Aotearoa New Zealand

## Outcome 1: The Government is enabled to deliver its priorities



### What we intended to achieve

- Our Ministers and Cabinet are supported by timely, well-informed information and advice
- Aotearoa New Zealand's public service is proactive and responsive, helping shape and deliver the Government's priorities.

### Progress against our indicators

Indicator	Desired trend	Progress	Outcome this contributes to
Quality of policy advice and assessments	↑	○	Informed decision making
Prime Minister and Ministerial satisfaction with advice and servicing	→ or ↑	●	Informed decision making
Uptake of Policy Project tools and frameworks in support of improving policy quality across the public sector	↑	●	Proactive and responsive public sector

Key to the indicators: ↑ Increase → Maintain ↓ Decrease ● On track ● Not on track ● No progress to report ○ No change

### What we achieved in 2020/21

#### We provided advice and support to the Government on the response to COVID-19

In support of the Government's priorities, over the last year we played a vital advisory role across two resurgences and the ongoing response to COVID-19. Achievements during 2020/21 include:

- providing advice to the Minister for COVID-19 Response and Cabinet on readiness and response activities across Government, including the national alert level framework, regional boundaries, quarantine-free travel and the Government's elimination strategy;

- collaborating with other agencies to develop the National Resurgence Plan, which was used successfully in response to the February 2021 resurgence, and updated at the end of April and June 2021 to reflect recent developments; and
- providing support to establish and embed several advisory committees including the COVID-19 Chief Executives Board, the COVID-19 Continuous Improvement Advisory Group and the Post-Pandemic Advisory Group.

More information on our achievements relating to the coordination of the all-of-government response to COVID-19 is set out on page 17.

## We supported the Government's response to the Health and Disability System Review

Following consideration of the Health and Disability System Review / Hauora Manaaki Ki Aotearoa Whānui, the new Health and Disability Review Transition Unit was established within DPMC in September 2020. The immediate priority was to lead the detailed policy and design work for the changes to improve Aotearoa New Zealand's health and disability services, and ensure the services are sustainable for years to come. This included rapidly providing advice to the Government on options to take forward different recommendations from the Health and Disability System Review, and to address the known challenges that exist in the current system.

Cabinet invited the Minister of Health to bring forward recommendations for a new system operating model in March 2021 and sought Cabinet's agreement to a bold new structure to modernise the health system. This was supported by an implementation plan to show how the reform will be implemented over a multi-year programme of change, and consideration of how the transition to new structures will be managed to minimise risks and unnecessary disruption. We then supported the public announcement made in April 2021 which outlined that:

- the Ministry of Health will continue as the system steward, and will have a strengthened focus on strategy and policy for the overall health system;
- the existing 20 district health boards will be replaced with a new Crown entity, Health New Zealand, which will have four regional arms that manage regional networks of hospitals and specialist services and commission primary and community based services;
- a new Māori Health Authority will monitor the state of Māori health and have the ability to commission services directly (see case study);
- responsibility for public health issues will sit with a new Public Health Agency, a branded business unit inside of the Ministry of Health; and
- primary and community care will be organised into locality networks, focused on serving small populations of interest, or localities, and will be commissioned by Health New Zealand and co-commissioned by the Māori Health Authority.

Following the announcement, our focus has been on finalising the design of the key aspects of Aotearoa New Zealand's future health system, in partnership with the health and disability sector, and New Zealanders wherever possible. This included holding 30 engagement hui with Māori communities, involving over 500 people – from iwi representatives to Māori providers, Iwi-Māori Partnership Board

representatives, university lecturers, students and whānau. We also supported the establishment of the Māori Health Authority Steering Group, led by Tā Mason Durie, whose advice will help us ensure our work draws on the breadth of Māori expertise in our communities.

**340**

Total number of  
**engagements**  
with the public

**3**

Cabinet papers  
lodged

**63**

Briefings sent  
to the Minister

**8**

Māori Health  
Authority  
Steering Group  
meetings

## We supported the Government to make Aotearoa New Zealand the best place in the world for children and young people

The child wellbeing and poverty reduction legislative framework, including the [Child and Youth Wellbeing Strategy](#), provides the framework for achieving the Government's vision that Aotearoa New Zealand is the best place in the world for children and young people. During 2020/21, we supported the Government to embed this framework, and use it to effect change for children and young people.

We provided advice on the actions that will have the biggest impact on improving child and youth wellbeing and poverty reduction. Our advice covered a wide range of topics that supported the Government to make Budget and policy decisions across a range of portfolios that impact child wellbeing outcomes.

Improving child wellbeing and reducing child poverty needs action from people and agencies inside and outside government. For this reason, a key focus has been on promoting the Strategy and working with others to align their actions with it, including:

- continuing to work closely with central and local government and community groups to identify levers, and develop tools and guidance to support wellbeing outcomes for children, whānau and communities, which we then promoted through our stakeholder engagements and on our website; and
- hosting a series of online hui and a two-day wānanga with community educators, funders and policy-makers on how to support healthy brain development as part of a focus on building and strengthening a community of practice in a critical area of child development (see case study).



We monitored progress against the Strategy and child poverty targets, and supported the government to set its next set of targets. In support of this work, we:

- contributed to the third annual *Child Poverty Report* released alongside Budget 2021;
- published the second *Child Poverty Related Indicators Report* which focuses on measures related to the broader causes and consequences of child poverty;
- published the first *Child and Youth Wellbeing Strategy Annual Report* which establishes baseline data for many of the 26 wellbeing indicators, summarises progress on key actions and outlines next steps; and
- provided advice to Government on the second set of child poverty reduction targets. Announced in June 2021, these targets signal the progress the Government intends to make in the next three years towards the longer-term goal of at least halving child poverty within ten years.



Other achievements during 2020/21 include:

- publishing guidance to help departmental chief executives develop a Long-term Insights Briefing, a new requirement set in the Public Service Act 2020;
- publishing guidance on how to engage effectively with the public as part of the policy process;
- establishing a public service wide Policy Capability Leads Group to enable information sharing and provide feedback on Policy Project-led initiatives; and
- refreshing the Policy Project webpages by updating content, improving the accessibility of frameworks and tools, as well as adding a new blog function.

**38**

**Policy Project workshops and events** held to support capability development

**2,177**

**Approximate page views** on Policy Project webpages each week

### We transitioned work to enable locally led regeneration of greater Christchurch

As planned, the Crown is stepping back from its role in greater Christchurch, returning to a more normalised relationship between the Crown and local authorities. Over the last year, we made progress towards this transition to enable locally led regeneration, including:

- supporting the Associate Minister for Greater Christchurch Regeneration to make decisions on the last section 71 proposal, which was approved in December 2020 and amended district and regional planning documents to better enable the development and operation of commercial film and video production facilities in Christchurch;
- providing advice and support on the reinstatement of the Christ Church Cathedral, including on the public release of the concept design and revised funding in October 2020, and supporting the Associate Minister for Greater Christchurch Regeneration to present the annual report on the operation of the Christ Church Cathedral Reinstatement Act 2017;
- providing support which led to the funding agreement for the Canterbury Multi-Use Arena being signed by the Crown and Christchurch City Council in October 2020; and
- completing our role in the Global Settlement Agreement.

**5**

**Child and Youth Wellbeing Strategy Ministerial Group meetings supported**

**2**

**Cabinet papers lodged**

around

**2,300**

**Subscribers to e-newsletter**

over

**70**

**Briefings and aide memoirs sent to the Minister for Child Poverty Reduction**

### We helped lift policy quality and capability across the public sector

Over the last year, the Policy Project continued to develop and promote a range of policy frameworks and tools to support agencies and policy practitioners across the public service to improve the quality of their policy advice. During 2020/21, 38 workshops and other events were held to help agencies use the available policy resources and build policy capability.



## Brain Development Collective Wānanga



The Child Wellbeing and Poverty Reduction Group facilitated a two-day wānanga in March 2021 to help raise awareness of brain development and how to support it.

The wānanga brought together around 60 people including community educators, academics, service providers, government policy makers and philanthropic organisations. The aims were to share best practice and build understanding of mātauranga and tikanga

Māori and Pacific world views of brain development and parenting. Narrative change specialists, the Workshop, were engaged to work with the group to begin to develop a new shared narrative to help deepen societal understanding of brain development and what needs to be in place to support it.

Feedback from participants was extremely positive.

*"The opportunity to learn and to connect with others is incredibly valuable and I truly believe that working together we can make some real change and achievements for our tamariki and whānau, and also for the child development sector."*

*"The wānanga was rich, vibrant, insightful and challenging, and I am very much looking forward to continuing to work in this space."*

The Child Wellbeing and Poverty Reduction Group will continue to liaise with wānanga participants and other interested parties to grow momentum for this work, and to help strengthen and build the community of practice.

## Māori Health Authority establishment

A major objective of the health and disability system reforms is to establish a future health system that delivers for all New Zealanders, and addresses the persistent and systemic inequities in health and wellbeing outcomes for Māori and other population groups. Achieving equity in access and health outcomes for Māori requires a health system that delivers against Te Tiriti o Waitangi principles, works in true partnership with Māori, and more fully enables Māori leadership in the design and delivery of services to meet the needs of Māori whānau and communities.

To progress this, one of the most significant features of the future system operating model is the establishment of a Māori Health Authority. The Authority will lead and drive the health system focus on improving hauora Māori.

The design of the Māori Health Authority has had to factor in the dual accountability arrangements the Authority would have to whānau, hapū, iwi and hapori Māori, to represent and embed their voice, aspirations and needs throughout the system and support

partnership at all levels, and to Ministers, reflecting its position in the public service, the health system and its funding by the Crown. These unique features have led to the development of advice on novel approaches for the legal form, formal accountability arrangements and machinery of government arrangements of the Authority.

The Health and Disability System Review Transition Unit has consulted and partnered with Māori stakeholders and the Māori health sector in this design, including:

- establishing a Steering Group, chaired by Tā Mason Durie, which has many roles including providing advice on the accountabilities of the Māori Health Authority to Māori in the future health system;
- engaging with Māori through 30 hui across New Zealand; and
- considering insights from the Ministry of Health's Hui Whakaoranga series, which has also engaged with Māori nationwide.



## Outcome 2: Aotearoa New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation



### What we intended to achieve

- The operation of the Cabinet system is effective
- New Zealanders acknowledge the role of the Governor-General in our system of government
- The significant contribution of New Zealanders in service to Aotearoa New Zealand is recognised, acknowledged and celebrated.

### Progress against our indicators

Indicator	Desired trend	Progress	Outcome this contributes to
Trust and confidence in government	↑	●	Systems and institutions of executive government are trusted
Ministerial satisfaction with the systems and institutions of executive government	→ or ↑	●	Systems and institutions of executive government are trusted and effective
Governor-General satisfaction with support provided	→ or ↑	●	Effective support for the Governor-General to carry out the role

Key to the indicators: ↑ Increase → Maintain ↓ Decrease ● On track ● Not on track ● No progress to report ○ No change

### What we achieved in 2020/21

#### We provided procedural and constitutional advice in the pre and post-election periods to the Governor-General, the government and the public service

Through the Cabinet Office, we play a key role in supporting the ongoing conduct of government business, within accepted conventions and practices, during the election period as well as ensuring the smooth transfer of power between administrations. This includes issuing Cabinet Office Circulars regarding Cabinet and committee processes, and providing advice

to Ministers and officials on government decision making in the pre and post-election periods. Following the election, the Cabinet Office worked with the incoming Prime Minister's office to implement procedures for government decision making during the period of caretaker government until the appointment of the new administration.

We worked closely with the Electoral Commission and the Office of the Clerk on the legal requirements and ceremonial aspects of the dissolution of Parliament, as well as the issue of the writ for the General Election.

The re-emergence of COVID-19 in the community in August 2020 prompted a delay to the dissolution of Parliament for the first time in modern history, and we worked closely with relevant officials to support the Prime Minister and Minister of Justice to make decisions on alternative polling dates and contingency planning for the election. We also provided advice to the Governor-General on the principles that apply to government formation when it is clear who will form the next government.

### **We modernised processes and systems to support the smooth and cohesive operation of Cabinet and its committees**

Following the formation of government, briefings were provided to all new Ministers and Parliamentary Under-Secretaries to support them in their roles. Briefings covered Cabinet, policy and legislation processes, the Budget cycle, the New Zealand Royal Honours system and security. Follow-up briefings were provided six months later.

We continued to make enhancements to CabNet, the online system that supports Cabinet processes, with a particular focus this year on undertaking significant technical upgrades.

<b>99%</b>	<b>Cabinet minutes</b> published on time
<b>96%</b>	<b>Papers</b> for Cabinet and Cabinet committee meetings published on time
<b>0.1%</b>	Cabinet and Cabinet committee <b>minutes requiring subsequent amendment</b>

### **We enhanced Aotearoa New Zealand's sense of nationhood**

We supported an active, diverse and responsive programme for the Governor-General throughout 2020/21 in an evolving COVID-19 environment. The programme included a number of nationally significant events, such as the swearing-in of the new government, the Whakaari/White Island commemoration, the dedication of a new memorial site at Ruapekapeka, the Christchurch Earthquake 10th anniversary event and the Ko Tātou Tātou Remembrance Service to mark two years since the Christchurch mosque shootings.

The Governor-General's programme also included hosting investitures under different alert levels and welcoming a wide range of community organisations to both the Auckland and Wellington Houses to celebrate their achievements and give momentum to their work. Government House also hosted its first album launch, welcoming Troy Kingi in an exclusive preview of his new album 'Black Sea Golden Ladder'.

The Governor-General undertook a State visit to Australia in June 2021, once quarantine-free travel arrangements were in place, reinforcing the importance of this close relationship.



The Governor-General, Her Excellency The Rt Hon Dame Patsy Reddy and Troy Kingi at Government House.

### **We increased public awareness of the New Zealand Royal Honours system**

The two regular honours lists, celebrating the New Year and the Queen's Birthday, announced in 2021 were well received by the public. The lists recognised and celebrated hundreds of New Zealanders, including those who have made significant contributions to the most disadvantaged in our communities. Across both lists, 49% of the recipients were women.

We also continued to engage with stakeholders to help build public awareness of the honours system.

## Swearing-in the new Government



The Cabinet Office and Government House business groups worked closely together to prepare for and arrange the formal swearing-in ceremony of the new government following the General Election.

The Prime Minister-elect was supported with advice on establishing the new government, the structure and organisation of Cabinet and its committees, and allocation of portfolios.

Detailed behind-the-scenes organisation of the swearing-in ensured the smooth running of the ceremony.

As the Queen's representative, the Governor-General, Her Excellency The Rt Hon Dame Patsy Reddy, presided at the Executive Council meeting where Ministers swore an oath or affirmation, and the Governor-General signed 96 warrants of appointment to the Executive Council and ministerial portfolios.

The ceremony was live streamed on the Governor-General's Facebook page to enable public access to this important constitutional event.

## Sir Joe Williams' investiture



In March 2021, the Governor-General Dame Patsy Reddy, and her husband Sir David Gascoigne, travelled to Manaia Marae on the Coromandel Peninsula, where Dame Patsy conferred the insignia of knighthood on Justice Sir Joe Williams, the first Māori Supreme Court judge. Hundreds of people came to celebrate Sir Joe's accolade, with guests including the Chief Justice Dame Helen Winkelmann, Supreme Court judges, Hon Nanaia Mahuta and Dame Tariana Turia.

Following the investiture, a future-focused wānanga in the afternoon covered topics such as Māori Crown partnerships, wellbeing, education and tikanga in dispute resolution. Dame Patsy was one of the speakers, reflecting on her experience representing the Crown – both as a Chief Crown Negotiator and in her role as Governor-General.



## Outcome 3: People living in Aotearoa New Zealand are, and feel, resilient, safe and secure



### What we intended to achieve

- The National Security and Emergency Management Systems are cohesive, collaborative and trusted, enhancing cross-agency leadership
- Effective reduction, readiness, response and recovery to national security risks, emergencies and adverse events
- Communities are more resilient, allowing them to be better placed to respond to and recover from emergencies and adverse events.

### Progress against our indicators

Indicator	Desired trend	Progress	Outcome this contributes to
National Security and Emergency Management System stakeholder satisfaction – indicator to be further developed	-	Refer to footnote <sup>1</sup>	Effective leadership and operation of the National Security and Emergency Management Systems
Ministerial satisfaction with leadership of the National Security and Emergency Management Systems	→ or ↑	●	Effective leadership and operation of the National Security and Emergency Management Systems
Public Sector Reputation Index rating (National Emergency Management Agency)	↑	●	Emergency Management System is trusted
New Zealanders who have: <ul style="list-style-type: none"> <li>• Taken action to prepare for an emergency in the last 12 months</li> <li>• Know the correct action to take during an earthquake and during a long or strong earthquake near the coast.</li> </ul>	↑	●	Community preparedness and resilience

Key to the indicators: ↑ Increase → Maintain ↓ Decrease ● On track ● Not on track ● No progress to report ○ No change

<sup>1</sup> Work to develop this indicator remained under active consideration during 2020/21. The methodology for the indicator is yet to be identified.



