



TE TARI O TE PIRIMIA
ME TE KOMITI MATUA
DEPARTMENT OF THE
PRIME MINISTER AND CABINET

G.48 (2020)

ANNUAL REPORT 2019/20

for the year ended 30 June 2020



and National Emergency Management Agency Annual Report 2019/20
and Report by the Minister of Civil Defence on Non-departmental Appropriations
and Report by the Minister for Greater Christchurch Regeneration on a Non-departmental Appropriation

New Zealand Government

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

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DPMC acknowledges with sorrow the passing of Professor Piri Sciascia ONZM, who died in January 2020 and was laid to rest at his home marae at Porangahau.

Piri affiliated to Ngāti Kahungunu, Ngāti Raukawa, Ngāi Tahu and also had Italian ancestry. DPMC worked with him since 2016 as kaumātua to the Governor-General and the Prime Minister. This was just one part of his lifetime of achievement as a custodian of traditional arts, kapa haka and oratory, and as an educator. He was honoured in 2013 for services to Māori arts.

E moe e te rangatira.

Contents

	Chief Executive's foreword	1
A	Who we are and what we do	3
	Our strategic framework	4
	About us	5
B	Our performance story	7
	2019/20 at a glance	8
	Our numbers at a glance	10
	Strategic intention 1: A proactive and responsive public service, helping shape and deliver the Government's priorities	11
	Strategic intention 2: New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation	13
	Strategic intention 3: Our cohesive, risk-based national security system makes New Zealand stronger and more resilient	15
	Strategic intention 4: New Zealand is the best place in the world for children and young people	17
	Strategic intention 5: Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest	19
	Improving our organisational health and capability	22
C	National Emergency Management Agency Annual Report 2019/20	27
	Introduction from the Chief Executive	28
	Who we are and what we do	29
	2019/20 at a glance	30
	Our numbers at a glance	31
	What we achieved in 2019/20	32
	Building our organisational health and capability	34
D	Our performance information	35
	Appropriation statements	36
	Reporting against our appropriations	41

E	Our financial statements	59
	Statement of responsibility	60
	Independent auditor's report	61
	Departmental financial statements	66
	Statement of Comprehensive Revenue and Expenses	66
	Statement of Changes in Equity	66
	Statement of Financial Position	67
	Statement of Cash Flows	68
	Statement of Commitments	69
	Statement of Contingent Liabilities and Contingent Assets	69
	Notes to the departmental financial statements	70
	Non-departmental financial schedules	79
	Schedule of Non-departmental Expenses	79
	Schedule of Non-departmental Revenue and Receipts	79
	Schedule of Non-departmental Assets and Liabilities	80
	Schedule of Non-departmental Commitments	80
	Schedule of Non-departmental Contingent Liabilities and Contingent Assets	81
	Statement of Trust Monies	82
	Notes to the Non-departmental financial schedules	83
F	Appendices	87
	Cabinet Office statistics	88
	Cabinet and Cabinet committee meeting statistics	89
	New Zealand Royal Honours	90
	Report by the Minister of Civil Defence on Non-departmental Appropriations (B.14)	91
	Report by the Minister for Greater Christchurch Regeneration on a Non-departmental Appropriation (B.14)	95

Te Reo Māori terms used in this report

Kaitiaki – guardian

Kaitiakitanga – guardianship

Motu – country

Whānau – family

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

The COVID-19 pandemic cast a shadow across the globe this year, with health, social and economic consequences that will be material for some time to come.

Meeting the challenge of COVID-19 brought into sharp focus the purpose of the Department of the Prime Minister and Cabinet (DPMC) – advancing an ambitious, resilient and well-governed New Zealand.

As the system leader, DPMC began to coordinate the response to COVID-19 as it emerged overseas. The National Security System (NSS) and the National Crisis Management Centre (NCMC) were activated. An All-of-Government group was established alongside the Ministry of Health to further enhance cohesion and depth of response. Chief executives met regularly, including as the Officials' Committee for Domestic and External Security Coordination (ODESC), to underpin coordination and to provide advice to the Prime Minister and Ministers.

The public service responded at pace in a highly complex, fast-evolving environment, with the wellbeing of all New Zealanders at the centre of the approach. All business units in DPMC provided people and resources to the combined effort, as did other agencies.

Maintaining a well-governed New Zealand during this period required working in different ways. Cabinet Office supported virtual Cabinet meetings as well as the COVID-19 Ministerial Group. The Policy Advisory Group in DPMC continued to provide advice to the Prime Minister and Ministers as they managed far-reaching and diverse issues.

In what was a particularly challenging year for New Zealanders, the NSS and NCMC were also activated following the eruption of Whakaari White Island. The eruption sparked a swift response from emergency services and health professionals. One week before the eruption, on 1 December 2019, the National Management Emergency Agency (NEMA) came into being, as a departmental agency hosted by DPMC. NEMA replaced the Ministry of Civil Defence & Emergency Management (MCDEM) as part of a programme of change for New Zealand's emergency management system. It has a national leadership role and is charged with ensuring people and communities are at the heart of the system.

Looking to the future, New Zealand's first *Child and Youth Wellbeing Strategy* was released with the vision of Aotearoa New Zealand, being 'the best place in the

world for children and young people'. Its development was led by DPMC's Child Wellbeing and Poverty Reduction Group and included input from 10,000 New Zealanders, more than half of them children and young people. The Strategy sets the direction for short and longer-term government policy and action, with a programme to be led and delivered by 20 government agencies.

The National Security Group published *New Zealand's Counter-Terrorism Strategy* in early 2020 to help protect New Zealanders from terrorism and violent extremism of all kinds. The comprehensive Counter-Terrorism work programme focuses on reducing the threat and building social cohesion, while ensuring systems and capabilities are in place to act early if needed.

The Global Settlement between the Crown and the Christchurch City Council was a significant milestone in the return to local leadership nearly a decade after the first of the Canterbury earthquakes. Although small and reducing in size, DPMC's Greater Christchurch Group played a key role in delivering this settlement and continued to work closely with partners.

Our staff at Government House supported the Governor-General, Her Excellency The Rt Hon Dame Patsy Reddy, as she hosted the Prince of Wales and the Duchess of Cornwall during their visit to New Zealand in November. Their Royal Highnesses visited the Waitangi Treaty Grounds and also engaged with other communities on issues such as the environment and sustainability.

Efforts across the Department have been supported by our Strategy, Governance and Engagement Group (SGE), and Central Agencies Shared Services (CASS). SGE provides the glue as we build our capability as an organisation, continue to deliver on government priorities and provide leadership as a central agency. Underpinning this are the values that continue to guide us; *we are courageous – kia māia, we are connected – kia honohono, we are committed – kia manawanui, and we do it with respect – kia taute.*

Brook Barrington
Chief Executive



Who we are and what we do

This section sets out our strategic framework,
our roles and key activities

Our strategic framework

for the year ended 30 June 2020



We recently updated our strategic framework through our *Strategic Intentions 2020/21 to 2023/24*. The Annual Report 2019/20 reports on progress against the above framework, while future annual reports will report on progress made towards the outcomes set in our new strategic framework.

About us

We have around 300 staff in Auckland, Wellington and Christchurch, spread across seven business groups and one departmental agency. We have a unique role as the trusted advisor, leader and steward of Aotearoa New Zealand's system of executive government. We, with the National Emergency Management Agency, also lead the National Security and Emergency Management Systems to make Aotearoa New Zealand stronger, more resilient and improve the wellbeing of all New Zealanders. Our work is fundamentally about ensuring New Zealanders can live in a country that is ambitious, resilient and well-governed.

We collaborate to lead the public service

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

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

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

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

The Strategy Unit was established during 2019/20 to strengthen New Zealand's governance by providing analysis and advice to the Prime Minister on medium to long-term strategic options.

Great policy advice is the foundation of effective government decision making. It underpins the performance of the economy and the wellbeing of everyone in New Zealand. DPMC hosts the Policy Project, whose role is to build a high-performing policy system that supports good government decision making. The Policy Project supports our Chief Executive, Brook Barrington, in his stewardship role as the Head of the Policy Profession.

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

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

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

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

We lead and steward our National Security System to make Aotearoa New Zealand stronger and more resilient

The National Security Group leads, coordinates and supports New Zealand's National Security System. DPMC leads the coordination of advice on national security matters for the Prime Minister in her role as Minister for National Security and Intelligence. Through governance structures such as ODESC, we strengthen the National Security System's support for the Government's priorities, develop better risk and assessment-based situational understanding, and improve agencies' coordination and collaboration to effectively deal with national security issues.

The 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. More information on NEMA and its achievements in 2019/20 can be found in the NEMA Annual Report on pages 27 to 34.



Staff at a DPMC Town Hall meeting in November 2019

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

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

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

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

We are enabled by our corporate services

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

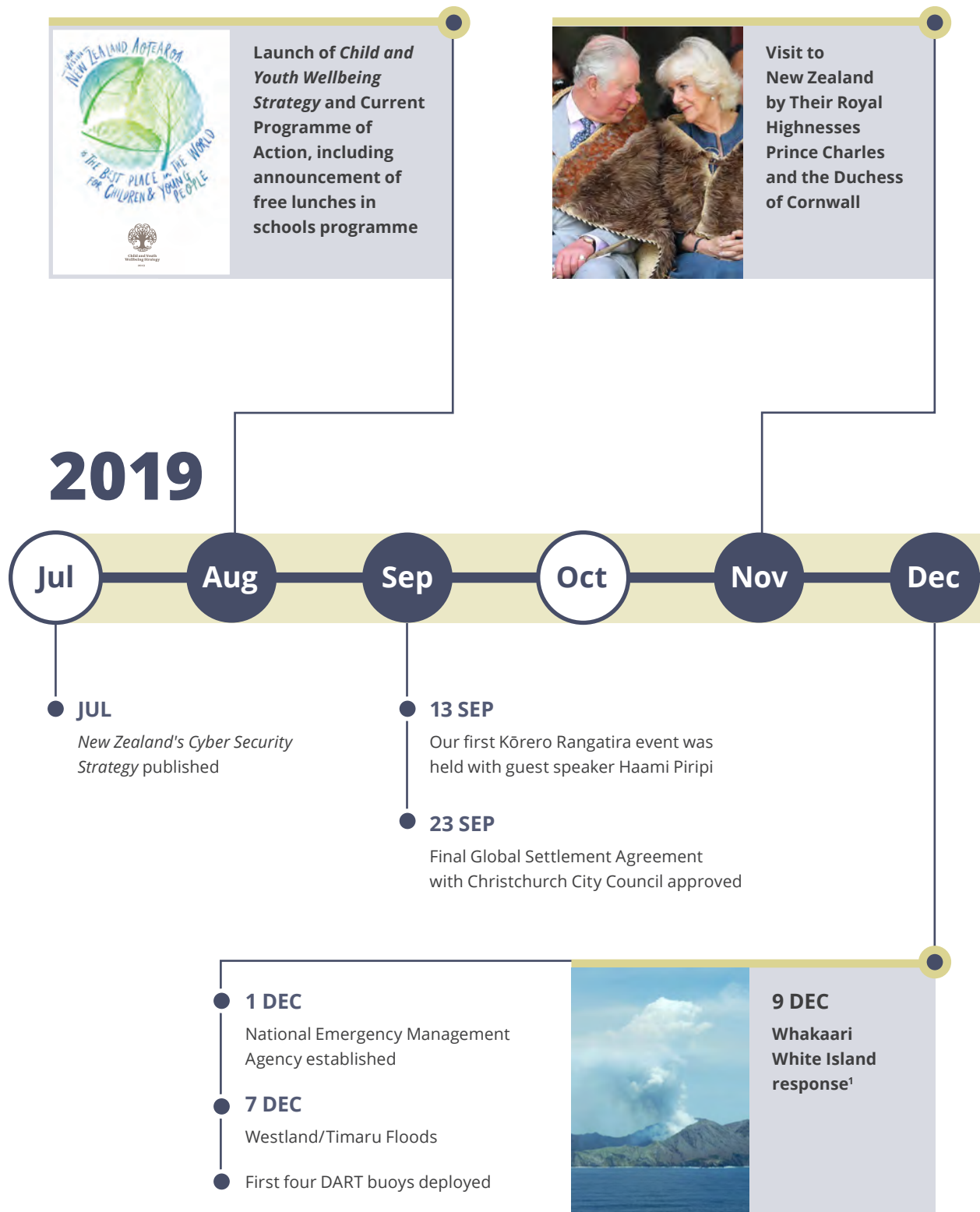
The CASS provide services relating to finance, human resources, information management and technology, publishing and payroll.

B

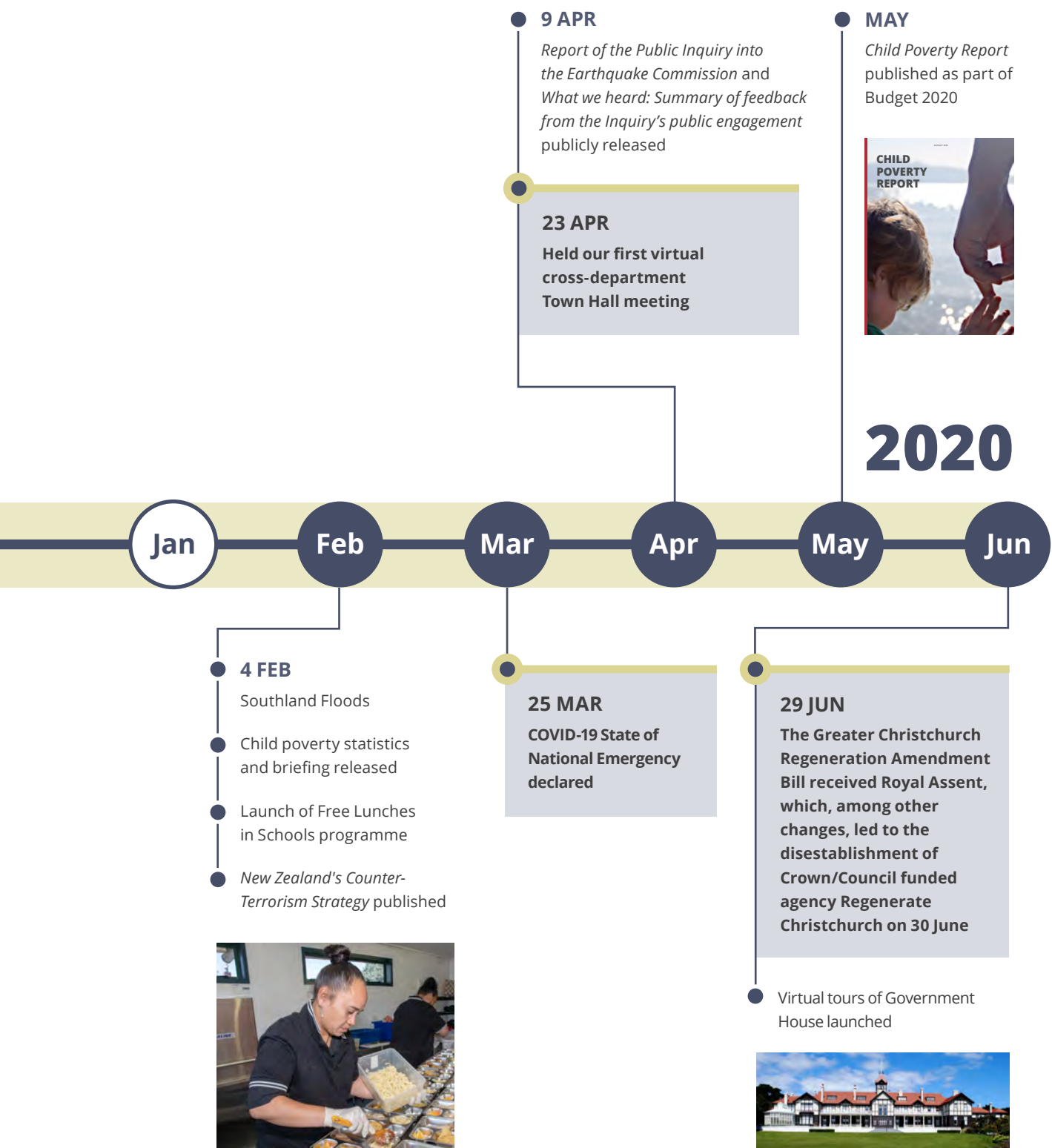
Our performance story

This section sets out our key achievements in advancing an ambitious, resilient and well-governed New Zealand during 2019/20

2019/20 at a glance



¹ Credit: VML ID 226548, Karen Britten, GNS Science/EQC.



Our numbers at a glance

In 2019/20 we:

Provided policy advice and support to our portfolio Ministers

1,122

Advice provided on 1,122 decision making policy papers submitted to Cabinet and Cabinet committees

Supported the Governor-General and the executive government

97.8%

Cabinet minutes published on time

96.4%

Papers for Cabinet and Cabinet committee meetings published on time

0.5%

Cabinet and Cabinet committee minutes requiring subsequent amendment

Developed public sector policy capability and development

36

Policy Project workshops and events held to support capability development

1,609

Approximately 1,609 page views on the Policy Project resources webpage per week

Led and stewarded the National Security System

13

ODESC meetings

18

Watch Group meetings

10

Security and Intelligence Board meetings

6

Hazard Risk Board meetings

Provided advice, leadership and coordination for the Canterbury earthquake recovery

1,273 | 2 section 71 proposals

Two section 71 proposals approved with 1,253 written comments received on one (Hagley Oval), and 20 written comments received on the other (Lyttelton).

\$300_m

Three major investment cases to boost ongoing regeneration in Christchurch were approved, totalling \$300 million worth of Crown funding².

\$1.7_b

Last payments made as part of rebuilding horizontal infrastructure in greater Christchurch, taking the total Crown contribution to \$1.7 billion.

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

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

What we intended to achieve

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

What we achieved in 2019/20

We supported the shaping and delivery of government priorities

The Policy Advisory Group continued to provide high-level strategic advice on issues of the day to support good decision making throughout 2019/20. This included the provision of advice on all Cabinet Papers, excluding appointments, supporting the Prime Minister on her international travel programme and then through the response to COVID-19. Throughout the year, we worked with our Central Agency colleagues to monitor and support the implementation of the Government's priorities.

The Strategy Unit was established in September 2019 to help strengthen New Zealand's governance by providing analysis and advice to the Prime Minister on medium to long-term strategic options. Key areas the unit worked on since its establishment include:

- providing advice on recovery and rebuild activity following COVID-19
- developing long-term strategy proposals for consideration by the Prime Minister, including on the government's strategy for recovery from COVID-19.

We helped build a high-performing policy system

The Policy Project has a range of policy improvement frameworks and tools to support agencies and policy practitioners to improve the quality of their policy advice. These resources promote a more joined up and consistent approach to improving the quality of policy advice across the public sector. During 2019/20, we conducted 24 workshops and presentations to support agencies in using the policy resources. We also published case studies on how agencies and policy practitioners can use the policy resources, and showcased the resources at public sector events, including the All-of-Government Innovation Showcase, the Government Economics Network conference, Institute of Public Administration New Zealand event and graduate events.

Other key achievements during 2019/20, include:

- piloting an online policy hub where agencies can share resources and knowledge with each other
- supporting the Head of the Policy Profession to co-launch the Ministry for Women's gender analysis tool, Bringing Gender In
- expanding the Policy Methods Toolbox, a repository of policy development methods, to include futures thinking to help policy practitioners know when and how to use futures thinking for policy initiatives
- progressing the development of guidance on how to engage effectively with the public as part of the policy process, including conducting a literature review, workshops, as well as surveying community groups, policy practitioners and engagement specialists. The guidance is expected to be published next year.

Supporting agencies to stay ahead of the game

Inland Revenue (IR) regularly applies the Policy Capability Framework as a health check, to maintain focus on the policy improvement outcomes it wants to achieve. The Policy Capability Framework is an organisational improvement tool that supports agencies to identify areas for policy improvement.

IR started using the Policy Capability Framework when it embarked on a five-year business transformation programme to modernise the tax system, including ways of working.

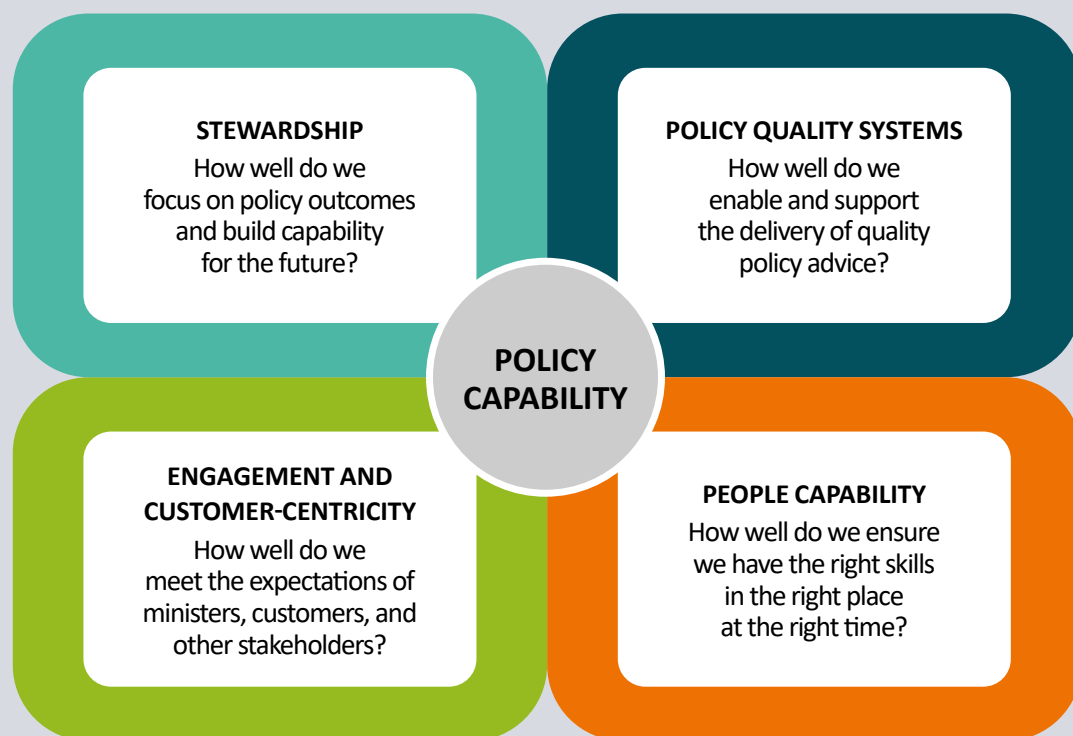
The new strategy didn't immediately resonate with policy staff who weren't convinced they needed to change. By applying the Policy Capability Framework, IR was able to bring policy staff on board through using language and framing the issues in a way that resonated with them.