## What we achieved in 2020/21

### We led the response to the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain



The report of the Royal Commission of Inquiry (RCOI) into the terrorist attack on Christchurch masjidain, *Ko tō tātou kāinga tēnei*, released on 8 December 2020

The report of the Royal Commission of Inquiry (RCOI) into the terrorist attack on Christchurch masjidain, *Ko tō tātou kāinga tēnei*, was released on 8 December 2020. The report made 44 recommendations relating to national security, as well as on wider social and community matters. We are responsible for coordinating the all-of-government response to the report as

well as considering and, where applicable, implementing 18 of the report's recommendations.

Following the release of the report, 33 regional hui were held with Muslim and wider ethnic and faith communities across Aotearoa New Zealand in January and February 2021. Additional hui were held with representatives from disability, Pacific and rainbow organisations in May 2021. These hui were held to help understand key concerns and communities' priorities, and to answer questions about the report and its implementation. This approach acknowledged the meaningful involvement of communities and other stakeholders is needed to inform and ensure the response to the RCOI is credible, responsive and fit for purpose.

As part of the government response we developed and progressed the Intelligence and Security (Review) Amendment Bill, which received Royal Assent in June 2021. The Bill amends the Intelligence and Security Act 2017 to bring forward the periodic review of both the Act, and the intelligence and security agencies.

### We improved the strategic leadership of the National Security and Emergency Management Systems

As leaders and stewards of Aotearoa New Zealand's National Security and Emergency Management Systems it is important to ensure the strategic leadership of the system fosters cohesion and collaboration, as well as being trusted by the public.

We continued to support the Hazard Risk Board (HRB) and Security Intelligence Board in providing strategic governance and oversight for Aotearoa New Zealand's significant national security risks. During 2020/21, we worked with relevant agencies to support HRB's consideration of critical risk management gaps and issues that impact the resilience of the National Security System.

The National Security and Intelligence Priorities (NSIPs) cover a wide range of potential risks to Aotearoa New Zealand's national security and the wellbeing of our citizens. The NSIPs help agencies that have a national security role focus on key areas of interest and make informed, evidence-based policy decisions. We are currently leading a process to update the NSIPs to ensure they are fit for purpose and respond to comments made in *Ko tō tātou kāinga tēnei*.

6	ODESC meetings
20	Watch Group meetings
8	Inter-Agency Working Groups
10	Security and Intelligence Board meetings
10	Hazard Risk Board meetings

For more information on achievements related to NEMA's role as steward, operator and assurer of the emergency management system, refer to the NEMA Annual Report on page 27.

### We worked on developing and embedding a more comprehensive approach to managing risk

The National Risk Approach is used across government to ensure a proactive and coordinated approach is taken to identify and manage the most significant risks to Aotearoa New Zealand's national security. The key focus of our work is to ensure greater coordination across government, and help agencies identify opportunities to better manage risk and improve resilience. We continued to lead and embed the approach during 2020/21, focusing on improving risk governance and supporting responsible government agencies to assess and evaluate nationally significant risks. We also continued work to consider how best to help enhance community preparedness and resilience to nationally significant risks.

## We enabled New Zealanders to be confident and secure online

Over the last year, we have continued to help New Zealanders address cyber security threats, and build cyber security capacity and resilience. The *Cyber Security Strategy 2019* provides a framework for government-led action, in partnership with the private sector. Key achievements in implementing the strategy during 2020/21 include:

- Cabinet approving and completing the Treaty Examination process for Aotearoa New Zealand's accession to the Council of Europe Convention on Cybercrime (the Budapest Convention) which addresses cyber-attacks that target computers or networks as well as other serious crimes that make use of technology or the internet;
- completing an International Engagement Plan;
- contributing to cyber security awareness as more people are engaged online as a result of COVID-19, including funding an online campaign for businesses to promote secure online trading practices; and
- contributing to international work to improve women's participation in cyber negotiations and on ethical, human centric application of artificial intelligence.

We also undertook work to support projects which will be delivered in 2021/22, including initiatives related to growing cyber security skills, improving collaboration with the private sector and improving awareness activities.

Alongside initiatives arising from the Strategy, DPMC has continued to provide policy and other strategic advice on developing issues and cyber incidents that have increased in scope and scale over the past year.

## We supported the Government to enable Aotearoa New Zealand to respond to and recover from the impact of COVID-19

On 1 July 2020, the COVID-19 Response Group was established within DPMC following the deactivation of the National Crisis Management Centre. Through the Group, DPMC is mandated to coordinate and, where necessary, lead the all-of-government response to the ongoing pandemic.

In support of the system response to COVID-19, in 2020/21 we:

- established and supported the COVID-19 Independent Continuous Review Information and Advice Group, and the Strategic COVID-19 Public Health Advisory Group;
- provided advice and coordinated planning, readiness assessment and implementation of quarantine-free travel arrangements with Australia and the Cook Islands, and coordinated the system response to seven quarantine-free travel changes, some resulting in pauses;
- convened workshops with delivery agencies to ensure alignment of planning activities, including for resurgence planning and scenario testing;
- co-led and coordinated the cross-government work programme on Reconnecting New Zealanders to the world, which is underpinned by public health advice and the pillars of the Elimination Strategy; and
- supported engagement with communities affected by alert level changes.

We also provided leadership and coordination of COVID-19 public communications, including delivering the Unite Against COVID-19 campaign and working with the Ministry of Health to launch the vaccine campaign. Ensuring the public receive clear, timely information on the response has remained crucial over the last year. We used data and insights to continue evolving the Unite campaign, which included transitioning communications between seasons (see case study), rolling out enhanced public information when new community cases were identified and to support new arrangements such as quarantine-free travel.

A key focus in 2020/21 was on broader stakeholder engagement, which included working with iwi, the Pacific community, target populations, the business community and local government to ensure all communities across the motu could receive and understand key messages.



27

Language translations of critical content in the Unite campaign

For information on achievements relating to emergency management in support of this outcome, refer to the *National Emergency Management Agency Annual Report 2020/21* on page 27.

## Making summer unstoppable



Ahead of another Kiwi summer, we led a national campaign to 'Make Summer Unstoppable'.

The purpose was to promote a fresh and fun take on New Zealanders doing the right things over their first COVID-19 summer. The campaign reinforced the basics, reminding people to wash or sanitise hands, scan QR codes, turn on Bluetooth in the COVID Tracer app, stay home if feeling unwell, as well as asking businesses and venues to actively encourage customers to scan QR codes.

The campaign took place over many media platforms, from television, radio and online to ensuring a visible presence at major events and gatherings. We also engaged extensively with public, private and community organisations to utilise their networks and audiences to promote the message.

A programme was designed for over 20 major events and gatherings to connect with more New Zealanders over the summer festival season. Major events had at-venue video messaging playing as part of the campaign,

alongside trialling new and engaging approaches. This included a mobile 'Sani Squad' of ambassadors directly engaging with event attendees and a public service announcement music video including the Director-General of Health (which also reached over 500,000 views on one social media platform).



# 100

**different marae reached with a summer 'marae toolkit'**

# reached over 800,000

**people on social media** with a localised 'keep Raukati unstoppable' campaign.

# 66

**pieces of content** published cross **4 social media channels** reaching more than **3.2 million people** and receiving more than a combined **65,000 likes, comments, shares.**



## He Whenua Taurikura – Aotearoa New Zealand’s hui on countering terrorism and violent extremism



He Whenua Taurikura, meaning ‘a country at peace’, was Aotearoa New Zealand’s first hui on countering terrorism and violent extremism, held in Christchurch on 15 and 16 June 2021. Over 340 people from communities and civil society, academia, the private sector, and central and local government attended.

The goals of the hui were to:

- promote public conversation, understanding and research on radicalisation;
- look at how to challenge hate-motivated extremist ideologies; and
- cover priorities to address Aotearoa New Zealand’s terrorism and violent extremism issues.

Terrorism and violent extremism are complex issues, with many aspects that are at times contentious. The hui aimed to create space for active participation by a diverse range of contributors and stakeholders, including but significantly beyond traditional national

security perspectives, and to encompass a range of Māori, social sciences and humanities disciplines, as well as those working on diversity and social cohesion.

DPMC was the overall lead for the hui, supported by the Visits and Ceremonial Office of the Department of Internal Affairs as the delivery lead.

He Whenua Taurikura will be an annual hui, to be held in future years at a variety of venues across Aotearoa New Zealand.





# Advancing an ambitious, resilient and well-governed DPMC

## Strategic, effective influencers, leaders and system stewards

We lead the policy system, the National Security System and are stewards of Aotearoa New Zealand's system of executive government. To meet the needs of current and future Prime Ministers, this requires us to be strategic, innovative and effective as influencers, leaders and stewards.

### Progress against our indicators

Indicator	Desired trend	Progress	Outcome this contributes to
Stakeholder satisfaction with system leadership and the way we engage with others	↑	●	Strengthen how we work with others
Māori capability of our workforce	↑	●	Create a Māori capable organisation
Diversity of workforce	↑	●	Our workforce reflects the diversity of Aotearoa New Zealand
Gender pay gap	↓	●	Equitable and fair employment
Staff satisfaction	↑	●	Engaged and high performing workforce, well positioned to deliver
Unplanned turnover	↓	●	Engaged and high performing workforce, well positioned to deliver

Key to the indicators: ↑ Increase → Maintain ↓ Decrease ● On track ● Not on track ● No progress to report ○ No change

## What we achieved

### **We fostered a culture that values innovation, collaboration and leadership**

The scope of our role makes collaboration and innovation critical to our success. As a central agency, we work closely with Te Kawa Mataaho Public Service Commission and the Treasury to lead the public service and deliver results for New Zealanders. Over the last year, we continued to lead and work collaboratively across the policy system and the National Security System, and steward Aotearoa New Zealand's system of executive government in support of our enduring roles.

In addition, during 2020/21 we have taken on new and expanded responsibilities to respond to government priorities. This included providing strategic leadership and central coordination of Aotearoa New Zealand's response to COVID-19 and leading the response to the Health and Disability System Review/Hauora Manaaki Ki Aotearoa Whānui. We also, through the Strategy Unit, worked collaboratively with other departments to provide advice to government on long term, cross-government strategic policy projects.

A key focus in undertaking our leadership and stewardship roles over the last year has been engaging with communities across Aotearoa New Zealand, including with Māori, local government and the private sector. These engagements allow us to share information, understand the perspectives of those we support and establish enduring relationships with communities that extend beyond discrete pieces of work.

### **We empowered and built capability across the organisation to influence and lead**

Building awareness and knowledge of cultural competence is crucial to developing our capability to influence and lead. In our leadership and stewardship roles, this is particularly relevant as it helps us engage meaningfully and ensure our services meet the needs of New Zealanders. This will be a key area of focus for DPMC over the coming year. To help set the direction for us, during 2020/21 we sought feedback from our people which supported the development of our diversity and inclusion plan as well as identifying other changes to the way we do things to help focus on growing our diversity.

As DPMC grows in order to respond to government priorities, we have also focused on supporting and enabling our people leaders to deliver their leadership roles more effectively. This has been done in a number of ways, including:

- ensuring new people leaders have access to the development they need;
- getting alongside and coaching leaders through challenging situations, as required;
- running forums for people leaders, both online and in person; and
- providing support for the delivery of regular leadership activities, such as management and development of teams, thinking about the best ways of working, and building more diverse and inclusive teams.

### **We developed the Strategy Unit capability to enable future-focused advice to support Government decision making**

The Strategy Unit, which was established in September 2019, is now fully staffed and provided analysis and advice to the Prime Minister on medium to long-term strategic options throughout 2020/21.

Key policy areas the Unit worked on over the last year include:

- support for displaced workers;
- the appointment of the Prime Minister's rebuild and recovery advisor; and
- the design and establishment of the Implementation Unit for the Deputy Prime Minister.



# First choice employer

To be successful, we need to attract, retain and develop a workforce that can deliver exceptional advice and services. This includes being a competitive and good employer, focused on empowering and engaging a diverse workforce.

## What we achieved

### We supported performance and growth, enabling our people to achieve their full potential

All staff have individual development plans which focus on a mix of development for their roles and their future career. With the department growing at pace there are many opportunities to stretch and grow within roles, to act up, and to take internal and external secondments. These opportunities are providing our people with new experiences that help them grow and reach their full potential.

We continue to provide formal development opportunities for staff. In particular during 2020/21, our people took the increasing opportunities to access te reo classes. This will remain a key focus area in the upcoming year, in support of our aim to build the department's te ao Māori capability.

### We are creating a Māori capable organisation

Building Māori capability is a priority for DPMC so that our advice and services, and the way we work, reflect and honour the Treaty of Waitangi, te ao Māori and tikanga Māori. We also want our staff profile to better reflect the diversity of Aotearoa New Zealand, and ensure that Māori staff feel included and valued. Ultimately, we want to have the skills and knowledge to engage meaningfully with Māori, to help achieve better outcomes for Māori.

To help build our capability as an organisation we are developing a Whāinga Amorangi plan, focused on actions that empower our people to learn and use te reo Māori, and develop a deeper understanding of the Treaty of Waitangi and Aotearoa New Zealand history. We also have a te reo Māori plan in support of the *Maihi Karauna*. These plans set out our commitment to action. For more information on these plans, refer to page 23.

In 2020/21, the Pou Tāngata group was established, supporting DPMC and NEMA to build te ao Māori capability. The waiata group continued to meet weekly throughout 2020/21, helping our people to build awareness of waiata and te ao Māori.

### We grew the One DPMC culture

One of the key elements of growing One DPMC is connecting with each other and our mahi. We have continued holding Town Hall events which bring our people together. This year, the Chief Executive Awards were launched, focusing on our shared One DPMC values and organisational priorities.

The Kōrero Rangatira speaker series also enabled us to come together and hear different perspectives and insights with external speakers, and our own people, sharing their knowledge and experience. A key focus over the last year has been to feature Māori voices to broaden knowledge and awareness of the issues facing Māori.

The Culture and Engagement Network, made up of staff from across DPMC and NEMA, continued to help create a thriving One DPMC culture and increase engagement. The focus of the network is to help create a culture of continual learning and improvement, offer opportunities for networking and building stronger relationships and act as a channel for feedback on departmental policies.

We have two employee-led networks, the Women's Network and the newly-established Rainbow Network, who are also helping to support, empower and connect our people.

### We fostered the DPMC employee value proposition

This year we changed our approach to recruitment, consciously focusing on attracting a broader range of people to bring different perspectives and thinking to DPMC. To do this, we revised our guide to recruitment to encourage people leaders to consider what approaches would make a difference to change outcomes, increase diversity, and ensure we are attracting candidates that are the best fit for the team and role. This has included using additional, and different, channels to advertise vacancies.

We also hosted two Tupu Tai interns during 2020/21 and planned for the arrival of four new graduates from the Ethnic Communities Graduate programme.

We have significantly updated our induction material over the last year. This will continue to be a focus in 2021/22, to ensure that when people start at DPMC they have the information, resources and support to hit the ground running, understand the mahi being done across the department and reinforce the things they will gain by being part of the organisation.

Our people leaders are working proactively to retain and grow the skills of their people. This has contributed to a reduction in turnover, from 16.0% at the end of 2019/20 to 6.8% at end of 2020/21. We are working with people leaders to proactively address potential pressures that may impact turnover, such as the Public Service pay restraint.

We published our 2020/21 Gender Pay Agency Plan in August 2020. The main areas of focus for the plan, which covers both DPMC and NEMA, were to establish career pathways with progression and promotion, and to develop a plan to attract more diverse applicants

through recruitment processes, particularly to the National Security Group. During 2020/21, a review of the capability framework of the National Assessments Bureau was undertaken, with all development plans for the coming year completed against the new pathways. To support this, and progression and promotion, draft career promotion and progression guidelines have been developed and are being trialled this year before being incorporated into a revised development guide. We also used the recruitment of staff to work on the RCOI as an opportunity to use and test different recruitment approaches to attract more diverse applicants. The recruitment round was a resounding success with high calibre staff from very diverse backgrounds being appointed into these roles.