"We have a number of shifts to achieve that can be easily grouped under a global description of 'just being better at developing and providing policy advice'. And that sort of generalised aspiration isn't very helpful. The benefit of the Policy Capability Framework and the maturity matrix is that, we understand what they mean and they help us to be specific and to target capabilities that we want to improve"

– Mike Nutsford, Policy Lead

"We felt we were already a good 'policy shop' and this was backed up by feedback from ministers – yet we also realised that to stay at the front of our game we would have to continuously improve our capability. The Policy Capability Framework gelled with us and I will be using the capability maturity matrix to help me track whether or not we are achieving our development goals"

– Emma Grigg, Acting Deputy Commissioner



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

What we intended to achieve

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

What we achieved in 2019/20

We supported the Government's operating arrangements

We continued to support executive government to run smoothly by:

- providing advice and support to the Prime Minister and Ministers on the functioning of executive government, the management of conflicts of interest and other *Cabinet Manual* matters
- providing secretariat support for Cabinet, Executive Council and Cabinet committees
- supporting the Leader of the House to prepare and manage the government's legislation programme for the 2019 and 2020 calendar years
- updating the Cabinet policy paper template, in consultation with key central government stakeholders and agencies
- continuing to make enhancements to CabNet, our online system that supports Cabinet processes.

During the COVID-19 lockdown, we supported Cabinet and Cabinet committees to meet remotely and provided secretariat support for the COVID-19 Ministerial Group meetings.

We supported the Prime Minister and Governor-General

The most visible part of the Governor-General's activity is engaging as widely as possible with the communities of New Zealand. Since the March 2019 terror attack in Christchurch, a strong emphasis has been on diversity and inclusion. Key activities during 2019/20, included Tuia 250 and the Mount Erebus commemoration as well as visiting Maungapōhatu in the Urewera to sign the Rua Kēnana Pardon Bill.

Their Royal Highnesses the Prince of Wales and the Duchess of Cornwall visited Aotearoa New Zealand from 17 to 23 November 2019. The Clerk of the Executive Council was responsible to the Prime Minister for delivering a programme that met both Aotearoa New Zealand's interests and captured the key areas of interest for the Prince and Duchess. The Prince and Duchess visited Auckland, where they were formally welcomed by the Governor-General, Waitangi (see case study), Christchurch and Kaikōura.

During COVID-19 Alert Level 4 the Governor-General's core constitutional role was crucial to government operations, as Her Excellency discharged her duties virtually to sign the Bills and other formal instruments that provided the legislative base for the Government's response to the COVID-19 pandemic.

We led the New Zealand Royal Honours processes

Awarding New Zealand Royal Honours is one way our country acknowledges and celebrates the significant contribution of New Zealanders. We provide support to the Prime Minister and Ministers in considering and progressing nominations, through to organising presentation of honours to recipients.

In 2019/20, the 50/50 gender balance for awards that was first achieved in 2018 was maintained.

Due to COVID-19 restrictions, it was not possible to undertake the normal cycle of investiture ceremonies planned for April 2020 to recognise the 2020 New Year Honours recipients. Instead, these were rescheduled to the second half of 2020 when a special priority was placed on supporting the Governor-General in hosting as many recipients as possible from both the 2020 New Year and 2020 Queen's Birthday lists.

Most of the administrative work to progress and deliver the 2020 Queens' Birthday Honours list was undertaken during the COVID-19 lockdown and resulted in some new and innovative ways of working, which we will continue to use in the future.

CASE STUDY



Visit to Waitangi by Their Royal Highnesses the Prince of Wales and the Duchess of Cornwall

Visits to Aotearoa New Zealand by members of the Royal family are community occasions which help strengthen the connection between New Zealanders and the Sovereign, as well as providing an opportunity for us to showcase our nation and culture. The visit in November 2019 by Their Royal Highnesses the Prince of Wales and the Duchess of Cornwall was their third visit here together, and the tenth visit to Aotearoa New Zealand by Prince Charles.

A key highlight was the visit to the Waitangi Treaty Grounds, which marked the first time in 25 years that a member of the Royal family had been to the Treaty Grounds. The Prince gave a speech acknowledging the work that has been done in Aotearoa New Zealand since his last visit in 1994, in settling historical grievances in the spirit of partnership. He personally reaffirmed a commitment to the defining promise of the Treaty for himself, his children and grandchildren. The Prince also brought with him a cloak to loan to the Waitangi Museum from the Queen, which had been gifted to Queen Victoria by Reihana Te Taukawau on his historic visit to England in 1863. The Prince spoke of it as a taonga that symbolises the real and enduring relationship between the Crown and the Māori people, in which his family has taken immense pride for generations.

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

What we intended to achieve

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

What we achieved in 2019/20

We used our understanding of risk to inform key decisions

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. In support of this, during 2019/20 we took a more strategic risk-based approach to enable better governance by the Security and Intelligence Board and the Hazard Risk Board through leading cross-agency assessment, analysis and treatment of risk.

The National Assessments Bureau continued to provide independent, all source assessments to inform decisions on New Zealand's security and foreign policy interests. This included reporting on COVID-19 and providing assessments on the economic, social and geopolitical implications of the global pandemic.

The National Security and Intelligence Priorities, which were publicly released last year, cover a wide range of potential risks to New Zealand's national security and wellbeing. The Priorities help agencies that have a national security role make informed, evidence-based policy and decision making, and focus on what matters most.

Another key strategic focus over the last year has been on the implications of cyber security to New Zealand's national security and economic growth. As New Zealanders spend more time online, including as a consequence of the COVID-19 pandemic, and use more online services we are increasingly exposed to malicious cyber activity.

New Zealand's latest *Cyber Security Strategy* was published in July 2019. The Strategy was developed using a co-creation model, involving public consultation and workshops, and drew on a range of sources to ensure that Aotearoa New Zealand is adapting to the growing and evolving threat. A key deliverable in the first year of the strategy has been the work towards accession to the Budapest Convention on Cybercrime. The future year's work programme will also take into account implications of COVID-19 on cyber security, for example risk mitigations associated with more New Zealanders working remotely and trading online.

We also worked across the sector to lead the development of New Zealand's first *Counter-Terrorism Strategy* (see case study) and began implementation of the comprehensive cross-agency work programme which focuses on prevention and reducing the risk of terrorism and violent extremism.

With the 2020 General Election and referendums, we worked with other agencies to develop a set of interagency protocols to provide guidance for government agencies. This included strategies to manage and respond to election disruptions and threats, such as managing foreign interference and cyberattacks.

We responded to, and supported the recovery from, national security issues

Throughout the year, we led and supported lead agencies to respond to, and support recovery from, a number of national security issues and emergencies. We activated the National Security System to provide whole-of-government decision support for agencies and Ministers for 13 ODESC meetings and 18 senior officials' Watch Groups. A wide range of issues prompted activation of the system, including the Whakaari White Island eruption and the response to COVID-19.

New Zealand's response to COVID-19 required a significant cross-government effort. In our system leadership role, we provided strategic support for the lead agency response and to Watch Group and ODESC meetings, provided analysis and assessments, and helped to ensure coordinated all-of-government decision making around policy issues.

We also supported the Royal Commission of Inquiry into the Attack on Christchurch Mosques. This included responding to requests from the Inquiry and engaging in the natural justice, fact checking and declassification processes. We led cross-agency preparation for the next part of the process to ensure a joined-up, whole-of-government response to the report upon its release.

For information on key achievements relating to emergency management in support of this strategic intention, refer to the National Emergency Management Agency Annual Report 2019/20 on pages 27 to 34.

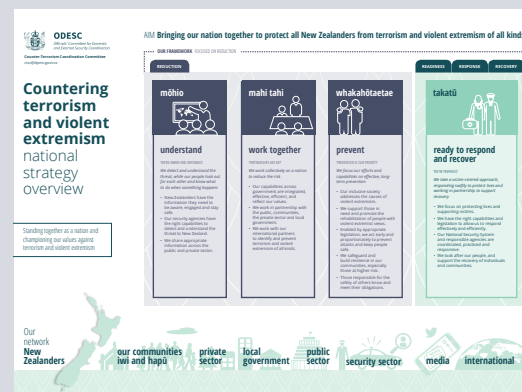
CASE STUDY

Our national Counter-Terrorism Strategy

New Zealand's first national strategy for countering terrorism and violent extremism came into effect on 23 September 2019. The Strategy is about working together to prevent terrorism and violent extremism, while ensuring the systems and capabilities are in place to act early and respond when needed.

The Strategy's aim is *"Bringing our nation together to protect all New Zealanders from terrorism and violent extremism of all kinds"*. It seeks to prevent tragedies such as the terrorist attack in Christchurch from happening again, and emphasises aspects such as:

- social inclusion
- working together by partnering with communities
- eliminating terrorist and violent extremist content online
- focusing on victims in the event of an incident.



The new Strategy was developed collaboratively by a wide range of agencies, led by DPMC. We are now working with the public sector, communities and others to coordinate the delivery of this strategy to help keep New Zealanders safe and resilient.

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

What we intended to achieve

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

What we achieved in 2019/20

We launched the Child and Youth Wellbeing Strategy and Programme of Action

The *Child and Youth Wellbeing Strategy* was launched in August 2019. It sets out a shared understanding of what is important for child and youth wellbeing, what the Government is doing to help achieve the wellbeing outcomes and how others can help. The Strategy's Programme of Action (POA) includes 75 main actions and more than 40 supporting actions led by 20 government agencies, to drive progress against the outcomes set in the Strategy over coming years.

The Strategy has been well received by stakeholders, who see it as an important opportunity to align collective efforts to improve the lives of children and young people and their whānau. A dedicated website publishes regular news updates, and showcases innovative community-led projects and activities from around the country. Subscribers to the Child and Youth Wellbeing e-newsletter (published every 6 to 8 weeks) are steadily increasing, with around 2,200 at the end of 2019/20.

We supported the requirements under the Child Poverty Reduction Act

In February 2020, we reported on the impact of the Families Package and Budget 2019 initiatives on child poverty rates, to support the release of Stats NZ's child poverty statistics. This was followed by the *Child Poverty Report*, published as part of the Budget in May 2020, which provides the first indication of progress on the measured rates of child poverty since the Government's targets were gazetted.