## **Building our te ao Māori capability: developing our Whāinga Amorangi and Te Reo Māori plans**

One of our priorities is to build a Māori capable organisation, with a particular focus on improving te ao Māori capability. There are two programmes of work underway across the public service which support us in this priority – Whāinga Amorangi and Māori language planning.

The focus for DPMC in the first phase of Whāinga Amorangi is on building capability in te reo Māori and the Treaty of Waitangi / Aotearoa New Zealand history. Our te reo Māori plan, which was committed to in June 2021, supports the delivery of the Whāinga Amorangi focus areas.

Our Whāinga Amorangi plan, which is shared across DPMC and NEMA, is in development and will be finalised by 31 August 2021. In October 2020, we surveyed staff to learn their levels of confidence and experiences with te ao Māori. This survey data informs our plan, both the focus areas we have selected, and our goal of people getting to “comfortable” (as per the Te Arawhiti capability maturity scale). For people who are further ahead in their learning journey, there is space and support for them to extend their capability.

As part of the plan development, there are kōrero planned to seek a variety of perspectives including those of Māori staff, staff committed to Māori capability development, and staff involved in engaging with iwi, Māori partners and communities.

We are already implementing elements of capability building that will contribute to our Whāinga Amorangi plan. For example, we make available to all staff development courses in te reo Māori, as well as learning opportunities for te ao Māori and Māori Crown relations. There has been a sustained effort across both DPMC and NEMA to incorporate te reo and tikanga Māori in our everyday activities.

All individual development plans for the upcoming year have been updated to align expectations with the organisational priorities of improving cultural competence and te ao Māori. This is our shared kaupapa in DPMC and NEMA, and prompting commitments in these plans encourages everyone to take ownership for lifting both individual and collective capability.



## Well-positioned to deliver, now and in the future

To deliver our outcomes, we need to ensure our infrastructure supports our people and new ways of working. This includes the physical workplace and digital ways of working, and extends to all of the corporate structures, including processes, policies and systems.

### What we achieved

#### **We maintained a positive, safe, diverse and inclusive working environment**

We take a joined-up approach to ensure we maintain a safe and secure working environment. To make our systems as accessible and effective as possible, we now have a consolidated approach for reporting health, safety and security incidents and risks.

Over the last year, we have placed particular emphasis on how we manage one of our critical risks, mental wellbeing. Both staff and leadership have agreed we need to look at ways to help our people better manage their workloads and take good breaks. To support wellbeing, we also put in place the Employee Liaison Service. It is an independent, confidential service for staff to talk to, and receive guidance and support to work through any work-related issues.

We have almost completed a multi-year programme of work to ensure we meet all mandatory protective security requirements. An internal staff survey showed that our people continue to take security very seriously. We have decided to build on these results by offering additional more specialised training targeted at specific groups of staff to ensure our people are aware of what steps they need to take to manage potential threats.

We want to deliver great outcomes for Aotearoa New Zealand by providing advice and support that is informed by diverse perspectives and reflects the needs of New Zealand communities. During 2020/21, we developed a diversity and inclusion action plan which is built on the voices of our people, our public service commitments, and doing the right thing for our people and the organisation we are choosing to be. For more information on our achievements relating to diversity and inclusion, refer to page 25 which includes reporting against the five Papa Pounamu focus areas.

#### **We developed a sustainable, resilient and agile corporate model, able to flex to the changing needs of DPMC**

As part of delivering our enduring roles, we are responsible for shaping and progressing emerging high-priority issues to support the government of the day when required. Over the last year, this has led to the establishment of four new business groups – the COVID-19 Response Group, the Health and Disability System Review Transition Unit, the Implementation Unit and the Christchurch Call Unit – as well as growth across existing groups to support other new responsibilities. This has meant we have grown significantly, from 225 staff at the end of 2019/20 to 340 staff at the end of 2020/21.

We established a Corporate Implementation Project during 2020/21 to effectively manage this short-term growth. The project is focused on positioning the department to effectively on and offboard staff and business groups, to ensure our people are well supported and enabled to deliver while they are here.

The rapid and continuing growth of the department introduces challenges in the way we think about ourselves and how we deliver our work, now and in the future. We will continue to focus on addressing these challenges, which will require ongoing conversations with our people as we change and adjust.

#### **We scanned opportunities within the future of work, technology and digital ways of working**

We finalised and implemented our new Flexible Working By-Default policy and guidelines in 2020/21. We are committed to ensuring this is embedded throughout the organisation – in our culture, systems, and processes – to benefit employees and the department.



In support of the policy we have enabled and enhanced our ability to work flexibly through the use of technology. This included implementing meeting room technologies which allow hybrid meetings and using cloud services such as Microsoft Office 365.

### **We enabled agile and well-informed decision making through better information, monitoring, measuring and governance**

In July 2021, we published our *Strategic Intentions 2020/21 to 2023/24* which sets out how we will deliver on our purpose and support the Government to deliver its priorities. We used this as an opportunity to set performance indicators so we can better monitor and report on the outcomes we are seeking to achieve.

Our two internal governance subcommittees continued to support the delivery of our strategic direction. The Risk and Assurance Committee continued to oversee our risk and assurance activities, and provide the Chief Executive with direct and independent advice.

On the one-year anniversary of the establishment NEMA, the Chief Executives of DPMC and NEMA formalised their working arrangements by signing a Departmental Agency Agreement and an accompanying Shared Services Agreement. The agreement reinforces that, while DPMC and NEMA are separate agencies, we have shared values and a working relationship based on the key principles of collaboration, 'no surprises', mutual support, good communication and regular engagement.

## **Papa Pounamu: diversity and inclusion focus areas**

Papa Pounamu sets a work programme across the public service to grow diversity and inclusion capability. Progress made during 2020/21 against each of the five focus areas is outlined below.

### **Cultural competence**

We participated in the Tupu Tai Pasifika Public Sector Summer Internship Programme, with two interns joining us between November 2020 and January 2021. These young people brought valuable and different perspectives into the department, including sharing their thoughts on how to improve the experience for future people. We have also committed to taking graduates from the Ministry for Ethnic Communities graduate programme from July 2021.

Improving cultural competence will be an area of focus for the department in 2021/22.

### **Addressing bias**

During 2020/21, unconscious bias training was promoted to all people leaders. A corporate policy review project was undertaken which, alongside other aspects, is considering how our policies and guidance will be equitable and accessible for all employees.

Our commitment to the Accessibility Charter is ongoing. To improve accessibility, we continue to make improvements to online functionality and general communications. We are in the process of refreshing our plan and engaging with staff to identify further planned actions.

A key achievement over the last year was DPMC and NEMA working together to create a new procurement panel for interpretation, translation, transcription and communication services for people with disabilities.

This enables us to quickly and effectively source services to ensure all people living in Aotearoa New Zealand can receive and understand important public messages and information.

### **Inclusive leadership**

A People Leaders' Forum was held in June 2021 which focused on diversity, equity and inclusion at DPMC and NEMA, to educate and challenge leaders on diversity and inclusion issues.

We have also supported leaders to ensure our recruitment approach better reflects diversity and inclusion as we grow in size. This includes using a gender tool to assess job advertisements, and implementing different sourcing strategies and techniques to attract diverse applicants.

### **Building relationships**

Town Hall events continued to bring our people together, and People Leaders' Forums provided an opportunity for leaders to get support and development in leadership priorities. There are regular communications on our intranet, and directly from the Executive Leadership Team, letting staff know important information and showcasing what's happening across DPMC.

### **Employee-led networks**

The Women's Network continued to create excellent events and opportunities for employees throughout 2020/21, and a Rainbow Network was also established following some staff members' participation in the Cross Agency Rainbow Network conference in March 2021.

As staff understanding of the value of these networks grows, we expect to see more develop in the future.



## A picture of our staff as at 30 June 2021

# 340

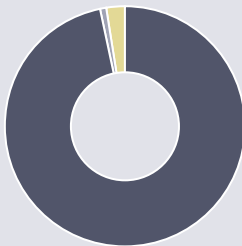
Overall staff as  
at 30 June 2021  
(excluding NEMA)

### Business units



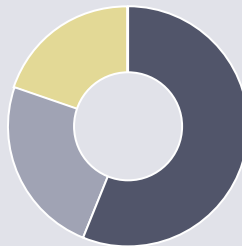
103	• National Security Group	28	• Cabinet Office
80	• COVID-19 Response Group	22	• Health and Disability System Review Transition Unit
31	• Strategy, Governance and Engagement	14	• Child Wellbeing and Poverty Reduction Group
31	• Government House	1	• Implementation Unit
30	• Policy Advisory Group		

### Location



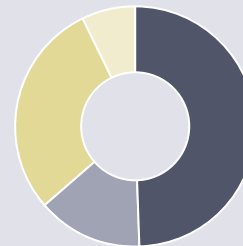
329	• Wellington
3	• Canterbury
8	• Auckland

### Workforce



191	• Permanent
82	• Fixed term
67	• Seconded

### Gender



217	• 169 Staff
Female	• 48 People Leader
123	• 99 Staff
Male	• 24 People Leader

### Ethnicity<sup>2</sup>

195	New Zealand European	13	Asian	3	Middle Eastern/Latin American/African
24	Māori	9	Pacific	3	Not stated
21	European	4	Other ethnicity		

<sup>2</sup> This ethnicity data does not include secondees-in. Ethnicity has been reported using total response data. This means that every ethnic group a person identifies with is counted. Therefore, the sum of categories is greater than the number of people.





**National Emergency  
Management Agency**  
Te Rākau Whakamarumarū

# National Emergency Management Agency Annual Report 2020/21

Te Rākau Whakamarumarū  
Pūrongo-ā-tau 2020/21

The National Emergency Management Agency (NEMA) is charged with supporting communities to reduce the impact of emergencies across all hazards and risks, and to better respond to, and recover from, emergencies when they happen.



## Chief Executive's foreword

### Kupu whakataki a te Tumu Whakarae

The past year reinforced that natural disasters and other emergencies can happen anywhere, at any time and have devastating consequences for communities. Wildfire, earthquakes, tsunami events, flooding, tornado and COVID-19 resurgences impacted people, property, infrastructure, economy and environment across Aotearoa.

These emergency events put the National Emergency Management Agency (NEMA) and the wider emergency management system to the test. They also provided opportunities to learn and continue to improve the way we manage emergencies.

There was much to celebrate over the past year.

The Government invested in NEMA's mahi through Budget 2021, providing the agency with a funding boost of \$46.6 million to be distributed over four years. All New Zealanders will benefit from the investment, as it is being used to strengthen Aotearoa's emergency management system to create more equitable emergency outcomes for communities across the motu.

NEMA made excellent progress at its National Emergency Management Conference - Hui Taumata o Te Uepū Whakahaere Haumarū. More than 400 people attended and hundreds more joined online. There was a strong sense that each saw themselves as part of the emergency management system and shared a desire to work more closely together to create a safe and resilient country. The conference itself was an example of this, with NEMA working closely with Māori, the emergency services sector and science partners to design and host the event.

Our focus on partnerships extended beyond the conference, with NEMA co-developing an Emergency Services Leadership Board (ESLB) strategy; contributing to Hazard Risk Board (HRB) work on multi-hazard risk profiles; and beginning the development of a Civil Defence Emergency Management (CDEM) sector strategy with regional CDEM Groups.

We continued to grow our regional footprint and build organisational capacity and capability by recruiting new leaders and staff to strengthen our steward, operator and assurer functions. We have already experienced the benefits, particularly the ability to continue our priority work programmes at the same time as leading or supporting the response and recovery from emergency events.

NEMA delivered on flagship initiatives including: standing up the minimal viable alternative National Crisis Management Centre (NCMC); deploying the second tranche of Tsunami Monitoring and Detection Network (DART) buoys; and training 23 more Emergency Management Assistant Team (EMAT) members.

We also progressed a comprehensive legislative and regulatory change programme to ensure the CDEM Act and National CDEM Plan are fit for purpose and realise the vision of the [National Disaster Resilience Strategy](#); established a Ministerial Advisory Committee; launched an organisational-wide work stream to ensure Māori participation in the emergency management system is recognised, enabled and valued; and continued to contribute to the all-of-government response to COVID-19.

NEMA's position in the annual Colmar Brunton Public Reputation Index Survey rose from fourth to third overall, out of 58 agencies. I mention this because it is vital that NEMA is trusted and credible in the public's eyes to ensure people act on life safety information and have confidence in the Government's emergency management system.

This and other mahi contributed to the repositioning of NEMA. Specifically, expanding and reinforcing NEMA's position as the emergency management system steward, lifting the capability and performance of NEMA as an operator within the system, and laying the foundations for NEMA to become a system assurer.

Finally, I would like to acknowledge the leaders and staff at NEMA whose hard work and dedication enabled us to progress our work to build safe and resilient communities.

## Statement of Responsibility

I am responsible, as Chief Executive of the National Emergency Management Agency – Te Rākau Whakamarumaru, for the accuracy of any end-of-year performance information prepared by NEMA, whether or not that information is included in the Annual Report.

In my opinion, the annual report fairly reflects the operations, progress, and organisational health and capability of NEMA.



Dave Gawn  
**Chief Executive**  
**National Emergency Management Agency**

# Our Strategic Framework Tā Mātou Anga Rautaki



**National Emergency  
Management Agency**  
Te Rākau Whakamarumaru

## Our Purpose

Ā Mātou Whāinga

Empowering communities before, during and after emergencies.

## Our Vision

Ā Mātou Tirohanga

A safe and resilient Aotearoa New Zealand.

## Our Role

Tō Mātou Tūranga

We are the Government lead for emergency management.

## Our Functions Ā Mātou Mahi

### As Steward...

We provide strategic leadership for risk reduction, readiness, response and recovery activities, and build emergency management capability and capacity.

### As Operator...

We lead or support the response to and recovery from emergencies, while also supporting the operation of the emergency management system.

### As Assurer...

We provide assurance that the emergency management system is fit for purpose.

## Strategic Outcomes Ā Mātou Whāinga Rautaki



All communities are better prepared to respond to and recover from emergencies.



Impacts of emergencies on people, the economy and the environment are reduced.



Māori participation in the emergency management system is recognised, enabled and valued.



The emergency management system is well-coordinated, high-performing and enjoys widespread trust and confidence.

## Our Values Ā Mātou Uara

**Courageous**  
Kia māia  
We stand up.

**Connected**  
Kia honohono  
We join together.

**Committed**  
Kia manawanui  
We believe in what we do.

**Respect**  
Kia taute  
We do it with respect.

# Who we are and what we do

Ko wai mātou, he aha ā mātou mahi

## Overview of our Agency

NEMA works to build a safe and resilient Aotearoa New Zealand by empowering communities before, during and after emergencies. NEMA's key functions are steward, operator and assurer of the emergency management system.

As steward, NEMA provides strategic leadership for risk reduction, readiness, response and recovery activities, and builds emergency management capability and capacity.

As operator, NEMA leads or supports the response to and recovery from emergencies while also supporting the operation of the emergency management system.

As assurer (a new function) NEMA will provide assurance that the emergency management system is fit for purpose.

Depending on the emergency, NEMA leads or supports the response and recovery. NEMA coordinates central government's response and recovery functions for national emergencies, and supports the management of local emergencies and emergencies led by other agencies. It also leads on geological and meteorological emergencies, and supports other lead agencies in the response and recovery of other hazard events.

NEMA works with a diverse range of organisations and bodies, including central and local government, communities, iwi, emergency services, lifeline utilities, private sector organisations, education providers, researchers, and non-government organisations and business to ensure responses to, and recoveries from, emergencies are coordinated, integrated and effective.

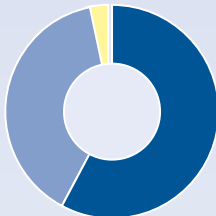
NEMA also holds key international relationships with emergency management counterparts overseas and engages with them on emergency management best practice and operational matters.

NEMA's work is underpinned by the Civil Defence Emergency Management (CDEM) Act (2002), the *National Disaster Resilience Strategy*, the *National CDEM Plan* and the Emergency Management Systems Reform programme, as set out in the Government's response to the Ministerial review *Better Responses to Natural Disasters and Other Emergencies in New Zealand*.

# 118

Overall staff  
as at 30 June 2021

## Gender



**65** Female

- 55 Staff
- 10 People Leader

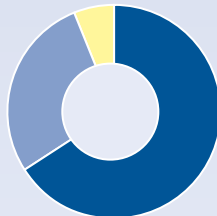
**50** Male

- 37 Staff
- 13 People Leader

**3** Other

- 3 Staff
- 0 People Leader

## Workforce



**78**

- Permanent

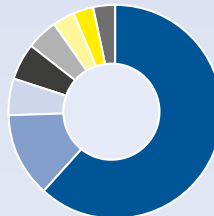
**33**

- Fixed term

**7**

- Secondee

## Ethnicity<sup>3</sup>



**78**

- NZ European/Pākehā

**16**

- European

**7**

- Asian

**7**

- Other ethnicity

**6**

- Not stated

**4**

- Māori

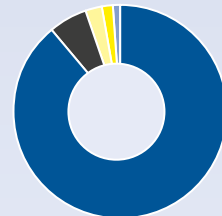
**4**

- Pacific

**4**

- Middle Eastern/Latin American/African

## Location



**105**

- Wellington

**7**

- Auckland

**3**

- Canterbury

**2**

- Elsewhere

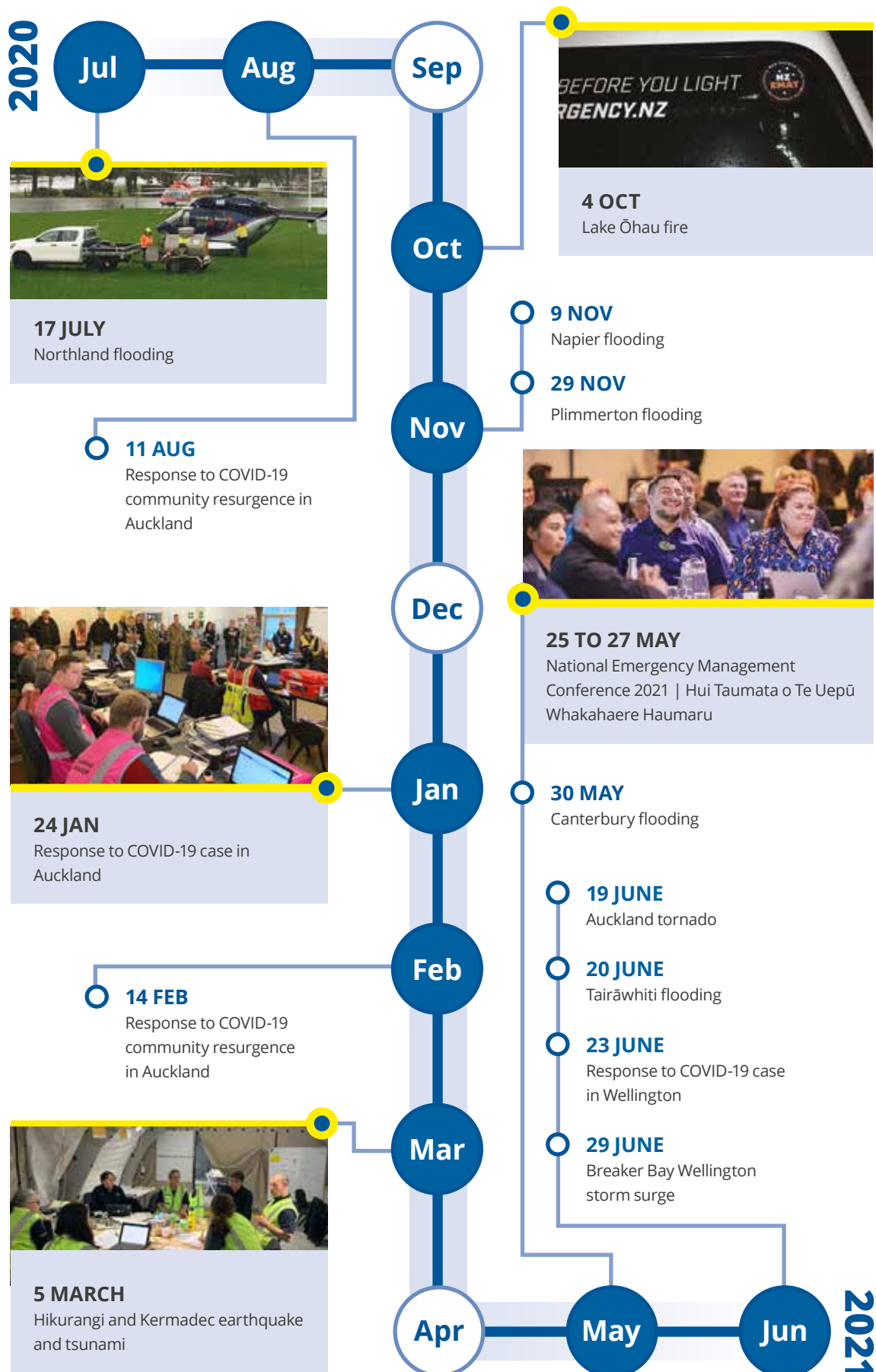
**1**

- Nelson

<sup>3</sup> This ethnicity data does not include secondees-in. Ethnicity has been reported using total response data. This means that every ethnic group a person identifies with is counted. Therefore, the sum of categories is greater than the number of people.



# The year at a glance | Te tau kua hipa



## Highlights | Nga wā hira

**46.6m**  
investment  
in NEMA

through Budget 2021, to be distributed over four years.

**NEMA**  
**#3<sup>rd</sup>**  
(out of 58)

NEMA has risen from 4<sup>th</sup> to 3<sup>rd</sup> in the 2021 Colmar Brunton Public Sector Reputation Index, ranking in the top five on three key measures.

**2<sup>nd</sup>**  
Fairness

**3<sup>rd</sup>**  
Social  
Responsibility

**3<sup>rd</sup>**  
Trust

**125** uses of the Emergency  
Mobile Alert system

since its launch in 2017, including messages, updates and stoppages issued by NEMA, New Zealand Police, Fire and Emergency New Zealand and the Civil Defence Emergency Management sector.

**28** emergency responses

NEMA has responded to 28 emergency events since July 2020, including floods, COVID-19 resurgences, fires, earthquakes and tsunamis, a tornado and a storm.

**\$29.284m** welfare, other response  
and essential infrastructure claims approved

In the 2020/21 financial year, 125 claims totalling \$29.284m were approved and authorised for payment by NEMA:

- **100 welfare claims** totalling \$22.986m approved as a result of the COVID-19 pandemic
- **10 welfare claims** totalling \$0.934m approved as a result of 4 emergency events such as flooding.

15 other response and recovery claims totalling \$5.364m were approved, relating to the 2016 Kaikōura earthquake, 2017 Edgecumbe flooding, March 2019 West Coast flooding and February 2020 Lower South Island flooding.

**430,000**  
people

have signed up for the ShakeOut earthquake drill (28 October 2021).

**425** people plus  
hundreds more online

participated in the National Emergency Management Conference | Hui Taumata o Te Uepū Whakahaere Haumarū in May 2021.

**227,000**  
followers

on NEMA's social media, across Facebook, Twitter and Instagram.

**46** Emergency Management  
Assistance Team (EMAT)

members in the cadre, which supported local CDEM Groups during recent emergency events.



# Our performance | Ko tā mātou mahi

## What we achieved in 2020/21

The achievements outlined in this section contribute to DPMC's Outcome 3: People living in Aotearoa New Zealand are, and feel, resilient, safe and secure

### **We led work to strengthen the emergency management system's ability to manage risk, and respond to and recover from emergencies**

Over the last year, we ensured the emergency management system was well-coordinated, and enjoyed trust and confidence of New Zealanders by delivering flagship initiatives, including:

- standing up the Alternative National Crisis Management Centre (NCCMC) to ensure there is a facility to manage a national crisis if the Wellington NCCMC is unavailable;
- deploying the second tranche of Tsunami Monitoring and Detection Network buoys which help confirm if a tsunami has been generated before it reaches the coast;
- training 23 more Emergency Management Assistant Team members; and
- supporting local Civil Defence Emergency Management (CDEM) groups during emergency events, including the Napier Floods, Ōhau Fire and Canterbury Floods.

We supported a performance lift for the hazard risk management system by enhancing cooperation between key partners, leading Hazard Risk Board work on multi-hazard risk profiles and improving advice to government on hazards of national significance.

We also progressed an ambitious and comprehensive legislative and regulatory change programme to modernise the CDEM Act 2016 and the National CDEM Plan to ensure they are fit for purpose and realise the vision set in the *National Disaster Resilience Strategy*. Some of the ways we did this include:

- working closely with the Ministerial Advisory Committee, established by the Minister for Emergency Management, and Pou Tangata of the National Iwi Chairs Forum;
- progressing thinking on policy proposals to clarify lead agency responsibilities across the system, which will be co-designed with DPMC's National Security Group; and
- providing policy advice on lead agency responsibilities for housing recovery and managed repair.

We created the Operational Readiness and Response Programme Board in June 2021 in recognition of a series of heavily interconnected projects, including the Alternative NCCMC, 24/7 Awake Monitoring, Alerting and Reporting, and building NCCMC resilience.

We continued to support regions and districts in the recovery from emergencies, which in 2020/21 included flooding, fire and tornado events. NEMA continued to coordinate the National Recovery Coordination Group and embed staff locally to support Councils to stand up new recovery management programmes and use recovery transition notice powers under the CDEM Act.

We also finalised a Strategic Framework to guide us in meeting the Government's vision for Aotearoa New Zealand's emergency management system. The framework was informed by and engagement with NEMA staff, partners and stakeholders.

### **We led work to build capability and capacity in Aotearoa New Zealand's emergency management system**

A key focus in 2020/21 was growing and repositioning NEMA as the emergency management system steward, operator and assurer. Over the last year this included developing NEMA's Strategic Framework and receiving funding through Budget 2021 to help us build safe and resilient communities.

Other achievements in building capability and capacity within the emergency management system include:

- collaborating with emergency services agencies to develop an *Emergency Services Leadership Board Strategy* to create a shared identity and direction for the sector;
- launching an organisational-wide work stream to ensure Māori participation in the emergency management system is recognised, enabled and valued, including the establishment of a Ministerial Advisory Committee;
- hosting a breakthrough National Emergency Management Conference | Hui Taumata o Te Uepū Whakahaere Haumaru, which brought together delegates from across the emergency management system under the umbrella of 'Building Safe and Resilient Communities: The Future of the Emergency Management System' (see case study). We succeeded in making the conference more than a CDEM conference, with a diverse range of attendees. More than 400 participated in the conference with hundreds more joining sessions online; and

- continuing to grow our regional footprint and build our organisational capacity and capability. This included recruiting new staff in the areas of regional engagement, social and community resilience (with a focus on Māori and Pasifika), hazard risk management, support for the emergency services leadership board, response planning, national operations and Pacific risk management.

In May and June 2021, we ran a Long or Strong, Get Gone campaign to promote the right actions to take when an earthquake that could result in a local source tsunami happens. Parts of the campaign, for example television advertising, were brought forward to reinforce awareness in the days following the 5 March 2021 earthquake and tsunami sequence. The campaign included advertising on national radio and television channels, dedicated advertising on Māori media channels, and targeted promotion focusing on reaching those least likely to know the correct action to take during an earthquake and tsunami threat.

Another key area of focus was ensuring we evaluate and learn lessons from the emergency events we respond to. In January 2021, the new Exercises, Evaluation and Lessons Management portfolio was added to NEMA's System Capability Unit. The immediate focus was to develop a lessons management and continuous improvement framework. Alongside this, emergency event debrief data from the last five years was analysed, identifying what worked well and what requires improvement. This helped lift NEMA's ability to gain insights during an event and address issues immediately.

## National Emergency Management Conference 2021

Hui Taumata o Te Uepū Whakahaere Haumaru



NEMA hosted a breakthrough National Emergency Management Conference | Hui Taumata o Te Uepū Whakahaere Haumaru at Te Papa Tongarewa in Wellington from 25 to 27 May 2021. The theme for the conference was 'Building Safe and Resilient Communities: The Future of the Emergency Management System'.

Day one of the conference was a Hui ā-motu dedicated to providing a platform for gaining Māori and indigenous perspectives on emergency management. This brought together Māori experts and leaders, practitioners and volunteers, as well as those interested in supporting improved emergency management outcomes for Māori.

Days two and three built on this kaupapa through plenary and breakout sessions that explored how the emergency management system works together – through partnerships, co-creation, and collective effort, across a broad range of organisations, sectors and communities – to support improved emergency management outcomes for individuals and communities.

Highlights of the conference included addresses by the Prime Minister, the Rt Hon Jacinda Ardern, the Acting Minister for Emergency Management, the

Hon Kris Faafoi, and Director-General of Health, Dr Ashley Bloomfield. The emergency services inter-operability and collaboration display staged outside of Te Papa was also very well received by conference attendees and members of the general public alike.

Discussions and lessons from the conference have informed NEMA's work programme, particularly enabling improved engagement with iwi Māori and their valuable involvement in the emergency management system.

A highlight of the conference was the Emergency Management Awards Dinner. This saw people, groups and organisations that have made significant contributions to emergency management in Aotearoa New Zealand recognised and celebrated. Recipients of Long Service Awards together totalled more than 700 years of service to emergency management, including Bernard Haar who was recognised for 50 years of service.

Feedback from participants has been extremely positive, with those who responded to the post-conference survey giving it a 100% satisfaction rating – and 80.36% of respondents stating they would attend next year's conference.

## Building our organisational health and capability

Our focus was on stabilising, growing and repositioning NEMA in the emergency management system to achieve the strategic shift expected by the Government when it established NEMA. We invested in our people and systems, making sure we have the right people with the right capability to support our work.

Using the Government's initial investment in establishing NEMA, we continued to grow and began implementing the future state designed the previous financial year. This included organising NEMA into emergency management and strategic enablement. The benefits of this were apparent when we could continue our priority work programmes at the same time as leading or supporting emergency responses.

The Budget 2021 investment in NEMA will enable us to continue to build capacity and capability. We have brought in dedicated, time-bound change management expertise to support the work to implement this investment.

Flexible working by default was implemented. A portion of NEMA staff work remotely, flexible hours, part-time, and have the opportunity to buy-back leave. Tools and processes are in place to support staff and managers.

NEMA has put in place new practices to attract and recruit a diverse workforce which better reflects the communities we serve, and to lift our capability and confidence in te ao Māori.

Staff development is supported by DPMC processes. Development plans are drawn up for all staff and managed throughout the year to ensure continuous development, including providing opportunities for developing staff outside NEMA.

We share a health and safety policy with DPMC. However, due to NEMA having some additional health and safety risks, we have begun work on a health, safety and wellbeing plan. This will be informed by a review of existing health and safety policies and practices, an analysis of our obligations under the Health and Safety at Work Act, and subsequent recommendations on changes and improvements to ensure we are best practice.



# Our performance reporting

## Tā mātou pūrongo mahi

This section reports on what we achieved within each appropriation against the expectations set in the Vote Prime Minister and Cabinet Estimates and Supplementary Estimates of Appropriations for 2020/21.

Icons have been used in this section to identify the outcomes each appropriation contributed to during 2020/21.