Advice is being developed on the short and medium-term implications of COVID-19 for child poverty, including estimated impacts on the child poverty targets.

We worked on cross-agency policy to improve child wellbeing and reduce child poverty

We are continuing our work to help engage agencies and others, and mobilise collective action.

Through the Strategy, we have established strong cross-agency governance and working groups to provide joined-up policy advice, including advice on Budget priorities as well as longer-term planning work. There is growing agency alignment to the Strategy, with the Framework being incorporated into business and strategic planning documents, and used to shape upcoming work programmes.

There are also some early indications that the Strategy's impact is reaching beyond central government agencies. For example, we are working closely with local government leaders to explore how the Strategy's Framework can be used to inform their strategic and long-term planning, and help prioritise work programmes and spending. We are also working with community stakeholders to develop tools, guidance and resources to support alignment of activities to the Strategy.

Agencies are making good progress in implementing the initiatives in the POA, with most proceeding as planned, including many large initiatives requiring the input of multiple agencies and non-government organisations. The Strategy is also providing the framework for cross-agency COVID-19 response efforts. It already has a strong focus on lifting the wellbeing of those who are most disadvantaged, and is helping us drive a unified and holistic approach to new and emerging issues and needs for children, young people and their whānau.

Policy work in the Strategy's five focus areas has contributed to new investments announced in the Budget 2020 and COVID-19 Response and Recovery Fund (CRRF) funding packages, and further work continues in these areas with a new COVID-19 recovery lens.

The POA will continue to evolve in response to emerging issues and needs, as well as new opportunities to make transformative and lasting change.

CASE STUDY

Free and healthy school lunches prototype

DPMC's Child Poverty Unit worked closely with the Ministry of Education to develop the Free and Healthy School Lunches prototype.

Around 7,000 school children kicked off the 2020 school year with full tummies, thanks to a Free and Healthy School Lunches programme piloted at 31 schools in Hawke's Bay Tairāwhiti and Bay of Plenty Waiariki.

The programme aims to ease financial hardship and reduce food insecurity, by providing access to a nutritious lunch in school every day. Research shows that reducing food insecurity makes all the difference to a child's learning – improving their levels of concentration, behaviour and school achievement. It also boosts their overall health and wellbeing.

The programme was announced at the launch of the *Child and Youth Wellbeing Strategy* in August 2019, and is one of 75 initiatives launched by the government last year to tackle child poverty and improve child and youth wellbeing.



Providing lunch to all students in the school means every child who needs a free lunch can access one, without the stigma or eligibility complexities sometimes associated with receiving free meals.

The intention was to extend the pilot programme to up to 21,000 students in around 120 schools by the beginning of 2021, however the COVID-19 response saw the Government scale up the programme with the objective of reaching around 200,000 students by mid-2021.

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

What we intended to achieve

Work with local leadership to sustain and improve the pace and momentum of regeneration.

What we achieved in 2019/20

We supported the ongoing transition to locally-led regeneration

We made further significant progress towards the transition to locally-led regeneration in greater Christchurch. A number of key milestones were reached and we are in a strong position to transition our remaining roles ahead of the expiry of the majority of the Greater Christchurch Regeneration Act (the Act) on 30 June 2021. Progress made over the last year has further strengthened the relationship between the Crown and local agencies, providing a strong foundation for the future.

Our key achievements over the past year include:

- approval of the final Global Settlement Agreement between the Crown and the Christchurch City Council providing certainty on the long-term ownership of key regeneration assets, and final roles and responsibilities for regeneration (see case study)
- the Greater Christchurch Regeneration Amendment Bill receiving Royal Assent in June 2020. The Bill amends the Greater Christchurch Regeneration Act 2016 by repealing specific provisions early, removing some extraordinary powers that are no longer required, disestablishing Regenerate Christchurch and providing for limited extension of some land powers.

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

The Ōtākaro Avon River Corridor Regeneration Plan, developed by Regenerate Christchurch, was approved by the Minister for Greater Christchurch Regeneration in August 2019. The Plan provides a vision and objectives for short, medium and long-term future land uses and opportunities for 602 hectares of land in the east of Christchurch. This was a milestone in the City's regeneration and a further step in the return to local leadership.

We provided advice that enabled the unique section 71 powers of the Act to be used to fast track changes to district planning documents regarding regeneration outcomes for Lyttelton Commercial Zone Parking and Hagley Oval. As a result, the amendments provide greater certainty regarding the regeneration and redevelopment of Lyttelton town centre and enable Christchurch to bid for "top-tier" international cricket matches through rule changes to flood lighting and the number of match days allowed. A last section 71 proposal, seeking amendments to district and regional planning documents to better enable the development and operation of commercial film or video production facilities in Christchurch, was also received. This proposal will be considered further next year, as will the Christchurch City Council's proposal to amend the Christchurch Central Recovery Plan in respect of the Canterbury Multi-Use Arena.

We supported key regeneration activities

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

- drafting an Order in Council to modify the process for future resource consent applications relating to reinstatement work on the Christ Church Cathedral, preventing lengthy delays and minimising costs
- organising the appointment of members to the independent Christ Church Cathedral Reinstatement Review Panel, tasked with providing advice and recommendations to the Minister on the draft Order in Council
- supporting processes resulting in the approval of three Christchurch Regeneration Acceleration Facility investment cases – the Canterbury Multi-Use Arena, Ōtākaro Avon River Corridor red zone, and roading projects specifically linked to regeneration needs to develop further business confidence and growth for the city
- completing the Greater Christchurch Horizontal Infrastructure programme.

We supported ongoing improvements to increase our future resilience

We hosted and supported the Public Inquiry into the Earthquake Commission, launched in November 2018 and led by Dame Silvia Cartwright. The Inquiry was established to examine the role and work of the Earthquake Commission, and to learn lessons that can be applied to how it operates in future.

The Inquiry reported its findings and recommendations to the Governor-General at the end of March 2020, and on 9 April 2020 the Minister Responsible for the Earthquake Commission and the Minister for Greater Christchurch Regeneration jointly released the *Report of the Public Inquiry into the Earthquake Commission* and *What we heard: Summary of feedback from the Inquiry's public engagement*.



Global Settlement Agreement

The Global Settlement Agreement (GSA) was signed by the Christchurch City Council and the Crown in September 2019. This was a critical point of progress, providing certainty on the long-term ownership of key regeneration assets, and final roles and responsibilities between the Crown and the Council relating to regeneration leadership of Christchurch.

The GSA provides a solid foundation for the Crown to step back from its extraordinary role, and for the Council to lead and coordinate the City's activities to support its vision for Christchurch.

At a high level, the GSA provides for the transfer of certain Crown assets to the Council, with the Council taking on responsibility for their long-term operation.

Additionally, both parties committed to a number of actions, including:

- payments of \$76.5 million (Council) and \$4.6 million (Crown) for outstanding sums owed relating to anchor projects and the Residential Red Zone (RRZ)
- a Crown/Ōtākaro contribution of a total of \$13 million towards decontamination or public realm works by Council on the Canterbury Multi- Use Arena (CMUA) and Performing Arts Precinct sites

- Land Information New Zealand (LINZ) using reasonable endeavours to carry out significant title reconfiguration in the Ōtākaro Avon River Corridor (OARC), and some limited road stopping outside the OARC, before transfer of land
- a Crown contribution of \$1 million to any reconfiguration carried out by Council outside the OARC
- establishing a consultative group comprising stakeholders and community representatives to advise the Council and LINZ on transitional land use of RRZ
- the Metro Sports Facility transferring to the Council or another party to be agreed as part of further negotiations upon practical completion by Ōtākaro
- recognising Te Rūnanga o Ngāi Tahu's unique role as Treaty partner, and the roles of Te Ngāi Tūāhuriri and Te Hapū o Ngāti Wheke as mana whenua with responsibility pertaining to all resources and protection of Ngāi Tahu interests in relation to the RRZ areas to be transferred.

The GSA also recognised that, through the Christchurch Regeneration Acceleration Facility, the Government had committed \$300 million for regeneration projects.

Photograph by: Sam Minnell

Improving our organisational health and capability

Across DPMC, we share a common purpose, vision and commitment to living our values – *kia māia, kia honohono, kia manawanui, kia taute*. Each of us has different work to do, yet we all work to advance an ambitious, resilient and well-governed Aotearoa New Zealand. To support our people to do this, we are committed to providing every employee with career pathways and development, a safe environment that reflects our values and support to ensure they are well-positioned for success.

What we achieved

We are creating One DPMC

As a department, we are diverse by design with a wide range of functions, roles and priorities. Our workplace is filled with change as we grow and shrink, and our work is challenging in often complex areas. Building One DPMC means creating an integrated department with a strong sense of community and belonging, and staff wellbeing.

Results from our Kōrero Mai surveys throughout 2019/20 told us that we need to learn more about each other, our skills and our mahi, we need to improve how our leaders lead and how we manage performance, and we need to grow good habits across DPMC. These signposts guided our people strategy to build One DPMC over the last year.

Key achievements in progressing One DPMC include:

- learning more about our people and considering how to better leverage our combined skills and experience, including holding our first online Town Hall during lockdown with a focus on the work we each do
- focusing on getting the basics right to ensure an equitable and consistent 'employee journey', with similar opportunities and processes, including the introduction of a refreshed induction programme for all new employees
- continuing to support our staff to have courageous conversations
- learning from past experience of groups coming into and leaving DPMC, to help us create a sustainable future model and way of working that can flex for peaks or changes in our work when required.

COVID-19: An unexpected change environment

The COVID-19 global pandemic created a change environment where challenges and innovations at an individual, team, project and organisation-wide level emerged. Around 75% of DPMC and NEMA staff worked from home during Alert Level 4, with approximately 22% working in the office or other locations in support of the response such as in the National Crisis Management Centre (NCMC).

Through balancing our leadership role in the response to COVID-19 alongside continuing to deliver on our core roles and responsibilities, we learnt several valuable lessons. We are now creating our 'new normal' by evolving from the experiences during the COVID-19 lockdown, in particular reflecting the benefits of using technology to connect to a location agnostic workplace, embedding a culture of trust and realigning our views on what work can be done remotely.

Looking ahead, these lessons will help us as we embed our new flexible by default approach and ensure we remain resilient as a department.

We continued to develop a diverse and inclusive workplace

We want to foster the development of our people and culture through opportunities to develop and grow, be recognised and rewarded, and be part of an inclusive workplace where diversity of thought, ideas and people is valued, nurtured and celebrated.

Throughout 2019/20, we progressed our diversity and inclusion work programme through several initiatives to create a positive DPMC workplace. These also contribute to the five Papa Pounamu priority commitments of addressing bias and discrimination, strengthening cultural competency, building inclusive leadership, developing relationships that are responsive to diversity, and supporting and engaging with employee-led networks. Key achievements include:

- supporting staff-led networks (such as the Women's Network and Wellness Network) and developing guidance to help our people start a staff-led network or group
- establishing and delivering the Kōrero Speaker Series, which provided staff with diverse perspectives and insights to broaden knowledge and awareness on the issues facing Māori from a policy and decision making perspective
- updating our Gender Pay Gap Action Plan to reflect environmental and policy impacts as we ensure gender is not a factor in remuneration outcomes
- holding People Leader Forums to support and develop our leaders, including raising awareness of wellbeing during COVID-19, and unconscious bias training
- participating in the cross-government Gender Pay Gap Working Group to develop flexible by default goals and support the development of documents to help with implementation of Te Kawa Mataaho Public Service Commission's expectations.