Outcome 1: The Government is enabled to deliver its priorities



Outcome 2: Aotearoa New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation



Outcome 3: People living in Aotearoa New Zealand are, and feel, resilient, safe and secure



# Appropriation statements

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

for the year ended 30 June 2021

	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000	Where performance information is reported
<b>DEPARTMENTAL OUTPUT EXPENSES</b>				
Canterbury Earthquake Recovery	3,145	5,974	6,152	Our performance reporting section
COVID-19 All of Government Response	16,143	-	22,996	Our performance reporting section
Cyber Security	967	3,300	3,827	Our performance reporting section
Health and Disability System Reform	7,033	-	13,000	Our performance reporting section
Support for Inquiry into EQC	33	100	200	Our performance reporting section
<b>TOTAL DEPARTMENTAL OUTPUT EXPENSES</b>	<b>27,321</b>	<b>9,374</b>	<b>46,175</b>	
<b>DEPARTMENTAL CAPITAL EXPENDITURE</b>				
Department of the Prime Minister and Cabinet – Capital Expenditure PLA	641	100	2,232	Our performance reporting section
<b>TOTAL DEPARTMENTAL CAPITAL EXPENDITURE</b>	<b>641</b>	<b>100</b>	<b>2,232</b>	
<b>NON-DEPARTMENTAL OUTPUT EXPENSES</b>				
Centre of Excellence for Preventing and Countering Violent Extremism	300	-	300	Minister's Report appended to the DPMC Annual Report
<b>TOTAL NON-DEPARTMENTAL OUTPUT EXPENSES</b>	<b>300</b>	<b>-</b>	<b>300</b>	
<b>NON-DEPARTMENTAL OTHER EXPENSES</b>				
COVID-19: Civil Defence Emergency Management Group Welfare Costs	-	-	5,000	Minister's Report appended to the DPMC Annual Report
Governor-General's Programme PLA	1,380	1,500	1,500	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Governor-General's Salary and Allowance PLA	405	500	500	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Governor-General's Travel Outside New Zealand PLA	20	407	407	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989



	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000	Where performance information is reported
Local Authority Emergency Expenses PLA	3,878	5,000	5,000	Minister's Report appended to the DPMC Annual Report
Remuneration of Commissioners of Intelligence Warrants PLA	23	174	174	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
<b>TOTAL NON-DEPARTMENTAL OTHER EXPENSES</b>	<b>5,706</b>	<b>7,581</b>	<b>12,581</b>	
<b>MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE</b>				
<b>Advice and Support Services MCA</b>				
DEPARTMENTAL OUTPUT EXPENSES				
Advice and Support to Government and the Governor- General	33,771	31,734	35,849	Our performance reporting section
NON-DEPARTMENTAL OTHER EXPENSES				
Depreciation and Maintenance of Government House Buildings and Related Assets	1,737	2,412	2,392	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Prime Minister's Chief Science Advisor Research Programme	120	120	120	Our performance reporting section
NON-DEPARTMENTAL CAPITAL EXPENDITURE				
Government House – Capital Expenditure	688	550	850	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
<b>TOTAL ADVICE AND SUPPORT SERVICES MCA</b>	<b>36,316</b>	<b>34,816</b>	<b>39,211</b>	
<b>Emergency Management Leadership and Support MCA</b>				
DEPARTMENTAL OUTPUT EXPENSES				
Advice and Support for Emergency Risk Reduction, Readiness, Response and Recovery	34,994	27,564	45,163	Our performance reporting section
NON-DEPARTMENTAL OTHER EXPENSES				
Emergency Risk Reduction, Readiness, Response and Recovery	7,010	3,382	19,136	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
NON-DEPARTMENTAL CAPITAL EXPENDITURE				
Capital Expenditure to Support Emergency Risk Reduction, Readiness, Response and Recovery	4,831	5,339	10,223	Our performance reporting section
<b>TOTAL EMERGENCY MANAGEMENT LEADERSHIP AND SUPPORT MCA</b>	<b>46,835</b>	<b>36,285</b>	<b>74,522</b>	
<b>TOTAL MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE</b>	<b>83,151</b>	<b>71,101</b>	<b>113,733</b>	
<b>TOTAL ANNUAL AND PERMANENT APPROPRIATIONS</b>	<b>117,119</b>	<b>88,156</b>	<b>175,021</b>	

## Multi-year appropriation

The Department had 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 greater Christchurch. This appropriation expired 30 June 2021.

	2020/21 Actual \$000	Location of end-of-year performance information
<b>Appropriation for Non-departmental Output Expenses: Regenerate Christchurch</b>		
Original Appropriation	20,000	Minister's Report appended to the DPMC Annual Report
Adjustments	(4,301)	
<b>TOTAL ADJUSTED APPROVED APPROPRIATION</b>	<b>15,699</b>	
Actual Expenditure 2016/17	4,000	
Actual Expenditure 2017/18	4,000	
Actual Expenditure 2018/19	5,072	
Actual Expenditure 2019/20	2,627	
Actual Expenditure 2020/21	-	
<b>APPROPRIATION REMAINING AT 30 JUNE 2021</b>	<b>-</b>	

## 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 2021

The Department has not incurred any departmental and non-departmental expenses or capital expenditure without, or in excess of appropriation, or other authority.

## Statement of Capital Injections

for the year ended 30 June 2021

	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
Capital Injection	1,266	0	1,266

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

for the year ended 30 June 2021

DPMC has not received any capital injections during the year without, or in excess of, authority (2020: Nil).

# Reporting against our appropriations

## Canterbury Earthquake Recovery



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

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
The responsible Ministers are satisfied with the policy advice service (see Note 1)	4	5	4.79	✓
Average score for assessed policy papers (see Note 2)	4	3.5	3.3	✗
Quality of policy advice papers – 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less (see Note 2)	Achieved	Achieved	Not achieved	✗

Note 1 – The Minister's Satisfaction Survey measures satisfaction with the quality of advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always met expectations.

Note 2 – A sample of the department's policy advice is assessed by a panel using the Policy Quality Framework. There are two targets for reporting on overall policy advice: an average score and a distribution score. Policy advice is scored on a scale of 1 to 5, where 1 means unacceptable and 5 means outstanding. All first opinion policy functions contribute to one score across the Department of the Prime Minister and Cabinet and the National Emergency Management Agency.

### How Ministerial satisfaction was calculated

Ministerial satisfaction with policy advice is measured using the Policy Project's Ministerial Policy Satisfaction Survey. The survey contains a common set of questions that agencies use to assess their Minister's satisfaction with the services provided. The Associate Minister of Finance was surveyed on their satisfaction with advice provided in relation to the Greater Christchurch Regeneration part of their portfolio.

### Why we did not achieve our policy quality targets

We have set two measures of policy quality, one an average score and one on the distribution of scores. This year, neither of these measures were achieved.

The results of our Policy Quality Review show that the overall average of papers remains consistent with previous years. Overall, we had fewer lower scoring papers, with none scoring lower than 2, however also had fewer higher scoring papers than in the past, with 23% scoring 4 or above. 86% of the papers assessed scored 3 or higher, meeting the overall Policy Quality Framework standard.

Several of our papers in 2020/21 were produced quickly to provide advice on emerging and developing issues. Over the next year, we will focus on implementing the recommendations from the review to help us improve the quality of our policy papers and work towards achieving our ambitious targets.

### How much it cost

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
9,036	Revenue Crown	5,580	5,974	5,580
343	Revenue Other	648	-	572
<b>9,379</b>	<b>TOTAL REVENUE</b>	<b>6,228</b>	<b>5,974</b>	<b>6,152</b>
7,999	Expenses	3,145	5,974	6,152
1,380	Net Surplus/(Deficit)	3,083	-	-

Expenditure was lower than budgeted due to the cost of the transition of Canterbury Earthquake Recovery-related activities to local authorities being lower than expected.

# COVID-19 All of Government Response



This appropriation is intended to achieve effective leadership, coordination and delivery of the Government's response to COVID-19.

## What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
The responsible Minister is satisfied with the policy advice service (see Note 1)	4	New measure	4	✓
The responsible Minister is satisfied with the coordination of the COVID-19 response system (see Note 1)	4	New measure	4	✓
The COVID-19 Chief Executives Board is satisfied with the leadership within the system (see Note 1)	4	New measure	4	✓
The National Response Leadership Team is satisfied that the National Resurgence Response Plan is used effectively in a resurgence, and/or remains up-to-date, robust and routinely tested (see Note 1)	4	New measure	4	✓
Average score for assessed policy papers (see Note 2)	4	New measure	3.3	✗
Quality of policy advice papers - 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less (see Note 2)	Achieved	New measure	Not achieved	✗
New Zealand's COVID-19 public information campaign is recognised by the public for its effectiveness	80%	New measure	85%	✓

Note 1 – The Minister's/Board's/Leadership Team's Satisfaction Survey measures satisfaction with the quality of advice and/or services on a scale from 1 to 5, where 1 means never met expectations and 5 means always met expectations.

Note 2 – A sample of the department's policy advice is assessed by a panel using the Policy Quality Framework. There are two targets for reporting on overall policy advice: an average score and a distribution score. Policy advice is scored on a scale of 1 to 5, where 1 means unacceptable and 5 means outstanding. All first opinion policy functions contribute to one score across the Department of the Prime Minister and Cabinet and the National Emergency Management Agency.

### How Ministerial satisfaction was calculated

Ministerial satisfaction with policy advice is measured using the Policy Project's Ministerial Policy Satisfaction Survey. The survey contains a common set of questions that agencies use to assess their Minister's satisfaction with the services provided.

The result for Ministerial satisfaction in relation to advice other than policy advice is an average of overall satisfaction, and ratings for the following dimensions: advice meets needs, is timely and of a high quality.

### How the effectiveness of the public information campaign was calculated

The effectiveness of the public information campaign is measured using public sentiment and behaviours research collected in July 2021. The result is an average across respondents surveyed, who reported as having visibility of the key messages of the public information campaign. The categories of visibility included in the reported result are 'You see or hear about it all the time' (28%), 'You see or hear about it a lot' (33%) and 'You see or hear about it a little' (24%). The five key messages related to the COVID-19 vaccine, staying home and getting a test if sick, the COVID tracer app, quarantine-free travel and wearing a mask.

### Why we did not achieve our policy quality targets

We have set two measures of policy quality, one an average score and one on the distribution of scores. This year, neither of these measures were achieved.

The results of our Policy Quality Review show that the overall average of papers remains consistent with previous years. Overall, we had fewer lower scoring papers, with none scoring lower than 2, however also had fewer higher scoring papers than in the past, with 23% scoring 4 or above. 86% of the papers assessed scored 3 or higher, meeting the overall Policy Quality Framework standard.

Several of our papers in 2020/21 were produced quickly to provide advice on emerging and developing issues. Over the next year, we will focus on implementing the recommendations from the review to help us improve the quality of our policy papers and work towards achieving our ambitious targets.

## How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
- Revenue Crown	22,996	-	22,996
- Revenue Other	23	-	-
- <b>TOTAL REVENUE</b>	<b>23,019</b>	<b>-</b>	<b>22,996</b>
- Expenses	16,143	-	22,996
- Net Surplus/(Deficit)	6,876	-	-

There was no initial COVID-19 All of Government Response budget as this appropriation was established on 2 December 2020. Public information costs, which were the principal component of the end of year budget, were lower than expected. Prior to 2 December 2020, expenditure for the COVID-19 All of Government Response was recorded under the Emergency Management Leadership and Support multi-category appropriation.

## Cyber Security



This appropriation is intended to achieve improvement in New Zealand's protection from, and resilience to, cyber security threats and cybercrime.

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
Delivery of the annual work programme as agreed by the Cyber Security Coordination Committee	Achieved	Partially achieved	Partially achieved	✗

### Why we did not achieve our target

The follow-on impacts of the COVID-19 response alongside ongoing policy work on emerging cyber security issues led to project delivery progressing slower than planned. Projects not delivered in this financial year are scheduled for delivery in 2021/22.

## How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
700 Revenue Crown	3,827	3,300	3,827
<b>700 TOTAL REVENUE</b>	<b>3,827</b>	<b>3,300</b>	<b>3,827</b>
173 Expenses	967	3,300	3,827
527 Net Surplus/(Deficit)	2,860	-	-

Expenditure was lower than budgeted due to the programme not commencing as early as anticipated.

# Health and Disability System Reform



This appropriation is intended to achieve the policy and design work arising from the response to the Health and Disability System Review.

## What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
The Minister of Health is satisfied with the policy advice service (see Note 1)	4	New measure	4.95	✓
Average score for assessed policy papers (see Note 2)	4	New measure	3.3	✗
Quality of policy advice papers - 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less (see Note 2)	Achieved	New measure	Not achieved	✗

Note 1 – The Minister's Satisfaction Survey measures satisfaction with the quality of advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always met expectations.

Note 2 – A sample of the department's policy advice is assessed by a panel using the Policy Quality Framework. There are two targets for reporting on overall policy advice: an average score and a distribution score. Policy advice is scored on a scale of 1 to 5, where 1 means unacceptable and 5 means outstanding. All first opinion policy functions contribute to one score across the Department of the Prime Minister and Cabinet and the National Emergency Management Agency.

### How Ministerial satisfaction was calculated

Ministerial satisfaction with policy advice is measured using the Policy Project's Ministerial Policy Satisfaction Survey. The survey contains a common set of questions that agencies use to assess their Minister's satisfaction with the services provided.

### Why we did not achieve our policy quality targets

We have set two measures of policy quality, one an average score and one on the distribution of scores. This year, neither of these measures were achieved.

The results of our Policy Quality Review show that the overall average of papers remains consistent with previous years. Overall, we had fewer lower scoring papers, with none scoring lower than 2, however also had fewer higher scoring papers than in the past, with 23% scoring 4 or above. 86% of the papers assessed scored 3 or higher, meeting the overall Policy Quality Framework standard.

Several of our papers in 2020/21 were produced quickly to provide advice on emerging and developing issues. Over the next year, we will focus on implementing the recommendations from the review to help us improve the quality of our policy papers and work towards achieving our ambitious targets.

## How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
- Revenue Crown	13,000	-	13,000
- <b>TOTAL REVENUE</b>	<b>13,000</b>	<b>-</b>	<b>13,000</b>
- Expenses	7,033	-	13,000
- Net Surplus/(Deficit)	5,967	-	-

There was no initial Health and Disability System Reform budget as this appropriation was established during 2020/21. The Supplementary Estimates budget was set prior to the outcomes of Government decisions for the reforms. Actual activities in 2020/21 did not require the full level of available funding.



## Support for Inquiry into EQC



This appropriation is intended to achieve effective support for the Inquiry into the Earthquake Commission (EQC).

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
The public can access information from the Public Inquiry into the Earthquake Commission website after 30 June 2020	Achieved	New measure	Achieved	✓

### How much it cost

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
1,550	Revenue Crown	200	100	200
<b>1,550</b>	<b>TOTAL REVENUE</b>	<b>200</b>	<b>100</b>	<b>200</b>
1,073	Expenses	33	100	200
477	Net Surplus/(Deficit)	167	-	-

Expenditure was below budget due to lower than budgeted depreciation and website archiving work commencing later in the year than originally planned.

## 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 2020/21, expenditure was in accordance with the Department's approved capital asset management plan.

### How much it cost

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
767	Property, Plant and Equipment	456	50	2,182
28	Intangibles	185	-	-
-	Other	-	50	50
<b>795</b>	<b>TOTAL EXPENSES</b>	<b>641</b>	<b>100</b>	<b>2,232</b>

## Advice and Support Services



This appropriation is intended to achieve the enablement and facilitation of decision making by executive government through the delivery of policy advice and support services to the Prime Minister, Cabinet and its committees, the Executive Council and the Governor-General.

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
The Prime Minister is satisfied with the services and support provided by the Department of the Prime Minister and Cabinet (see Note 1)	4	New measure	4.63	✓
The Governor-General is satisfied with the services and support provided by the Department of the Prime Minister and Cabinet (see Note 1)	4	New measure	4.66	✓

Note 1 – The Governor-General/Prime Minister's Satisfaction Survey measures satisfaction on a scale from 1 to 5, where 1 means never met expectations and 5 means always met expectations.

### How the overarching measures were calculated

The overarching measures average the satisfaction ratings of the Prime Minister or Governor-General reported in categories of this appropriation.

### How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
- Revenue Crown	34,135	31,704	34,136
- Revenue Other	1,650	30	1,713
- <b>TOTAL REVENUE</b>	<b>35,785</b>	<b>31,734</b>	<b>35,849</b>
- Expenses	33,771	31,734	35,849
- Net Surplus/(Deficit)	2,014	-	-
- Departmental Expenses	33,771	31,734	35,849
- Non-departmental Expenses	1,857	2,532	2,512
- Non-departmental Capital Expenditure	688	550	850

Departmental expenditure was higher than originally budgeted due to the addition of third party funded activity over the course of the year for the Policy Project, rental accommodation for the National Security Group in Defence House, the establishment of the Implementation Unit and carry forwards of funding from 2019/20, which all increased the budget. The main reasons for the underspend against the Supplementary Estimates were the timing of staff appointments in the Strategy Unit and the late establishment of the Implementation Unit.

Non-departmental expenditure was underspent mainly due to some Government House planned maintenance projects not progressing as quickly as planned.

## Category: Advice and Support to Government and the Governor-General

This category is intended to support decision making by the Prime Minister and Cabinet, and provide support services to the Prime Minister, Cabinet and its committees, the Executive Council and the Governor-General, as well as administrative support to maintain the Governor-General's residences.

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
<b>Advice to Government</b>				
The Prime Minister is satisfied with the policy advice service (see Note 1)	4	4.75	4.75	✓
The Minister for Child Poverty Reduction is satisfied with the advice provided by the Child Poverty Unit and the Child Wellbeing Unit (see Note 1)	4	4.81	4.96	✓
The Minister for National Security and Intelligence is satisfied with the policy advice service (see Note 1)	4	4.63	4.62	✓
The Minister for the Digital Economy and Communications is satisfied with the policy advice service (see Note 1)	4	4.77	4.25	✓
Average score for assessed policy papers (see Note 2)	4	3.5	3.3	✗
Quality of policy advice papers – 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less (see Note 2)	Achieved	Achieved	Not achieved	✗
The Prime Minister is satisfied with the leadership, co-ordination and collaboration within the New Zealand Intelligence Community (see Note 1)	4	New measure	4.25	✓
The Prime Minister is satisfied with the provision of intelligence assessments that support national security priorities (see Note 1)	4	New measure	4.13	✓
Average score of a sample of intelligence assessments reviewed by an external reviewer	4	Not measured	4.2	✓
<b>Support to the Prime Minister, Cabinet and the Governor-General</b>				
The Prime Minister is satisfied with the support, secretariat and coordination services provided (see Note 1)	4	4.75	5	✓
Cabinet and Cabinet committee minutes requiring subsequent amendment (excluding amendments made as the result of Cabinet decisions)	0.5%	0.5%	0.1%	✓
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%	96%	96%	✓
Cabinet minutes will be published on CabNet by the close of business, three days after the Cabinet meeting	95%	98%	99%	✓
The Governor-General is satisfied with the advisory and constitutional services provided (see Note 1)	4	4.25	4.69	✓
The Governor-General is satisfied with the programme and household services provided (see Note 1)	4	4	4.63	✓

Note 1 – The Governor-General/Prime Minister/Minister's Satisfaction Survey measures satisfaction with the quality of advice and/or services on a scale from 1 to 5, where 1 means never met expectations and 5 means always met expectations.

Note 2 – A sample of the department's policy advice is assessed by a panel using the Policy Quality Framework. There are two targets for reporting on overall policy advice: an average score and a distribution score. Policy advice is scored on a scale of 1 to 5, where 1 means unacceptable and 5 means outstanding. All first opinion policy functions contribute to one score across the Department of the Prime Minister and Cabinet and the National Emergency Management Agency.

### How Ministerial satisfaction was calculated

Ministerial satisfaction with policy advice is measured using the Policy Project's Ministerial Policy Satisfaction Survey. The survey contains a common set of questions that agencies use to assess their Minister's satisfaction with the services provided.

The result for Ministerial satisfaction in relation to advice other than policy advice is an average of overall satisfaction, and ratings for the following dimensions: advice meets needs, is timely and of a high quality.

### How the Governor-General's satisfaction was calculated

The satisfaction surveys for the Governor-General are carried out on a six-monthly basis and averaged to provide the result reported.

### Why we did not achieve our policy quality targets

We have set two measures of policy quality, one an average score and one on the distribution of scores. This year, neither of these measures were achieved.

The results of our Policy Quality Review show that the overall average of papers remains consistent with previous years. Overall, we had fewer lower scoring papers, with none scoring lower than 2, however also had fewer higher scoring papers than in the past, with 23% scoring 4 or above. 86% of the papers assessed scored 3 or higher, meeting the overall Policy Quality Framework standard.

Several of our papers in 2020/21 were produced quickly to provide advice on emerging and developing issues. Over the next year, we will focus on implementing the recommendations from the review to help us improve the quality of our policy papers and work towards achieving our ambitious targets.

### How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
- Revenue Crown	34,135	31,704	34,136
- Revenue Other	1,650	30	1,713
- TOTAL REVENUE	35,785	31,734	35,849
- Expenses	33,771	31,734	35,849
- Net Surplus/(Deficit)	2,014	-	-

## Category: Prime Minister's Chief Science Advisor Research Programme

This category is intended to support the Prime Minister's Chief Science Advisor Research Programme.

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
The satisfaction of the Prime Minister with the scientific advice provided, as measured using the Prime Minister's Satisfaction Survey (see Note 1) is at least:	4	5	5	✓

Note 1 – The Prime Minister's Satisfaction Survey measures satisfaction with the quality of advice and/or services on a scale from 1 to 5, where 1 means never met expectations and 5 means always met expectations.

### How Ministerial satisfaction was calculated

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

### How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
- Expenses	120	120	120

## Emergency Management Leadership and support



This appropriation is intended to support leadership of the all-hazards, all-risks emergency management system so that it reduces risk and is ready and able to provide an effective and integrated response to, and recover from, emergencies.

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
The National Emergency Management Agency maintains a positive reputation with the public	Achieved	New measure	Achieved	✓
Overall preparedness - New Zealanders are actively preparing for emergencies and know how to protect themselves against life safety risks posed by our most dangerous natural hazards	66%	New measure	67%	✓
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%	88%	Not measured	-

#### How positive reputation was measured

Maintaining a positive reputation is measured using the Colmar Brunton Public Sector Reputation Index. Reputation is measured across 15 attributes, under the four pillars of trust, social responsibility, leadership and fairness, which are combined into a single reputation score.

#### How preparedness was measured

Preparedness is measured using the annual Colmar Brunton Disaster Preparedness Survey, which surveys New Zealanders to assess disaster preparedness and the effectiveness of the public education programme. The overall measure is an aggregation of the three included in the Advice and Support for Emergency Risk Reduction, Readiness, Response and Recovery category.

#### Why we did not measure one of the overarching measures

This existing measure has been replaced by two new overarching measures for the Emergency Management Leadership and Support multi-category appropriation to better show what has been achieved with this appropriation. This measure was intended to be expired from 2020/21 and has not been included in the Vote Prime Minister and Cabinet Estimates of Appropriations for 2021/22.

### How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
- Revenue Crown	43,103	27,334	43,102
- Revenue Other	853	230	2,061
- <b>TOTAL REVENUE</b>	<b>43,956</b>	<b>27,564</b>	<b>45,163</b>
- Expenses	34,994	27,564	45,163
- Net Surplus/(Deficit)	8,962	-	-
- Non-departmental Expenses	7,010	3,382	19,136
- Non-departmental Capital Expenditure	4,831	5,339	10,223

Departmental expenditure was higher than originally budgeted principally due to the addition of funding carried forward from 2019/20, and funding received for the Co-ordinated Incident Management System and the Ministry of Foreign Affairs and Trade Partnership Programme during the year. The underspend against the Supplementary Estimates is due to COVID-19 publicity expenditure being lower than expected up to December 2021. Expenditure on this was thereafter recorded against the COVID-19 All of Government Response appropriation. Tsunami Monitoring and Detection Network maintenance expenditure and other initiatives such as National Crisis Management Centre resilience were lower than expected.

Non-departmental expenditure was higher than budgeted due to the addition of funding carried forward from 2019/20 for several emergency management initiatives.

Capital expenditure was lower than budgeted due to a delay in the final deployment phases of the Tsunami Monitoring and Detection Network.



## Category: Advice and Support for Emergency Risk Reduction, Readiness, Response and Recovery

This category is intended to provide advice to Ministers and the emergency management sector on the design, operation and performance of the emergency management system; building the capability and capacity of the emergency management sector (including communities) to plan for, respond to and recover from emergencies; and leading and supporting response to and recovery from emergencies.

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
<b>Community Awareness and Readiness</b>				
Percentage of New Zealanders who have taken action to prepare for an emergency in the last 12 months	50%	52%	42%	✗
Percentage of New Zealanders who know the correct action to take during an earthquake	67%	69%	67%	✓
Percentage of New Zealanders who know the correct action to take if they feel a long or strong earthquake near the coast	85%	85%	91%	✓
<b>Emergency Sector Support and Management</b>				
Satisfaction is at least 6 in relation to the two measures below (see Note 1):				
• If a Guideline, Technical Standard, or Code was required did it meet the CDEM sector users' needs (see Note 1)	6	7.1	8.0	✓
• National Emergency Management Agency supports capability development by facilitating learning and training activities for organisations with responsibilities under the Civil Defence Emergency Management Act 2002	6	7.4	7.4	✓
Percentage of the Tsunami Monitoring and Detection Network operating at the agreed performance levels	95%	88%	70%	✗
<b>Management of Emergencies</b>				
An initial National Warning is issued within 20 minutes of the Duty Manager's decision to issue a National Warning	100%	Not achieved	50%	✗
Number of National Crisis Management Centre amalgamated corrective action plans reviewed (see Note 2)	4	Revised measure	6	✓
<b>Policy Advice</b>				
The responsible Minister is satisfied with the emergency management policy advice service (see Note 3)	4	4.98	4.95	✓
Average score for assessed policy papers (see Note 4)	4	3.5	3.3	✗
Quality of policy advice papers – 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less (see Note 4)	Achieved	Achieved	Not achieved	✗

Note 1 – Relevant publications are those found on the National Emergency Management Agency (NEMA) publications list website <http://www.civildefence.govt.nz/resource/publications>.

Note 2 – The NEMA Business Committee 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 NEMA's control, such as natural disasters, occur).

Note 3 – The Minister's Satisfaction Survey measures satisfaction with the quality of advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 4 – A sample of the department's policy advice is assessed by a panel using the Policy Quality Framework. There are two targets for reporting on overall policy advice: an average score and a distribution score. Policy advice is scored on a scale of 1 to 5, where 1 means unacceptable and 5 means outstanding. All first opinion policy functions contribute to one score across the Department of the Prime Minister and Cabinet and the National Emergency Management Agency.

### How Ministerial satisfaction was calculated

Ministerial satisfaction with policy advice is measured using the Policy Project's Ministerial Policy Satisfaction Survey. The survey contains a common set of questions that agencies use to assess their Minister's satisfaction with the services provided.

### How preparedness was measured

Preparedness is measured using the annual Colmar Brunton Disaster Preparedness Survey, which surveys New Zealanders to assess disaster preparedness and the effectiveness of the public education programme.

### Why we did not achieve the preparedness measure

The measure relating to the number of New Zealanders who have prepared for an emergency in the last 12 months was not achieved in 2020/21. The result for 2020/21 is similar to the result in 2018/19 (41%), before the COVID-19 pandemic. Historically, preparedness rates rise sharply after a large-scale event before gradually tailing off. Our work to promote preparedness is ongoing and remains a priority.

### Why we did not achieve the Tsunami Monitoring and Detection Network measure

The Tsunami Monitoring and Detection Network includes a number of DART buoys, which monitor changes in sea level. They are currently the only accurate way to rapidly confirm a tsunami has been generated before it reaches the coast. Three DART buoys were offline for part of the reporting period. Continuing coverage was provided by the remainder of the network.

### Why we did not achieve the National Warning measure

Two warnings were issued during 2020/21. This measure was not achieved as there was a delay in issuing one of the initial warnings due to evolving scientific advice.

### Why we did not achieve our policy quality targets

We have set two measures of policy quality, one an average score and one on the distribution of scores. This year, neither of these measures were achieved.

The results of our Policy Quality Review show that the overall average of papers remains consistent with previous years. Overall, we had fewer lower scoring papers, with none scoring lower than 2, however also had fewer higher scoring papers than in the past, with 23% scoring 4 or above. 86% of the papers assessed scored 3 or higher, meeting the overall Policy Quality Framework standard.

Several of our papers in 2020/21 were produced quickly to provide advice on emerging and developing issues. Over the next year, we will focus on implementing the recommendations from the review to help us improve the quality of our policy papers and work towards achieving our ambitious targets

### How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
- Revenue Crown	43,103	27,334	43,102
- Revenue Other	853	230	2,061
- TOTAL REVENUE	43,956	27,564	45,163
- Expenses	34,994	27,564	45,163
- Net Surplus/(Deficit)	8,962	-	-

## Category: Capital Expenditure to Support Emergency Risk Reduction, Readiness, Response and Recovery

### What we achieved

Performance measure	Target 2020/21	Result for 2019/20	Result for 2020/21	Achieved
Percentage of DART Buoys deployed within agreed timeframes	100%	Achieved	100%	✓

### How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2020/21 Supp. Estimates \$000
- Expenses	4,831	5,339	10,223



# Our financials | Tauāki pūtea

This section contains our financial statements for 2020/21, 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 annual report fairly reflects the operations, progress, and the organisational health and capability of the Department;
- the Financial Statements fairly reflect the financial position of the Department as at 30 June 2021 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 2022 and its operations for the year ending on that date.



Brook Barrington  
**Chief Executive**

Date: 30 September 2021

# 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 2021

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 76, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2021, 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 2021 on pages 8 to 19, 35 to 37, and 43 to 54;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2021 on pages 39 to 42; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 77 to 82 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and contingent assets as at 30 June 2021;
  - the schedules of expenses; and revenue for the year ended 30 June 2021;
  - the statement of trust monies for the year ended 30 June 2021; 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 76:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2021; 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 8 to 19, 35 to 37, and 43 to 54:
  - presents fairly, in all material respects, for the year ended 30 June 2021:
    - 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 39 to 42 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 77 to 82 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 2021; and
  - expenses; and revenue for the year ended 30 June 2021; and
  - the statement of trust monies for the year ended 30 June 2021.

Our audit was completed on 30 September 2021. 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 2020/21 for Vote Prime Minister and Cabinet, the Department's Strategic Intentions 2020/21 to 2023/24, and the 2020/21 forecast financial figures in the Department's 2019/20 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 7, 20 to 34, 38, 56 and 84 to 87, 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 Prime Minister, Minister for Emergency Management and Minister of Finance on relevant non-departmental appropriations that are appended to the Department's annual report are not part of the Department'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: International 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 2021

2019/20 Actual \$000		Note	2020/21 Actual \$000	2020/21 Unaudited Budget \$000	2021/22 Unaudited Forecast \$000
<b>REVENUE</b>					
76,003	Revenue Crown		122,841	68,412	138,729
2,565	Other Revenue	2	11,336	260	260
<b>78,568</b>	<b>TOTAL REVENUE</b>		<b>134,177</b>	<b>68,672</b>	<b>138,989</b>
<b>EXPENSES</b>					
39,625	Personnel Costs	3	46,368	37,761	64,417
1,169	Depreciation and Amortisation Expense	6	564	413	965
538	Capital Charge	4	491	571	524
26,606	Other Operating Expenses	5	56,825	29,927	73,083
<b>67,938</b>	<b>TOTAL EXPENDITURE</b>		<b>104,248</b>	<b>68,672</b>	<b>138,989</b>
<b>10,630</b>	<b>NET SURPLUS/(DEFICIT)</b>		<b>29,929</b>	<b>-</b>	<b>-</b>
-	Other Comprehensive Revenue and Expenses		-	-	-
<b>10,630</b>	<b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES</b>		<b>29,929</b>	<b>-</b>	<b>-</b>

## Statement of Changes in Equity

for the year ended 30 June 2021

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Unaudited Budget \$000	2021/22 Unaudited Forecast \$000
8,965	Balance at 1 July	9,826	9,511	11,092
<b>COMPREHENSIVE REVENUE/(EXPENSE)</b>				
10,630	Surplus for the Year	29,929	-	-
861	Capital Injection	1,266	-	1,151
(10,630)	Return of Operating Surplus to the Crown	(29,929)	-	-
<b>9,826</b>	<b>BALANCE AT 30 JUNE</b>	<b>11,092</b>	<b>9,511</b>	<b>12,243</b>

Explanations of major variances against the original budget are provided in Note 12.

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

# Statement of Financial Position

as at 30 June 2021

2019/20 Actual \$000		Note	2020/21 Actual \$000	2020/21 Unaudited Budget \$000	2021/22 Unaudited Forecast \$000
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
33,665	Cash and Cash Equivalents		13,793	4,430	5,270
11,429	Debtor Crown		35,999	12,214	12,214
1,417	Debtors and Other Receivables		10,616	500	500
29	Prepayments		19	-	-
290	Inventory		311	199	199
<b>46,830</b>	<b>TOTAL CURRENT ASSETS</b>		<b>60,738</b>	<b>17,343</b>	<b>18,183</b>
<b>NON-CURRENT ASSETS</b>					
165	Intangible Assets	6	216	-	-
1,250	Property, Plant and Equipment	6	1,275	1,115	3,007
<b>1,415</b>	<b>TOTAL NON-CURRENT ASSETS</b>		<b>1,491</b>	<b>1,115</b>	<b>3,007</b>
<b>48,245</b>	<b>TOTAL ASSETS</b>		<b>62,229</b>	<b>18,458</b>	<b>21,190</b>
<b>LIABILITIES</b>					
<b>CURRENT LIABILITIES</b>					
24,287	Creditors and Other Payables	7	17,232	6,547	6,547
10,630	Provision for Repayment of Surplus		29,929	-	-
85	Provisions	8	21	-	-
2,913	Employee Entitlements	9	3,501	2,100	2,100
<b>37,915</b>	<b>TOTAL CURRENT LIABILITIES</b>		<b>50,683</b>	<b>8,647</b>	<b>8,647</b>
<b>NON-CURRENT LIABILITIES</b>					
21	Provisions	8	-	-	-
483	Employee Entitlements	9	454	300	300
<b>504</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>454</b>	<b>300</b>	<b>300</b>
<b>38,419</b>	<b>TOTAL LIABILITIES</b>		<b>51,137</b>	<b>8,947</b>	<b>8,947</b>
9,826	NET ASSETS		11,092	9,511	12,243
<b>EQUITY</b>					
9,826	Taxpayers' Funds		11,092	9,511	12,243
<b>9,826</b>	<b>TOTAL EQUITY</b>		<b>11,092</b>	<b>9,511</b>	<b>12,243</b>

Explanations of major variances against the original budget are provided in Note 12.