We enhanced our information and communication systems

Improvements to our information and communication systems over the last year significantly enhanced the way we work and engage with each other. In particular, the rollout of collaborative tools, such as Microsoft Teams, changed the way we connect across the department and our various locations. This change was a key foundation in enabling us to perform efficiently and effectively during the COVID-19 lockdown.

Other key achievements in 2019/20 include support for the transition of the National Emergency Management Agency to a departmental agency and support for several NCMC activations. In particular, the response to COVID-19 required the standing up of a new NCMC site at the Ministry of Health for 200 staff to work 24/7 for several months.

We managed our risks effectively

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

DPMC's risk and assurance approach is supported by a staff member who provides guidance and advice to senior management. Oversight of our risk and assurance activities continued to be provided by DPMC's Risk and Assurance Committee, who continued to provide the Chief Executive with direct and independent advice.

During 2019/20, our business continuity planning was essential from both a physical workplace perspective as well as in maintaining delivery of our work. This enabled staff to continue to deliver during lockdown, whilst also ensuring security and privacy was maintained.

We maintained a safe, healthy and secure working environment

The environment our people work in is dynamic and fast moving, and often means we are working in busy and high pressure situations. We want to make sure that all of our staff, contractors and visitors are in a healthy, safe, secure and supportive environment, and that we all get home happy, healthy and safe to our families at the end of the day.

In 2019/20 we completed:

253

responses

to requests made to DPMC under the Official Information Act 1982 and the Privacy Act 1993

of which

98.5%

were on time

325

responses

to requests made to Ministers under the Official Information Act 1982 and the Privacy Act 1993

of which

96%

were on time

We continued to support the health, safety and wellbeing of our people during 2019/20 through provision of a range of support including the wellbeing reimbursement, Employee Assistance Programme and seasonal flu vaccinations. Our Health and Safety Committee also continued to bring together workers and management to develop and review health and safety policies and practices for the workplace.

In addition, key achievements during 2019/20 include:

- consolidating all health and safety pages on our intranet, Kāinga, to create a one stop shop for all health and safety related information and make it easier for staff to access the information they need when they need it
- improving how staff can report incidents, by adding a button on Kāinga to make it easier to report incidents and provide useful information to the health and safety team
- improving how we record and report on health and safety, in particular through centralising record keeping and providing monthly reporting to our Security, Privacy and Organisational Health Committee on incidents, near misses, inductions, wellbeing indicators and progress against our health and safety work plan
- supporting our people during the COVID-19 lockdown, through creation of an information hub which was updated as we moved through alert levels. In particular, wellbeing while working from home was a priority due to the majority of our staff working remotely during Alert Levels 3 and 4. We also developed a COVID-19 Suspect/Confirmed Case Protocol process to ensure we were prepared for if any active cases were present at one of our locations.

23

**health and safety incidents
were recorded in 2019/20,**

of which all
have been closed

A picture of our staff as at 30 June 2020

225

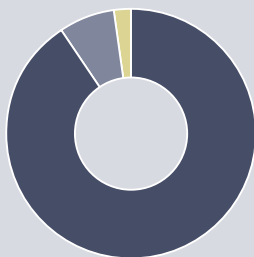
Overall staff as
at 30 June 2020
(excluding NEMA³)

Business units



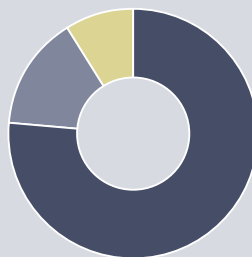
86	● National Security Group	23	● Cabinet Office
32	● Strategy, Governance and Engagement	14	● Child Wellbeing and Poverty Reduction Group
30	● Government House	13	● Greater Christchurch Group
25	● Policy Advisory Group	2	● COVID-19 Group ⁴

Location



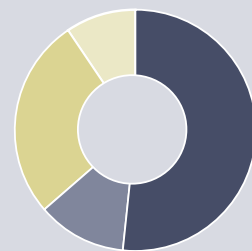
205	● Wellington
16	● Canterbury
4	● Auckland

Workforce



172	● Permanent
33	● Fixed term
20	● Seconded

Gender



144	● 117 Rest of staff
Female	● 27 People Leaders
81	● 61 Rest of staff
Male	● 20 People Leaders

Ethnicity⁵

138	NZ European/Pākehā	19	Other European	7	Asian
52	Not disclosed	15	NZ Māori	6	Pacific Islands

³ Data relating to those working for the National Emergency Management Agency have not been included in the information on this page. See page 29 for a breakdown of their staffing numbers.

⁴ The COVID-19 Group was formally established as a DPMC business unit on 1 July 2020. Therefore, data on this page does not include those working on the response and seconded to the NCMC as at 30 June 2020.

⁵ 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

Annual Report 2019/20



**National Emergency
Management Agency**
Te Rākau Whakamarumarū

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.



Introduction from the Chief Executive

Emergencies have consequences for people, whānau, communities, property, infrastructure, the economy and the environment.

Our key organisation milestone this year was the establishment of NEMA as a departmental agency hosted by the Department of the Prime Minister and Cabinet, and the transfer of Ministry of Civil Defence & Emergency Management staff and functions into NEMA. As a departmental agency, NEMA has greater autonomy and a mandate from Government to lead and coordinate across the emergency management system (including central and local government) for all hazards and risks.

Our focus this past year has been on enabling incremental, yet transformational change to deliver the strategic shift expected by the Government and the sector. This is part of our journey to modernise New Zealand's emergency management system.

Since NEMA was established on 1 December 2019, the emergency management system has been in constant response and recovery mode: the Whakaari White Island volcanic eruption, the Westland, Timaru and South Island floods, widespread drought in the north and most recently COVID-19. The frequency, complex nature and socio-economic consequences of these emergencies highlight and reinforce the importance of stepping up the pace to modernise New Zealand's emergency management system and enhance New Zealand's resilience to withstand and minimise the impacts of a range of hazards and risks.

Despite being in constant response and recovery mode, we delivered on a number of key objectives this year, including the establishment of the Emergency Management Assistance Team, the first deployment of the Deep-ocean Assessment and Reporting of Tsunamis (DART) buoys network, and other initiatives in support of the Emergency Management System Reform programme.

NEMA aspires to deliver the Government's vision for the emergency management system and the tasks before it to achieve that vision. Looking forward to 2020/2021 we are preparing to adopt a stronger national emergency

management leadership and stewardship role, to build the capability and capacity of the emergency management workforce, and to improve information and intelligence systems to support decision making in emergencies. The COVID-19 response in particular has confirmed and crystallised what the Ministerial review *Better Responses to Natural Disasters and Other Emergencies in New Zealand* told us that wide-ranging initiatives are needed to reform the system. These initiatives require investment in infrastructure, technology, systems and resources.

NEMA's evolution as kaitiaki of the emergency management system requires a sharp focus on what it is that only NEMA can or should do; and doing it well.

I acknowledge the highly skilled and passionate NEMA staff who work in service of New Zealand every day. This is not something we do alone. Our many partners in regional and local authorities, iwi, communities, business, and other central government agencies also play a vital part in ensuring emergency responses and recoveries are effective and integrated. I acknowledge the important role of our partners in the successful realisation of NEMA's mandate.

Statement of Responsibility

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

A handwritten signature in blue ink that reads 'Carolyn Schwalger'.

Carolyn Schwalger
Chief Executive
National Emergency Management Agency

Who we are and what we do

Overview of our agency

NEMA works to build New Zealand's resilience by keeping people safe and reducing the impact of emergencies on our communities and whānau.

NEMA works to build the capability and capacity of the emergency management system to reduce risk, plan for, respond to and recover from emergencies across all hazards and risks. NEMA coordinates central government's response and recovery functions for national emergencies, and supports the management of local emergencies and the 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, 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 Act (2002), the *National Disaster Resilience Strategy*, the *National Civil Defence Emergency Management (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*.

Our workforce

74 Overall staff numbers
as at 30 June 2020

Gender



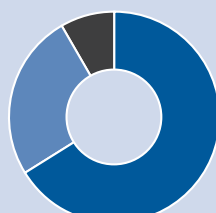
43 Female

- 37 Rest of staff
- 6 People Leaders

31 Male

- 24 Rest of staff
- 7 People Leaders

Workforce



49

- Permanent

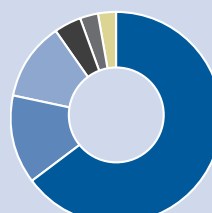
19

- Fixed term

6

- Seconded

Ethnicity



48

- NZ European/Pākehā

10

- Other European

9

- Not disclosed

3

- NZ Māori

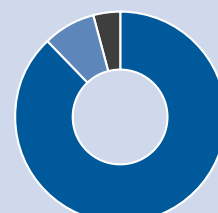
2

- Asian

2

- Other ethnic group

Location



65

- Wellington

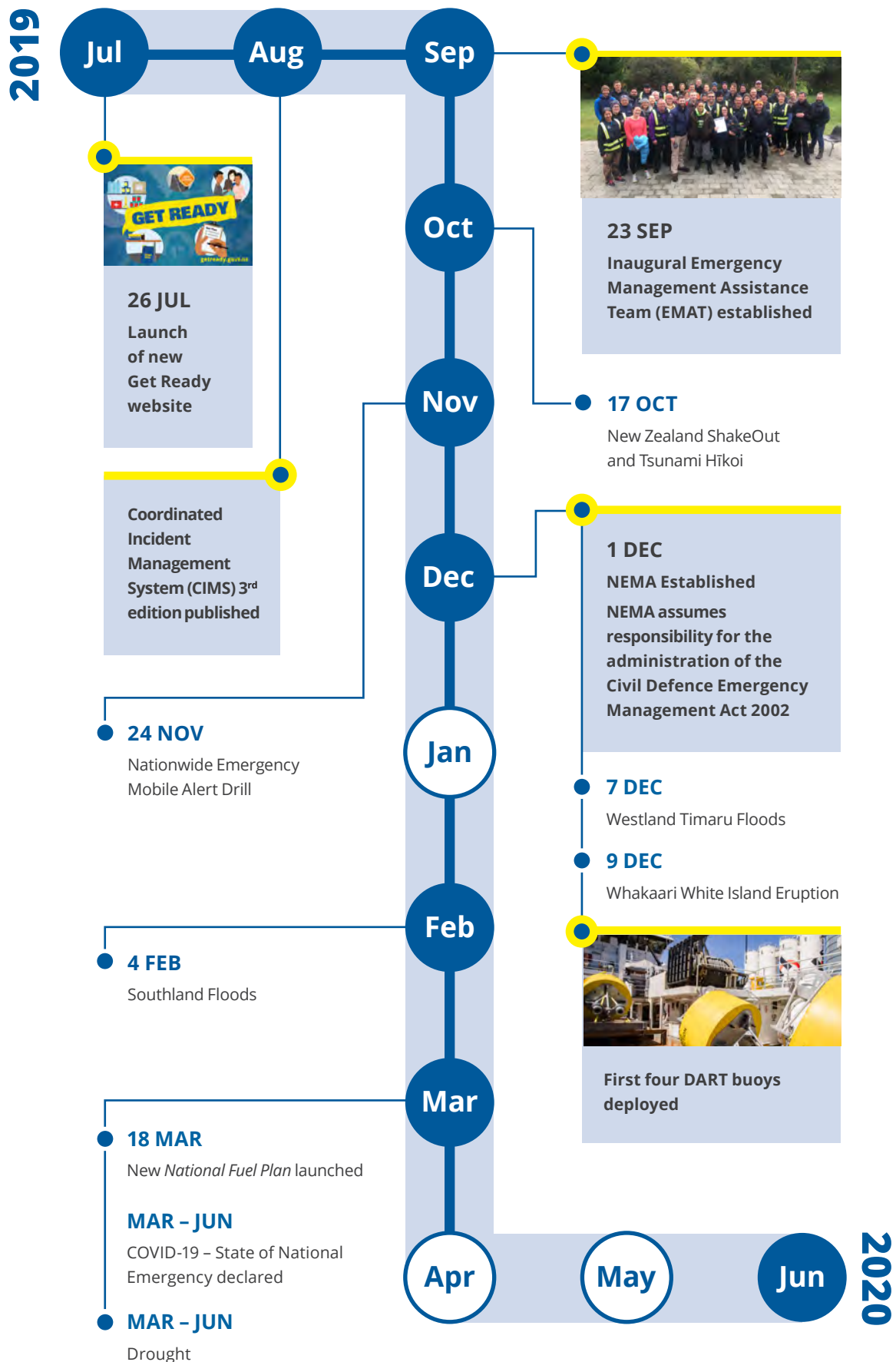
6

- Canterbury

3

- Auckland

2019/20 at a glance



Our numbers at a glance

4

National Crisis Management (NCCM) or National Coordination Centre (NCC) activations spanning 147 days

4th

NEMA (formerly measured as the Ministry of Civil Defence & Emergency Management) **rose from 6th to 4th** in the 2020 Colmar Brunton Public Sector Reputation Index, ranking in the top five on all four key measures:

2nd

Social
Responsibility

3rd

Fairness

4th

Trust

5th

Leadership

70% | 4 in 5 people

In November 2019, **the third nationwide Emergency Mobile Alert test message reached a landmark penetration rate** of 70% of all New Zealanders (up from 60% in 2018), or four in five people with access to a mobile phone

16

NEMA partnered with 16 Civil Defence Emergency Management Groups across the motu to keep people safe and reduce the impact of emergencies on our communities and whanau

99

claims had been received

\$20.642m

As at 30 June 2020, **99 claims totalling \$20.642 million had been received** from CDEM Groups and local authorities seeking for the reimbursement of welfare support as a result of COVID-19 pandemic

130

people were inducted

into the NCCM over **11 face-to-face sessions and via online learning** during COVID-19 lockdowns

3,010

learners, incl. volunteers

were **trained in emergency management** using the CDEM Training Fund across 209 courses

194,000

followers on **NEMA's social media**, across Facebook and Twitter

89%

of New Zealanders have a **good understanding of the types of disasters that can occur** in New Zealand and the chances of them happening

What we achieved in 2019/20

The achievements outlined in this section include work undertaken by both the Ministry of Civil Defence & Emergency Management (from 1 July to 30 November 2019) and by NEMA (from 1 December 2019 to 30 June 2020). These achievements contribute to DPMC's Strategic Intention 3: Our cohesive, risk-based National Security System makes New Zealand stronger and more resilient. See pages 15 and 16 for further reporting on this strategic intention.

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

In August 2019, we published the Coordinated Incident Management System (CIMS) third edition. Enhancements introduced by the third edition include emphasising flexibility in application so that it can be used for incidents through to large-scale emergencies at the national level, as well as highlighting the importance of the inclusion of iwi and Māori in response and recovery.

In March 2020, we launched the *National Fuel Plan*, in collaboration with the Ministry of Business, Innovation and Employment. The Plan provides an agreed planning framework between fuel companies, government departments and agencies, local government and Civil Defence Emergency Management (CDEM) Groups to respond to major disruptions to fuel supplies.

Our public education campaigns also supported New Zealanders in building their emergency preparedness and resilience. In July 2019, we launched the new Get Ready website, making emergency preparedness easier and more accessible.

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

In September 2019, we launched the Emergency Management Assistance Team (EMAT), providing a new capability in New Zealand's emergency management system. EMAT has people with a mix of the appropriate skills, experience and attributes to go wherever required, without delay, to work with and support the local Incident Controller and their Incident Management Teams as they manage emergencies. The EMAT cadre is drawn from personnel working in central and local government agencies and emergency services. Since the launch, we have deployed EMAT personnel to support the responses to the West Coast severe weather event in December 2019, the Southland flooding event in February 2020, and COVID-19 in March 2020.

Over the course of the year, we delivered Response and Recovery Leadership Programme Tier 1 courses in Christchurch and Hamilton. These courses are designed to support the capability development of Controllers, Recovery Managers and Response Managers who all play key roles in response and recovery. We also developed an Integrated Training Framework course for Lifeline Utility Coordination, with a pilot workshop held in December 2019.



DART buoys on board the NIWA Vessel prior to deployment in December 2019

Establishing a tsunami monitoring and detection network for New Zealand

New Zealand's emergency management system has been enhanced through NEMA's deployment of a network of Deep-ocean Assessment and Reporting of Tsunami (DART) buoys this year. This is a significant boost to New Zealand's end-to-end arrangements for monitoring, detecting and issuing warnings about tsunami. The project to establish the DART buoy network began in late 2018 and has involved NEMA (then MCDEM), the Ministry of Foreign Affairs and Trade, the Ministry of Business, Innovation and Employment, GNS Science and NIWA.

New Zealand's geographical and geological place in the Pacific puts us at risk from many different tsunami sources; some may be generated and arrive at our nearest coasts in less than an hour. DART buoys are currently the only accurate way to rapidly confirm a tsunami has been generated – before it reaches the coast.

Early detection of a tsunami using DART buoys allows us to accurately provide early warnings using a range of communication channels including Emergency Mobile Alerts. GNS Science's National Geohazards Monitoring Centre provides 24/7 monitoring support to receive, process and analyse the data from the buoys.

The DART buoy network also provides tsunami monitoring and detection information for Pacific countries, including Tokelau, Niue, the Cook Islands, Tonga and Samoa.

Building our organisational health and capability

Our focus has been on enabling incremental, yet transformational change to achieve the strategic shift expected by the Government when it established NEMA. We are investing in our people and systems, making sure we have the right people with the right capability to support our work.

As a first step, we've implemented a 'Stabilising NEMA' programme, using the Government's initial investment in establishing NEMA to alleviate internal human resource issues and to begin to design our future state. Through Stabilising NEMA, the number of permanent staff has begun to increase and will continue to do so over 2020/21. Our immediate priorities for this investment programme include resourcing for policy, operations, national planning, workforce capability, resilience and support to executive leadership.

Development of staff 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 of staff outside of NEMA.

Implementing flexible working by default is underway. A portion of NEMA staff work remotely, flexible hours, part-time, and have the opportunity to buy-back leave. Many of the tools required to support staff and managers are already in place. The COVID-19 lockdown period provided an opportunity to further advance working from home arrangements.



The NEMA Team with the Minister of Civil Defence, Hon Peeni Henare

In 2019/20 we completed:

24
responses

to requests made under the
Official Information Act 1982
and the Privacy Act 1993

of which

95.5%
were on time

30%
growth

in NEMA overall staff numbers between
1 July 2019 and 30 July 2020.

D

Our performance information

This section reports on what we achieved within each appropriation against the expectations set in the Estimates of Appropriations for Vote Prime Minister and Cabinet in 2019/20

Appropriation statements

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

for the year ended 30 June 2020

	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates ⁶ \$000	Where performance information is reported
DEPARTMENTAL OUTPUT EXPENSES				
Canterbury Earthquake Recovery	7,999	11,636	9,426 ⁷	Part D
Cyber Security	173	2,000	700	Part D
Support for Inquiry into EQC	1,073	900	1,550	Part D
TOTAL DEPARTMENTAL OUTPUT EXPENSES	9,245	14,536	11,676	
DEPARTMENTAL CAPITAL EXPENDITURE				
Department of the Prime Minister and Cabinet – Capital Expenditure PLA	795	646	961	Part D
TOTAL DEPARTMENTAL CAPITAL EXPENDITURE	795	646	961	
NON-DEPARTMENTAL OTHER EXPENSES				
Civil Defence Emergency Management Training	929	2,000	2,000	Minister's Report appended to the DPMC Annual Report
Contributions to Local Authorities Following an Emergency Event	2,075	1,300	2,336	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
COVID-19: Civil Defence Emergency Management Group Welfare Costs	28,794	-	25,000	Minister's Report appended to the DPMC Annual Report
Disposal of Earthquake Demolition Materials	-	-	4,000	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Emergency Management Preparedness Grants	1,039	889	1,295	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Governor-General's Programme PLA	1,295	1,500	1,500	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Governor-General's Salary and Allowance PLA	396	500	500	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Governor-General's Travel Outside New Zealand PLA	62	407	407	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989

⁶ For 2019/20, an Addition to the Supplementary Estimates process was undertaken after the completion of the Supplementary Estimates, to reflect consequences of COVID-19 response initiatives. The column heading *2019/20 Supp Estimates* includes these additions.

⁷ The Supplementary Estimates include a \$300,000 transfer out of the Canterbury Earthquake Recovery appropriation to the National Security Priorities and Intelligence Coordination appropriation, approved by Joint Ministers in May 2020 under section 26A of the Public Finance Act 1989.