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

# Statement of Cash Flows

for the year ended 30 June 2021

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

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Unaudited Budget \$000	2021/22 Unaudited Forecast \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
74,746	Receipts from the Crown	101,476	68,412	138,729
3,499	Receipts from Other Revenue	1,450	260	260
(10,202)	Payments to Suppliers	(64,908)	(30,002)	(73,308)
(38,731)	Payments to Employees	(45,809)	(37,686)	(64,192)
(538)	Payments for Capital Charge	(491)	(571)	(524)
1,613	Goods and Services Tax (net)	(1,602)	-	-
<b>30,387</b>	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(9,884)</b>	<b>413</b>	<b>965</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
-	Receipts from sale of property, plant, and equipment	17	-	-
(767)	Purchase of Property, Plant and Equipment	(456)	(100)	(1,251)
(28)	Purchase of Intangible Assets	(185)	-	-
<b>(795)</b>	<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(624)</b>	<b>(100)</b>	<b>(1,251)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
(5,679)	Repayment of Net Surplus to the Crown	(10,630)	-	-
861	Capital Contribution	1,266	-	1,151
<b>(4,818)</b>	<b>NET CASH FROM FINANCING ACTIVITIES</b>	<b>(9,364)</b>	<b>-</b>	<b>1,151</b>
24,774	Net Increase/(Decrease) in Cash and Cash Equivalent	(19,872)	313	865
8,891	Cash and Bank Balances at the Beginning of the Year	33,665	4,117	4,405
<b>33,665</b>	<b>CASH AND BANK BALANCES AT YEAR END</b>	<b>13,793</b>	<b>4,430</b>	<b>5,270</b>

Explanations of major variances against the original budget are provided in Note 12.

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

## Statement of Commitments

as at 30 June 2021

### Capital commitment

At 30 June 2021, the Department has no capital commitments (2020: \$326,000). The 2020 capital commitments were for equipment and stores purchased for NEMA's Emergency Management Assistance Team to use in a civil defence emergency.

### 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 several floors in the TSB building. In Auckland, office space is leased from another government agency for Auckland-based NEMA staff. In Christchurch, floors 4 and 5 are leased in the Anthony Harper Building and office space is leased 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.

2019/20 Actual \$000		2020/21 Actual \$000
<b>OPERATING COMMITMENTS</b>		
<b>NON-CANCELLABLE OPERATING LEASE COMMITMENTS</b>		
1,344	No later than one year	2,101
613	Later than one year and not later than 5 years	2,559
559	Later than five years	511
2,516	<b>TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS</b>	<b>5,171</b>

## Statement of Contingent Liabilities and Contingent Assets

as at 30 June 2021

### Contingent liabilities

At 30 June 2021, the Department has no contingent liabilities (2020: Nil).

### Contingent assets

At 30 June 2021, the Department has no contingent assets (2020: Nil).

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



# Notes to the departmental financial statements

for the year ended 30 June 2021

## 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 section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Department's operations includes the Public Finance Act 1989 (PFA), Public Service Act 2020, and the Public Accountability Act 1998. The Department's ultimate parent is the New Zealand Crown.

In addition, the Department has reported on Crown activities and trust monies that it administers in the non-departmental statements and schedules.

The Department's primary objective is to provide services to the New Zealand public and does not operate to make a financial return. It operates as the advisor, leader and steward of New Zealand's system of executive government.

The Department has designated itself as a public benefit entity (PBE) for the purposes of complying with generally accepted accounting practice (GAAP).

The financial statements of the Department are for the year ended 30 June 2021 and were approved for issue by the Chief Executive on 30 September 2021.

### Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

### 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.

### 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

There have been no changes in the Department's accounting policies since the date of the last audited financial statements.

## **Standards issued and not yet effective and not early adopted**

Standards and amendments, issued but not yet effective that have not been early adopted, and which are relevant to the Department are:

### ***Amendment to PBE IPSAS 2 Cash Flow Statement***

An amendment to PBE IPSAS 2 requires entities to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. This amendment is effective for the year ending 30 June 2022, with early adoption permitted. This amendment will result in additional disclosures. The Department does not intend to early adopt the amendment.

### ***PBE IPSAS 41 Financial instruments***

PBE IPSAS 41 replaces PBE IFRS 9 Financial Instruments and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Department has assessed that there will be little change as a result of adopting the new standard as the requirements are similar to those contained in PBE IFRS 9. The Department does not intend to early adopt the standard.

### ***PBE FRS 48 Service Performance Reporting***

PBE FRS 48 replaces the service performance reporting requirements of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with earlier adoption permitted. The Department has not yet determined how application of PBE FRS 48 will affect its statement of service performance. The Department does not intend to early adopt the standard.

## **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 14 Property, Plant and Equipment) and the Non-departmental provisions for emergencies (see Note 15 Provisions). For Departmental assets and liabilities, this is the measurement of long service and retirement leave (see Note 9).

## **Summary of 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 – 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.

### **Donated assets – Non-departmental**

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue in the Schedule of Non-departmental Revenue and Receipts.

## **Financial instruments**

### ***Financial assets***

Cash and cash equivalents includes cash on hand, deposits held at call with banks, and other short-term highly liquid investments with original maturities of three months or less. The Department is permitted to expend its cash and cash equivalents only within the scope and limits of its appropriations.

Short-term receivables are recorded at the amount due, less an allowance for credit losses (if any). When relevant, the Department applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables.

In measuring expected credit losses, short-term receivables are assessed on a collective basis as they possess shared credit risk characteristics.

Short-term receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery includes the debtor being in liquidation or the receivable being more than one year overdue.

#### ***Goods and services tax***

Items in the financial statements are stated exclusive of goods and services tax (GST), except for receivables and payables, which are stated on a GST-inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue (IR) is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IR, including the GST relating to investing and financing activities, is classified as an operating cash flow in the statement of cash flows. Commitments and contingencies are disclosed exclusive of GST.

#### ***Income tax***

The Department is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

#### ***Financial liabilities***

All financial liabilities are designated at nominal value, unless the non-current amount is significant enough to warrant designation at amortised value using the effective interest rate method.

#### ***Commitments***

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

#### ***Budget and forecast figures***

The 2021 budget figures are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the 2020 Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2021.

The 2022 forecast figures are for the year ending 30 June 2022, which are consistent with the best estimate financial forecast information submitted to the Treasury for the 2021 BEFU for the year ending 30 June 2021.

The forecast financial statements have been prepared as required by the PFA to communicate forecast financial information for accountability purposes.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2022 forecast figures have been prepared in accordance with and comply with PBE FRS 42.

#### ***Prospective Financial Statements***

The forecast financial statements were approved for issue by the Chief Executive on 7 April 2021.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Although the Department regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2022 will not be published.

#### ***Significant assumptions used in preparing the forecast financial information***

The forecast figures contained in these financial statements reflect the Department's purpose and activities and are based on a number of assumptions on what might occur during the 2021/22 year. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions which were adopted as at 7 April 2021, 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.

The actual financial results achieved for 30 June 2022 are likely to vary from the forecast information presented, and the variations might be material. Additional factors that could lead to material differences between the Forecast Financial Statements and the 2021/22 Actual Financial Statements include changes to the baseline budget through new initiatives, transfer of funding across financial years or technical adjustments.

### 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

2019/20 Actual \$000		2020/21 Actual \$000
-	Revenue Department – Ministry of Health	8,162
1,552	Revenue Department – Other	2,024
612	Revenue Department – Secondment Recovery	470
401	Third Party – Other Revenue	663
-	Net gain on disposal of property, plant, and equipment	17
2,565	<b>TOTAL OTHER REVENUE AND GAINS</b>	<b>11,336</b>

## 3. Personnel Costs

### Salaries and wages

Salaries and wages are recognised as an expense as employees provide services.

### Superannuation schemes

#### Defined contribution schemes

Employee contributions to the State Sector Retirement Savings Scheme, KiwiSaver, and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

#### Defined benefit scheme

The Department makes contributions to the Defined Benefit Plan (DBP) Contributors Scheme (the scheme), which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus or deficit in the plan will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

2019/20 Actual \$000		2020/21 Actual \$000
37,057	Salaries and Wages	43,106
1,236	Employer Contributions to Defined-Contribution Plans	1,276
506	Increase/(Decrease) in Employee Entitlements	559
826	Other <sup>4</sup>	1,427
39,625	<b>TOTAL PERSONNEL COSTS</b>	<b>46,368</b>

## 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 2021 was 5% (2020: 6%).

## 5. Other Operating Expenses

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Unaudited Budget \$000	2021/22 Unaudited Forecast \$000
1,669	COVID-19 Publicity Costs	26,101	-	14,000
5,602	Consultancy	11,441	5,500	18,649
7,497	Shared Services	8,619	7,391	10,708
2,986	Premises Rental	3,926	3,000	4,778
3,189	Other Operating Expenses	3,175	9,730	18,240
574	Promotion and Publicity Costs	756	658	712
1,546	Travel Costs	696	1,336	2,461
601	Building and Ground Maintenance Costs	675	657	657
1,571	IT-related Costs	437	566	1,299
533	Facilities Costs	373	360	260
346	Cell Phone and Telephone	359	254	369
112	Audit Fees for Audit of Financial Statements	107	100	111
109	Inventories Consumed	93	150	115
271	Photocopying and Printing Costs	67	225	724
26,606	<b>TOTAL OTHER OPERATING COSTS</b>	<b>56,825</b>	<b>29,927</b>	<b>73,083</b>

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

## 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	3 to 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	Total PPE \$000	Intangible Assets \$000
<b>COST</b>						
Balance at 1 July 2019	782	19	266	1,198	2,265	4,626
Additions	160	34	-	714	908	28
Disposals	-	(16)	-	-	(16)	-
Other Movements	12	-	(141)	(9)	(138)	-
<b>BALANCE AT 30 JUNE 2020</b>	<b>954</b>	<b>37</b>	<b>125</b>	<b>1,903</b>	<b>3,019</b>	<b>4,654</b>
Additions	79	-	-	319	398	185
Disposals	-	(9)	-	(2)	(11)	-
Other Movements <sup>5</sup>	-	1	58	-	59	-
<b>BALANCE AT 30 JUNE 2021</b>	<b>1,033</b>	<b>29</b>	<b>183</b>	<b>2,220</b>	<b>3,465</b>	<b>4,839</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>						
Balance at 1 July 2019	534	19	-	995	1,548	3,557
Depreciation Expense	86	5	-	146	237	932
Disposals	-	(16)	-	-	(16)	-
Other Movements	-	-	-	-	-	-
<b>BALANCE AT 30 JUNE 2020</b>	<b>620</b>	<b>8</b>	<b>-</b>	<b>1,141</b>	<b>1,769</b>	<b>4,489</b>
Depreciation Expense	84	8	-	338	430	134
Disposals	-	(8)	-	(2)	(10)	-
Other Movements	-	-	-	1	1	-
<b>BALANCE AT 30 JUNE 2021</b>	<b>704</b>	<b>8</b>	<b>-</b>	<b>1,478</b>	<b>2,190</b>	<b>4,623</b>
<b>CARRYING VALUE</b>						
At 1 July 2019	248	-	266	203	717	1,069
At 30 June 2020	334	29	125	762	1,250	165
At 30 June 2021	329	21	183	742	1,275	216

## 7. Creditors and Other Payables

2019/20 Actual \$000		2020/21 Actual \$000
18,719	Accrued Expenses	7,484
3,356	Payables	5,934
2,212	GST Payable to Inland Revenue	3,814
<b>24,287</b>	<b>TOTAL CREDITORS AND OTHER PAYABLES</b>	<b>17,232</b>

<sup>5</sup> Other Movements primarily consists of new Work In Progress items less amounts capitalised into PPE categories.



## 8. 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.

2019/20 Actual \$000		2020/21 Actual \$000
<b>PROVISIONS</b>		
191	Opening Balance	106
(85)	Provision Used/Reversed During the Year	(85)
<b>106</b>	<b>CLOSING BALANCE</b>	<b>21</b>
<b>85</b>	<b>CURRENT PROVISION</b>	<b>21</b>
<b>21</b>	<b>NON-CURRENT PROVISION</b>	<b>-</b>

The provision at 30 June 2021 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.

## 9. Employee Entitlements

### Presentation of employee entitlements

Sick leave, annual leave, retirement leave and other employee entitlements expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

2019/20 Actual \$000		2020/21 Actual \$000
<b>CURRENT EMPLOYEE ENTITLEMENTS</b>		
2,027	Annual Leave	2,340
469	Salary Accrual	824
93	Sick Leave	105
89	Long Service Leave	97
185	Other Employee Benefits	97
50	Retirement Leave	38
<b>2,913</b>	<b>TOTAL CURRENT LIABILITIES</b>	<b>3,501</b>
<b>NON-CURRENT EMPLOYEE ENTITLEMENTS</b>		
193	Long Service Leave	229
290	Retirement Leave	225
<b>483</b>	<b>TOTAL NON-CURRENT LIABILITIES</b>	<b>454</b>
<b>3,396</b>	<b>TOTAL EMPLOYEE ENTITLEMENTS</b>	<b>3,955</b>

The measurement of the long service leave and retirement 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.

## 10. Reconciliation of Net Surplus to Net Cash Flows from Operating Activities

2019/20 Actual \$000		2020/21 Actual \$000
10,630	<b>NET SURPLUS (DEFICIT)</b>	29,929
	<b>ADD/(LESS) NON-CASH ITEMS</b>	
1,169	Depreciation and Amortisation	564
1,169	<b>TOTAL NON-CASH ITEMS</b>	564
	<b>ADD/(LESS) WORKING CAPITAL MOVEMENT</b>	
(541)	(Increase)/Decrease in Receivables and Prepayments	(34,429)
(4)	(Increase)/Decrease in Inventories	(21)
16,662	Increase/(Decrease) in Creditors and Other Payables	(7,986)
1,804	Increase/(Decrease) in GST	1,602
-	Increase/(Decrease) in Provisions	(64)
539	Increase/(Decrease) in Employee Entitlements	588
18,460	<b>TOTAL NET MOVEMENT IN WORKING CAPITAL ITEMS</b>	(40,310)
128	Add/(Less) Movements in Non-current Liabilities	(50)
	<b>ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES</b>	
-	(Gain)/losses on disposal of property, plant, and equipment	(17)
30,387	<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	(9,884)

## 11. 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]

2019/20 Actual \$000		2020/21 Actual \$000
2,649	Remuneration	2,548
8	Full-time Equivalent Staff	7

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 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 (2020: Nil).

## 12. Explanations of Major Variances Against Budget

Explanations for major variances from the Department's original 2020/21 budget figures and comparison to 2020/21 year actuals are as follows:

### Revenue

Revenue was higher than budgeted by \$65.505 million due to decisions made since the 2020/21 Budget.

These mainly relate to:

- increased funding due to transfers from the prior year for COVID-19 All of Government Response, several Emergency Management initiatives, Canterbury Earthquake Recovery and Cyber Security (\$10.703 million);
- new Crown funding approved for the COVID-19 All of Government Response, Health and Disability System Reform and the Government Implementation Unit (\$42.696 million);
- increased cost recoveries from Vote Health for expenditure on COVID-19 vaccination public information costs (\$8.162 million); and
- increased cost recoveries and contributions from other departments and including contributions to the Policy Project and for office accommodation (\$3.940 million).

### Expenditure

Expenditure was higher than budgeted by \$35.576 million due to decisions made since the 2020/21 Budget, which were partially offset by minor underspends in existing activities. The higher expenditure mainly relates to:

- underspends carried forward from 2019/20 for supporting the tsunami monitoring and detection network (\$3.410 million), cyber security activities (\$2.333 million) and third-party funded activities and other variances (\$1.734 million);
- COVID-19 vaccination public information costs incurred by DPMC but recorded as an expense in Vote Health (\$8.162 million); and
- activities for which new funding was approved after Budget 2021 for the COVID-19 All of Government Response and Health and Disability System Reform (\$34.891 million).

### Balance sheet

Total assets exceeded the 2020/21 Budget by \$43.771 million due to larger cash and debtor crown balances than expected as operating expenditure was lower than anticipated in the 2020/21 Supplementary Estimates.