	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates ⁶ \$000	Where performance information is reported
Inquiry into EQC	130	70	243	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Local Authority Emergency Expenses PLA	10,768	5,000	5,000	Minister's Report appended to the DPMC Annual Report
Maintaining Water Supply in Periods of Drought	209	-	10,000	Minister's Report appended to the DPMC Annual Report
Prime Minister's Chief Science Advisor Research Programme	120	120	120	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
Remuneration of Commissioners of Intelligence Warrants PLA	55	174	174	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Restoration of Kaikōura District Three Waters Network	1,738	-	1,738	Minister's Report appended to the DPMC Annual Report
TOTAL NON-DEPARTMENTAL OTHER EXPENSES	47,610	11,960	54,313	
MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE				
Emergency Management MCA				
DEPARTMENTAL OUTPUT EXPENSES				
Community Awareness and Readiness	2,576	1,938	1,938	Part D
Emergency Sector and Support and Development	6,804	5,644	7,144	Part D
Management of Emergencies	15,000	12,810	23,691	Part D
Policy Advice – Emergency Management	1,226	1,143	1,543	Part D
TOTAL EMERGENCY MANAGEMENT MCA	25,606	21,535	34,316	
Government House Buildings and Assets MCA				
NON-DEPARTMENTAL OTHER EXPENSES				
Depreciation of Crown Assets	1,012	1,962	1,812	Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989
Government House – Maintenance	746	560	760	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
NON-DEPARTMENTAL CAPITAL EXPENDITURE				
Government House Buildings and Assets – Capital Investment	756	800	1,000	Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989
TOTAL GOVERNMENT HOUSE BUILDINGS AND ASSETS MCA	2,514	3,322	3,572	

	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates ⁶ \$000	Where performance information is reported
Policy Advice and Support Services MCA				
DEPARTMENTAL OUTPUT EXPENSES				
National Security Priorities and Intelligence Coordination	13,778	12,276	13,633 ⁷	Part D
Policy Advice – Child Poverty Reduction	2,163	1,946	2,246	Part D
Policy Advice – Prime Minister and Cabinet	6,057	3,987	5,655	Part D
Science Advisory Committee	725	675	755	Part D
Support Services to the Governor-General and Maintenance of the Official Residences	4,552	4,179	4,418	Part D
Support, Secretariat and Coordination Services	5,722	5,940	6,370	Part D
TOTAL POLICY ADVICE AND SUPPORT SERVICES MCA	32,997	29,003	33,077	
Tsunami Monitoring and Detection Network MCA				
DEPARTMENTAL OUTPUT EXPENSES				
Management of Tsunami Monitoring and Detection Network	90	465	263	Part D
NON-DEPARTMENTAL OTHER EXPENSES				
Depreciation of Tsunami Monitoring and Detection Network	366	356	546	Part D
NON-DEPARTMENTAL CAPITAL EXPENDITURE				
Tsunami Monitoring and Detection Network – Capital Expenditure	6,795	7,018	11,679	Part D
TOTAL TSUNAMI MONITORING AND DETECTION NETWORK MCA	7,251	7,839	12,488	
TOTAL MULTI-CATEGORY EXPENSES AND CAPITAL EXPENDITURE	68,368	61,699	83,453	
TOTAL ANNUAL AND PERMANENT APPROPRIATIONS	126,018	88,841	150,403	

Multi-year appropriation

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

	2019/20 Actual \$000	Location of end-of-year performance information
Appropriation for Non-departmental output expenses: Regenerate Christchurch		
Original Appropriation	20,000	Minister's Report appended to the DPMC Annual Report
Adjustments	1,073	
TOTAL ADJUSTED APPROVED APPROPRIATION	21,073	
Actual Expenditure 2016/17	4,000	
Actual Expenditure 2017/18	4,000	
Actual Expenditure 2018/19	5,072	
Actual Expenditure 2019/20	2,627	
APPROPRIATION REMAINING AT 30 JUNE 2020	5,374	

Expires: 30 June 2021.

Statement of Departmental and Non-departmental Expenses and Capital Expenditure Incurred Without, or in Excess of Appropriation, or other Authority

for the year ended 30 June 2020

For the year ended 30 June 2020, there are two items of unappropriated expenditure in Vote Prime Minister and Cabinet.

Expenditure Incurred in Excess of Appropriation or other Authority

	2019/20 Actual \$000
NON-DEPARTMENTAL OTHER EXPENSES	
COVID-19: Civil Defence Emergency Management Group Welfare Costs	3,794

An appropriation was established to achieve the provision of government financial support to local authorities and Civil Defence Emergency Management groups for costs attributable to COVID-19 they incurred in providing urgent welfare support to people who required assistance, and in supporting community-based organisations: a total of \$30 million was appropriated; \$25 million in 2019/20 and \$5 million in 2020/21. Claims for support provided for the year to 30 June 2020 surpassed expectations and were in excess of the 2019/20 appropriation by \$3.794 million (2019: \$0.500 million relating to the settlement of a legal claim).

The unappropriated expenditure is within the scope of the Non-departmental Other Expense: COVID-19: Civil Defence Emergency Management Group Welfare Costs appropriation.

Expenditure Incurred Without Appropriation or other Authority

	2019/20 Actual \$000
NON-DEPARTMENTAL OTHER EXPENSES	
COVID-19 publicity campaign	18,000

Following COVID-19 arising in New Zealand, a COVID-19 All-of-Government Response Group was established within DPMC. One function of this team was to lead the Unite against COVID-19 publicity campaign.

In March and April 2020 Cabinet approved funding for the COVID-19 publicity campaign. At the time of committing to the expenditure for this publicity campaign DPMC did not hold the appropriation authority to allow for this to happen.

Some of the expenditure incurred by DPMC for the publicity campaign was intended to be recorded against the Vote Health Non-departmental output expense appropriation Public Health Service Purchasing for 2019/20. An authority was established for the expenditure (based on initial advice from the Treasury prepared under urgency).

However, after the expenditure had been incurred, a review determined that the authority was invalid as section 7C of the Public Finance Act precludes departments being able to incur expenses against Non-departmental expenses appropriations administered by another department.

Statement of Capital Injections

for the year ended 30 June 2020

	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
Capital Injection	861	546	861

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

for the year ended 30 June 2020

DPMC has not received any capital injections during the year without, or in excess of, authority (2019: 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.

In 2019/20, this appropriation contributed to achievements in Strategic Intention 1 (A proactive and responsive public service, helping shape and deliver the Government's priorities) and Strategic Intention 5 (Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest).

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Policy and Legislation				
The satisfaction of the responsible Ministers with policy advice service, as measured using the Ministerial Satisfaction Survey (see Note 1), is at least:	4	Revised measure (see Note 2)	5	✓
Average score for assessed policy papers (see Note 3)	4	New measure	3.5	✗
A sample of policy advice fits within the target ranges for quality (see Notes 3 and 4)	Achieved	Not Achieved	Achieved	✓
Leadership/Brokering/Coordination				
The satisfaction of the responsible Ministers with the leadership/brokering/coordination role as measured using the Ministerial Satisfaction Survey (see Note 1) is at least:	4	Revised measure (see Note 2)	5	✓
Monitoring and Reporting				
Report to the Minister at least twice per year on the performance of the Regenerate Christchurch Board	2	Achieved	4	✓
The satisfaction of the responsible Ministers with the monitoring and reporting activity, as measured using the Ministerial Satisfaction Survey (see Note 1) is at least:	4	Revised measure (see Note 2)	5	✓

Note 1 – The Ministerial Satisfaction Survey measures Ministers' satisfaction with the quality, timeliness and value for money of advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 2 – Due to the implementation of a new five-point scale for measuring Ministerial satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

Note 3 – A sample of the department's policy advice was 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 DPMC.

Note 4 – A distribution score has been applied to show the percentage of papers that exceed, meet or don't meet the performance target set. The target for 2019/20 is that 70% of assessed papers score 3 or higher, 30% score 4 or higher, and no more than 10% score 2.5 or less.

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 the ratings for the following dimensions: advice meets needs, is timely and of a high quality.

Both the Minister and Associate Minister for Greater Christchurch Regeneration were surveyed on their satisfaction. The result reported is an average of both surveys.

Reporting to the Minister on the performance of the Regenerate Christchurch Board

During 2019/20, we reported to the responsible Minister (the Associate Minister for Greater Christchurch Regeneration) four times on the performance of the Regenerate Christchurch Board, in:

- September 2019 on the Quarter 3 and Quarter 4 performance of 2018/19
- November 2019 on the Quarter 1 performance of 2019/20
- March 2020 on the Quarter 2 performance of 2019/20
- May 2020 on the Quarter 3 performance of 2019/20.

Why we did not achieve one of our policy quality targets

The past year was the first using the new scoring system from the updated Policy Quality Framework. We set two measures for policy quality, one an average score and one on the distribution of scores.

During 2019/20, we continued to focus on improving the consistency of our policy papers across DPMC which is reflected in our achievement of the distribution target. Of the papers reviewed, 88% scored 3 or above and 44% scored 4 or above. Although not directly comparable to previous years, our results also show fewer low scoring papers.

Over the next year we will work on the recommendations from the review to help us further improve the quality of our policy papers and work towards achieving our ambitious target for the average score of policy papers.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
11,384	Revenue Crown	9,036	11,636	9,036
320	Revenue Other	343	-	390
11,704	TOTAL REVENUE	9,379	11,636	9,426
10,271	Expenses	7,999	11,636	9,426
1,433	Net Surplus/(Deficit)	1,380	-	-

Expenditure was lower than originally budgeted due to lower costs in 2019/20 than initially anticipated and some activity continuing into 2020/21. The reduction in the Supplementary Estimates reflects a transfer of \$3 million to 2020/21, which was approved in March 2020.

Cyber Security

This appropriation is intended to support activities that address cyber security threats and improve cyber security resilience.

In 2019/20, this appropriation contributed to achievements in Strategic Intention 3 (Our cohesive, risk-based national security system makes New Zealand stronger and more resilient).

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Delivery of the annual work programme as agreed by the Cyber Security Coordination Committee	Achieved	New measure	Partially achieved	✗
The satisfaction of the Minister of Broadcasting, Communications and Digital Media with the policy advice service, as measured using the Ministerial Policy Satisfaction Survey (see Note 1) is at least:	See Note 2	Additional measure	4.77	-

Note 1 – The Ministerial Satisfaction Survey measures Ministers' satisfaction with the quality, timeliness and value for money of advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 2 – This measure was not included in the Estimates of Appropriations 2019/20 so no target was formally set. For 2019/20, we used the Policy Project's revised Ministerial Policy Satisfaction Survey to survey each of the Ministers we provide first opinion policy advice to. We are including this result as additional reporting to provide a more complete picture of how we performed during 2019/20.

Why we did not achieve our target

Delivery of the work programme (as agreed by the Cyber Security Coordination Committee) was delayed due to the impact of COVID-19. Outstanding initiatives will be completed as part of the 2020/21 work programme.

How Ministerial satisfaction is 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 much it cost

2018/19 Actual \$000	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
- Revenue Crown	700	2,000	700
- TOTAL REVENUE	700	2,000	700
- Expenses	173	2,000	700
- Net Surplus/(Deficit)	527	-	-

Expenditure was lower than originally budgeted due to reprioritisation following Budget 2019, which resulted in delays in commencement of the work programme. The costs for the establishment and implementation of the *Cyber Security Strategy* work programme will now continue into 2020/21.

Support for Inquiry into EQC

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

In 2019/20, this appropriation contributed to achievements in Strategic Intention 5 (Christchurch is a dynamic, productive and inspiring place to live, work, visit and invest).

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Inquiry's satisfaction with the Support for Inquiry into EQC, as measured using the Common Satisfaction Survey (see Note 1) is at least:	6	9	9.75	✓

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

How satisfaction is calculated

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

How much it cost

2018/19 Actual \$000	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
2,088 Revenue Crown	1,550	900	1,550
2,088 TOTAL REVENUE	1,550	900	1,550
974 Expenses	1,073	900	1,550
1,114 Net Surplus/(Deficit)	477	-	-

Expenditure was below budget as the cost of supporting the Inquiry was lower than anticipated when funding was initially approved.