Mostly offsetting this, total liabilities exceeded 2020/21 budget by \$42.190 million reflecting higher accounts payable than expected (\$10.685 million) and provision for repayment of surplus (\$29.929 million).

**Cash flow**

Receipts from Revenue Crown exceeded budget by \$33.064 million due to additional funding received from the Government for activity transferred from 2019/20 and initiatives approved during 2020/21. This was more than offset by cash outflows to suppliers and employees exceeding budget by \$43.029 million (also due to expenditure in respect of the transferred activities and initiatives) as the starting cash balance for the 2020/21 year was more favourable than was assumed in the budget.

**13. 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 2021

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

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Unaudited Budget \$000
45,556	Grants and Contributions	8,122	10,510
838	Increase to Provisions for Kaikōura Three Waters	-	-
1,377	Depreciation	2,217	3,805
20,687	Other Operating Costs	2,782	3,181
7,971	Goods and Services Tax	5,191	3,132
-	Foreign Exchange Loss on Asset	254	-
<b>76,429</b>	<b>TOTAL NON-DEPARTMENTAL EXPENSES</b>	<b>18,566</b>	<b>20,628</b>

## Schedule of Non-departmental Revenue and Receipts

for the year ended 30 June 2021

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Unaudited Budget \$000
4,602	Other Revenue	3,941	7,984
-	Donated assets	694	-
<b>4,602</b>	<b>TOTAL NON-DEPARTMENTAL REVENUE AND RECEIPTS</b>	<b>4,635</b>	<b>7,984</b>

Assets review work completed in 2020/21 identified arts and antiques totalling \$694,000 were donated to Government House. The collection of antiques and artwork was revalued as at 30 June 2021 by an independent registered valuer, James Parkinson of Dunbar Sloane Limited.

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

## Schedule of Non-departmental Assets and Liabilities

as at 30 June 2021

2019/20 Actual \$000		Note	2020/21 Actual \$000	2020/21 Unaudited Budget \$000
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
16,755	Cash in Bank		38,019	6,441
13,730	Debtors and Other Receivables		430	-
2,099	Other Financial Assets		2,202	-
<b>32,584</b>	<b>TOTAL CURRENT ASSETS</b>		<b>40,651</b>	<b>6,441</b>
<b>NON-CURRENT ASSETS</b>				
133,907	Land, Property, Plant and Equipment	14	187,757	140,850
<b>133,907</b>	<b>TOTAL NON-CURRENT ASSETS</b>		<b>187,757</b>	<b>140,850</b>
<b>166,491</b>	<b>TOTAL NON-DEPARTMENTAL ASSETS</b>		<b>228,408</b>	<b>147,291</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
39,410	Creditors and Other Payables		6,724	3,432
838	Provision – Kaikōura District Council Three Waters	15	32	-
23,390	Provision – Emergency Expenses	15	16,570	651
<b>63,638</b>	<b>TOTAL CURRENT LIABILITIES</b>		<b>23,326</b>	<b>4,083</b>
<b>REVALUATION RESERVES</b>				
55,952	Property Revaluation Reserves		105,809	55,952
<b>55,952</b>	<b>TOTAL REVALUATION RESERVES</b>		<b>105,809</b>	<b>55,952</b>

## Schedule of Non-departmental Commitments

as at 30 June 2021

As at 30 June 2021, there are no operating commitments in Vote Prime Minister and Cabinet (2020: Nil).

As at 30 June 2021, there is a capital commitment of \$2.202 million in Vote Prime Minister and Cabinet (2020: \$4.519 million).

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

# Schedule of Non-departmental Contingent Liabilities and Contingent Assets

as at 30 June 2021

## 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 2021.

### Contingent liabilities – quantifiable

As at 30 June 2021, there are no quantifiable contingent liabilities (2020: Nil).

### Contingent assets – quantifiable

As at 30 June 2021, there are no quantifiable contingent assets (2020: Nil).

### 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 2021, there were 7 events (2020: 6) from which we expect to receive claims for reimbursement from local authorities for welfare, response and recovery costs, being:

When	Event
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 2020	Southland flooding
From March 2020	Welfare costs related to the response to COVID-19 that are eligible for reimbursement from the Local Authority Emergency Expenses PLA
November/December 2020	Porirua/Plimmerton flooding
May/June 2021	Ashburton/Canterbury flooding
June 2021	Auckland tornado

In relation to the above events, a provision of \$16.570 million has been made for costs that have been ascertained (see Note 15) (2020: \$23.390 million).

There were also four legal matters which relate to pending decisions by the court, which could give rise to liabilities to DPMC. These amounts are unquantifiable at 30 June 2021, and no provision has been made.

### Contingent assets – unquantifiable

As at 30 June 2021, there are no unquantifiable contingent assets (2020: Nil).

## Statement of Trust Monies

for the year ended 30 June 2021

For the year ended 30 June 2021, DPMC did not operate any trust account under section 66 of the Public Finance Act 1989.

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



# 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*.

## 14. Property, Plant and Equipment

	Land \$000	Buildings \$000	Antiques and Artworks \$000	Plant and Equipment \$000	Work in Progress \$000	Other Assets \$000	Total \$000
<b>COST</b>							
Balance at 1 July 2019	61,700	55,919	3,279	445	5,927	2,013	129,283
Additions	-	248	-	8,228	-	149	8,625
Disposals	-	-	-	-	-	-	-
Other movement	-	-	-	-	(1,074)	-	(1,074)
<b>BALANCE AT 30 JUNE 2020</b>	<b>61,700</b>	<b>56,167</b>	<b>3,279</b>	<b>8,673</b>	<b>4,853</b>	<b>2,162</b>	<b>136,834</b>
Additions	-	745	694	6,147	-	2	7,588
Disposals	-	-	-	-	-	-	-
Other Movements <sup>6</sup>	-	-	-	-	(1,384)	-	(1,384)
Revaluation	46,378	1,681	335	-	-	-	48,394
<b>BALANCE AT 30 JUNE 2021</b>	<b>108,078</b>	<b>58,593</b>	<b>4,308</b>	<b>14,820</b>	<b>3,469</b>	<b>2,164</b>	<b>191,432</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>							
Balance at 1 July 2019	-	-	-	170	-	1,380	1,550
Depreciation Expense	-	728	-	533	-	116	1,377
Disposals	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-
<b>BALANCE AT 30 JUNE 2020</b>	<b>-</b>	<b>728</b>	<b>-</b>	<b>703</b>	<b>-</b>	<b>1,496</b>	<b>2,927</b>
Depreciation Expense	-	741	-	1,362	-	114	2,217
Disposals	-	-	-	-	-	-	-
Other Movements	-	(6)	-	-	-	-	(6)
Revaluation write back	-	(1,463)	-	-	-	-	(1,463)
<b>BALANCE AT 30 JUNE 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,065</b>	<b>-</b>	<b>1,610</b>	<b>3,675</b>
<b>CARRYING VALUE</b>							
At 1 July 2019	61,700	55,919	3,279	275	5,927	633	127,733
At 30 June 2020	61,700	55,439	3,279	7,970	4,853	666	133,907
At 30 June 2021	108,078	58,593	4,308	12,755	3,469	554	187,757

<sup>6</sup> Other Movements primarily consists of new Work In Progress items less amounts capitalised into PPE categories.

## 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	50-120 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 2021 by independent registered valuers, William Liew and David Cornford of Quotable Value Limited. The collection of antiques and artwork was revalued as at 30 June 2021 by an independent registered valuer, James Parkinson of Dunbar Sloane 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 (12.428 hectares), 11.3 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, 2.25 hectares is marked as Natural Resources Significant Ecological Areas which restricts how this area is used.

9.8 hectares of the Wellington Open Space B zoned land has been valued as rural land with an uplift adjustment to reflect a 5% chance of a change of that land being rezoned as residential.

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.

## 15. Provisions

	2020/21 Actual \$000	Kaikōura District Council Three Waters
	Emergency Expenses	
Balance at 1 July 2020	23,390	838
Additional Provision Recognised – New events	8,899	-
Payments Made During the Year/Provision Used for the Year	(10,697)	(806)
Changes to Provision – Previous events	(5,022)	-
Balance at 30 June 2021	16,570	32
Current Portion of the Provision	16,570	32

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.

### Emergency Expenses provision

The Emergency Expenses provision records the estimated cost of likely claims from local authorities for the Crown's reimbursement to local authorities for the cost of repairs following an emergency event and other eligible costs as set out in the National CDEM Plan.

The Emergency Expenses provision comprises:

- \$2.854 million for the estimated cost of the Crown's contribution to the local authorities' cost of repairs arising from the November 2016 earthquakes that caused damage to the Three Waters networks across three districts (Hurunui, Kaikōura and Marlborough) and to river/stopbank infrastructure assets in the Marlborough District.
- \$3.457 million for estimated costs associated with cyclones Debbie and Cook in the Bay of Plenty region in April 2017.
- \$1.017 million for welfare costs related to the response to COVID-19 that are eligible for reimbursement from the Local Authority Emergency Expenses PLA.
- \$1.173 million for Southland Flooding in February 2020.
- \$7.776 million for Ashburton/Canterbury flooding in May/June 2021.
- \$0.198 million for the Auckland tornado in June 2021.
- \$0.094 million for residual welfare costs associated with emergency events in 2018 and 2019.

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 also been reported in the Financial Statements.

## 16. Events after the Balance Date

There are no events after the balance date of 30 June 2021 (2020: Nil).

## 17. Impact of COVID-19

The Department plays a key role in coordinating the Government response. This included the establishment of the COVID-19 All-of-Government Response Group on 1 July 2020. However, there has been no significant impact on the Department's operation or valuation of land and buildings.



# Appendices | Ngā āpitihanga

This section includes:

- Cabinet Office statistics
- Cabinet and Cabinet committee meeting statistics
- New Zealand Royal Honours

# Cabinet Office statistics

	2020/21 Actual	2019/20 Actual	2018/19 Actual
<b>Meetings</b>			
Executive Council	33	44	38
Cabinet	52 <sup>7</sup>	47	41
Cabinet committees	115	175	182
<b>Submissions</b>			
Summary cover sheets to Cabinet and Cabinet committee papers	1,083 <sup>8</sup>	1,562	1,631
Submissions lodged by Ministers' offices by the Cabinet Office deadline	61.23%	65.25%	89%
Papers published by the close of business, two days before the meeting	96%	96%	98%
<b>Cabinet and Cabinet committee minutes</b>			
Cabinet and Cabinet committee minutes	1,520 <sup>8</sup>	2,105	2,155
Cabinet and Cabinet committee minutes requiring an amendment by the Cabinet Office <sup>9</sup>	2	10	10
Cabinet minutes published by the close of business, three days after the Cabinet meeting	98.6%	97.8%	98.5%
<b>Other Services</b>			
Cabinet Office circulars	9	7	8
Briefing seminars to departments, Ministers' offices and other interested parties on the Cabinet decision making process	20	22	26
Enquiries and requests from Ministers' offices and departments about Cabinet papers and related information	141	140	161

7 The higher number of Cabinet meetings than usual reflects additional meetings held to consider urgent COVID-19 issues.

8 There are fewer submissions and minutes than usual as less government business is conducted over the election and government formation periods.

9 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 2021

	Number of Meetings	Number of Agenda Items	Average Number of Items per Meeting
Executive Council	33 <sup>10</sup>	258	8
Cabinet	52	258	5
<b>Cabinet committee meetings</b>			
Cabinet Appointments and Honours Committee	18	185	10
Cabinet Business Committee	12	119	10
Cabinet Economic Development Committee	19	202	11
Cabinet Environment, Energy and Climate Committee	6	38	6
Cabinet External Relations and Security Committee	6	30	5
Cabinet Government Administration and Expenditure Review Committee	6	33	6
Cabinet Legislation Committee	16	138	9
Cabinet Māori Crown Relations: Te Arawhiti Committee	7	25	4
Cabinet Priorities Committee	7	13	2
Cabinet Social Wellbeing Committee	18	147	8
<b>TOTAL CABINET COMMITTEE MEETINGS</b>	<b>115</b>	<b>930</b>	<b>8</b>

10 One additional Executive Council meeting was held to swear in Ministers following the 2020 General Election.

# New Zealand Royal Honours

for the year ended 30 June 2021

## The Order of New Zealand

Ordinary Member	2
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## The New Zealand Order of Merit

Dame Companion	6
Knight Companion	8
Companion	27
Officer	61
Member	117
Honorary Dame Companion	1
Honorary Officer	1
Honorary Member	3

## The Queen's Service Order

Companion	8
The Queen's Service Medal	86

## The New Zealand Antarctic Medal

The New Zealand Antarctic Medal	1
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## The New Zealand Distinguished Service Decoration

The New Zealand Distinguished Service Decoration	3
<b>TOTAL</b>	<b>324</b>

## Other honours and appointments

Grant of the title "The Honourable" for life	11
<b>GRAND TOTAL</b>	<b>335</b>



## Areas of contribution for the New Year and Queen's Birthday 2021 Honours List recipients

Area of contribution	Female	Non-binary	Male	Total
Arts and Media	25		17	42
Business and the Economy	5		17	22
Community, Voluntary and Local Services	58		59	117
Education	19		17	36
Health	22	1	19	42
Science and Technology	5		6	11
Services to the State	6		12	18
Sport and Recreation	18		18	36
<b>TOTAL</b>	<b>158</b>	<b>1</b>	<b>165</b>	<b>324</b>



## Report by the Prime Minister on a Non-departmental Appropriation (B.14)

This report meets the requirement, set in the Vote Prime Minister and Cabinet Estimates of Appropriations and Supplementary Estimates of Appropriations 2020/21, for information on the Centre of Excellence for Preventing and Countering Violent Extremism non-departmental appropriation to be reported by the Prime Minister.

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 2020/21.

## Centre of Excellence for Preventing and Countering Violent Extremism

This appropriation is intended to achieve the establishment and operation of a national Centre of Excellence for preventing and countering violent extremism.

### What was achieved

Performance measure	Target for 2020/21	Result for 2019/20	Result for 2020/21	Achieved
Centre of Excellence for Preventing and Countering Violent Extremism established per Terms of Reference	Achieved	New measure	Achieved	✓

### How much it cost

2019/20 Actual \$000	2020/21 Actual \$000	2020/21 Budget \$000	2021/22 Supp. Estimates \$000
- Expenses	300	-	300

## Report by the Minister for Emergency Management on Non-departmental Appropriations (B.14)

This report meets the requirement, set in the Vote Prime Minister and Cabinet Estimates of Appropriations and Supplementary Estimates of Appropriations 2020/21, for information on non-departmental appropriations to be reported by the Minister for Emergency Management.

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 2020/21.

## COVID-19: Civil Defence Emergency Management Group Welfare Costs

This appropriation is intended to provide support to Civil Defence Emergency Management Groups for qualifying COVID-19 welfare costs that are unable to be met by other sources of support.

### What we achieved

Performance measure	Target for 2020/21	Result for 2019/20	Result for 2020/21	Achieved
All payments to local authorities/CDEM groups to support individuals impacted by COVID-19 are made in accordance with the eligibility criteria	Achieved	Achieved	Achieved	✓

For the above measure, achieved means payments are made in accordance with section 33 of the Guide to the *National Civil Defence Emergency Plan 2016*.

### How much it cost

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Budget \$000	2021/22 Supp. Estimates \$000
28,794	Expenses	-	-	5,000

## Local Authority Emergency Expenses PLA

This appropriation is intended to achieve reimbursement of local authorities for the purposes of reimbursing, or meeting, expenses incurred by them 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 2020/21	Result for 2019/20	Result for 2020/21	Achieved
Percentage of claims received are assessed in conjunction with approved criteria as set out in section 33 of the Guide to the National Civil Defence Emergency Management Plan 2015	100%	100%	100%	✓

Claims for financial support may be available to Civil Defence Emergency Management group members for things such as Work and Income assistance, rural assistance, or recovery and relief funds.

### How much it cost

2019/20 Actual \$000		2020/21 Actual \$000	2020/21 Budget \$000	2021/22 Supp. Estimates \$000
9,177	Expenses	3,878	5,000	5,000

## **Report by the Minister of Finance on a Non-departmental Appropriation (B.14)**

This report meets the requirement, set in the Vote Prime Minister and Cabinet Estimates of Appropriations and Supplementary Estimates of Appropriations 2020/21, for information on a non-departmental appropriation to be reported by the Minister of Finance.

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 2020/21.



## **Regenerate Christchurch**

On 30 June 2020, Regenerate Christchurch was formally disestablished. Subsequently, this appropriation was disestablished and the remaining balance transferred to Vote Finance. As a result, there was no expenditure or activity funded through this appropriation in 2020/21.