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 2019/20, expenditure was in accordance with the Department's approved capital asset management plan.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
264	Property, Plant and Equipment	767	596	911
-	Intangibles	28	-	-
38	Other	-	50	50
302	TOTAL EXPENSES	795	646	961

Emergency Management

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

In 2019/20, all categories in this appropriation contributed to achievements in Strategic Intention 3 (Our cohesive, risk-based national security system makes New Zealand stronger and more resilient). The Policy Advice – Emergency Management category also contributed to Strategic Intention 1 (A proactive and responsive public service, helping shape and deliver the Government's priorities).

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
New Zealand communities are aware of their hazards and risks, are prepared and resilient, and are able to respond and recover from an emergency	85%	76%	87.5%	✓

How the overarching measure is calculated

The overarching measure is a summary, or average, of the other measures within the Emergency Management multi-category appropriation.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
18,311	Revenue Crown	32,828	21,305	32,824
1,254	Revenue Other	784	230	1,492
19,565	TOTAL REVENUE	33,612	21,535	34,316
17,959	Expenses	25,606	21,535	34,316
1,606	Net Surplus/(Deficit)	8,006	-	-

Expenditure was higher than originally budgeted due to increased personnel and resources related to communications, promotion and preparedness in order to meet the requirements of the emergencies that occurred during the year, including receiving new funding for the COVID-19 All-of-Government response. The underspend against the Supplementary Estimates is due to delays in completing some projects during the year, in particular the National Crisis Management Centre Resilience programme (which was delayed due to COVID-19) and activity related to the response to COVID-19.

Category: Community Awareness and Readiness

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Availability of the civil defence website 24 hours a day, 7 days a week, at least:	99.9%	99.9%	99.9%	✓
The proportion of New Zealanders who have taken action to prepare for an emergency in the last 12 months is at least:	50%	41%	52%	✓
The proportion of New Zealanders who know the correct action to take during an earthquake is at least:	67%	64%	69%	✓
The proportion of New Zealanders who know the correct action to take if they feel a long or strong earthquake near the coast is at least:	85%	85%	85%	✓

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
2,015	Revenue Crown	1,915	1,915	1,915
7	Revenue Other	-	23	23
2,022	TOTAL REVENUE	1,915	1,938	1,938
2,612	Expenses	2,576	1,938	1,938
(590)	Net Surplus/(Deficit)	(661)	-	-

Expenditure was higher than originally budgeted for this category due to increased personnel and technical resources related to communications, promotion and preparedness in order to meet requirements of the emergencies that occurred during the year.

Category: Emergency Sector and Support and Development

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
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 2)	6	6.6	7.1	✓
• The National Emergency Management Agency supports capability development by facilitating learning and training activities for organisations with responsibilities under the Civil Defence Emergency Management Act	6	6.4	7.4	✓

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

Note 2 – Relevant publications are those found on the National Emergency Management Agency publications list website <http://www.civildefence.govt.nz/resources/publications>.

How we measure satisfaction

We undertake an annual National Emergency Management Agency Stakeholder Survey to measure satisfaction. The survey is typically undertaken in June or July through an online survey, and is provided to organisations with responsibilities under the Civil Defence Emergency Management Act 2002. The purpose of the survey is to ensure these organisations have high quality information to assist them to correctly and effectively exercise their responsibilities.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
5,823	Revenue Crown	6,022	5,523	6,023
1,247	Revenue Other	559	121	1,121
7,070	TOTAL REVENUE	6,581	5,644	7,144
7,480	Expenses	6,804	5,644	7,144
(410)	Net Surplus/(Deficit)	(223)	-	-

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

Category: Management of Emergencies

This category is focused on management of national emergency readiness, response and recovery. This includes support to local civil defence emergency management organisations, maintaining the National Crisis Management Centre in a state of readiness, national training and exercises, coordination and management of central government's response and recovery activities, and administration of related expenses.

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
National Warning System tests conducted, at least:	4	4	4	✓
An initial National Warning is issued within 20 minutes of the Duty Manager's decision to issue a National Warning	100%	Not applicable – no National Warnings were issued in 2018/19	Not achieved – there was one warning sent for the Whakaari White Island eruption and it was delayed by one minute	✗
National Crisis Management Centre managed, during activations, with:				
• An initial Action Plan is issued within 24 hours of a Mode 3 or 4 National Crisis Management Centre / National Coordination Centre activation	Achieved	Not applicable – there were no Mode 3 or 4 activations in 2018/19	Achieved	✓
• Critical information technology systems available and operating at agreed performance levels	95%	99.9%	99.9%	✓
• Back-up information technology systems and equipment fully functional, at least:	99.8%	99.9%	99.8%	✓
National Crisis Management Centre activations reviewed:	Achieved	Achieved	Achieved	✓
• The National Emergency Management Agency Leadership Team reviews the amalgamated corrective actions plan at least 4 times during each financial year and ensures target dates are on track (or adjusts target dates when events outside NEMA's control, such as natural disasters, occur)				
A National Emergency Management Agency is established by 30 June 2020	Achieved	New measure	Achieved	✓

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
9,080	Revenue Crown	23,348	12,724	23,343
-	Revenue Other	225	86	348
9,080	TOTAL REVENUE	23,573	12,810	23,691
6,738	Expenses	15,000	12,810	23,691
2,342	Net Surplus/(Deficit)	8,573	-	-

Expenditure was higher than originally budgeted for this category due to funding approvals for expenditure on the COVID-19 response occurring later in the year. Underspends against the Supplementary Estimates are due to delays in completing some projects and initiatives within the year, due to the impact of working on the COVID-19 response.

Category: Policy Advice – Emergency Management

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The satisfaction of the responsible Minister with the policy advice service, as measured using the Ministerial Satisfaction Survey (see Note 1), is at least:	4	Revised measure (see Note 2)	4.98	✓
Average score for assessed papers (see Note 3)	4	New measure	3.5	✗
A sample of policy advice fits within the target ranges for quality (see Notes 3 and 4)	Achieved	Not achieved	Achieved	✓

Note 1 – The Ministerial Policy Satisfaction Survey measures Ministers' satisfaction with the quality, timeliness and value for money of policy advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 2 – Due to the implementation of a new five-point scale for measuring Ministerial satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

Note 3 – A sample of the department's policy advice was 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 DPMC.

Note 4 – A distribution score has been applied to show the percentage of papers that exceed, meet or don't meet the performance target set. The target for 2019/20 is that 70% of assessed papers score 3 or higher, 30% score 4 or higher, and no more than 10% score 2.5 or less.

How Ministerial satisfaction is 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 one of our policy quality targets

The past year was the first using the new scoring system from the updated Policy Quality Framework. We set two measures for policy quality, one an average score and one on the distribution of scores.

During 2019/20, we continued to focus on improving the consistency of our policy papers across DPMC which is reflected in our achievement of the distribution target. Of the papers reviewed, 88% scored 3 or above and 44% scored 4 or above. Although not directly comparable to previous years, our results also show fewer low scoring papers.

Over the next year we will work on the recommendations from the review to help us further improve the quality of our policy papers and work towards achieving our ambitious target for the average score of policy papers.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
1,393	Revenue Crown	1,543	1,143	1,543
1,129	Expenses	1,226	1,143	1,543
264	Net Surplus/(Deficit)	317	-	-

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

Government House Buildings and Assets

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

In 2019/20, all categories in this appropriation contributed to achievements in Strategic Intention 2 (New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation).

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The Governor-General's official residences are well maintained, with maintenance, heritage and gardening plans adhered to	Plans are adhered to	Achieved	Achieved	✓

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
771	Depreciation of Crown Assets	1,012	1,962	1,812
497	Government House – Maintenance	746	560	760
1,344	Government House Buildings and Assets – Capital Investment	756	800	1,000
2,612	TOTAL GOVERNMENT HOUSE BUILDINGS AND ASSETS MCA	2,514	3,322	3,572

Policy Advice and Support Services

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

This appropriation contributes to achievements in the following strategic intentions:

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The satisfaction of the Prime Minister and the Governor-General with the quality of services and/or support provided by the Department of the Prime Minister and Cabinet is at least:	4	Revised measure (see Note 1)	4.55	✓

Note 1 – Due to the implementation of a new five-point scale for measuring Ministerial satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

How the overarching measure is calculated

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

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

The surveys measure satisfaction on a scale of 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
30,093	Revenue Crown	31,626	28,973	31,630
2,132	Revenue Other	1,438	30	1,447
32,225	TOTAL REVENUE	33,064	29,003	33,077
30,879	Expenses	32,997	29,003	33,077
1,346	Net Surplus/(Deficit)	67	-	-

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

Category: National Security Priorities and Intelligence Coordination

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The satisfaction of the Prime Minister with the leadership and coordination around national security matters, leading collaboration within the New Zealand intelligence community and providing intelligence assessments to support national security priorities (see Note 1) is at least:	4	Revised measure (see Note 2)	4.07	✓
The satisfaction of the Minister of National Security and Intelligence with the policy advice service, as measured using the Ministerial Policy Satisfaction Survey (see Note 1) is at least:	See Note 3	Additional measure	4.63	-
Average score for assessed policy papers (see Note 4)	4	New measure	3.5	✗
A sample of policy advice fits within the target ranges for quality (see Notes 4 and 5)	Achieved	New measure	Achieved	✓
Average score out of a sample of assessments reviewed by an external reviewer	4	New measure	Not measured	-

Note 1 – The Ministerial Satisfaction Survey measures Ministers' satisfaction with the quality, timeliness and value for money of advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 2 – Due to the implementation of a new five-point scale for measuring Ministerial satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

Note 3 – This measure was not included in the Estimates of Appropriations 2019/20 so no target was formally set. For 2019/20, we used the Policy Project's revised Ministerial Policy Satisfaction Survey to survey each of the Ministers we provide first opinion policy advice to. We are including this result as additional reporting to provide a more complete picture of how we performed during 2019/20.

Note 4 – A sample of the department's policy advice was 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 DPMC.

Note 5 – A distribution score has been applied to show the percentage of papers that exceed, meet or don't meet the performance target set. The target for 2019/20 is that 70% of assessed papers score 3 or higher, 30% score 4 or higher, and no more than 10% score 2.5 or less.

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 the ratings for the following dimensions: advice meets needs, is timely and of a high quality.

Why the quality of assessments was not measured

Due to the impact of COVID-19, we were unable to undertake a review of assessments and are therefore unable to report on the quality of assessments produced during 2019/20. The impact of Alert Level 4 meant we were unable to engage an external reviewer in time, and staff who would have been involved in the review were diverted to COVID-19 response activities both during and following Alert Level 4.

Why we did not achieve one of our policy quality targets

The past year was the first using the new scoring system from the updated Policy Quality Framework. We set two measures for policy quality, one an average score and one on the distribution of scores.

During 2019/20, we continued to focus on improving the consistency of our policy papers across DPMC which is reflected in our achievement of the distribution target. Of the papers reviewed, 88% scored 3 or above and 44% scored 4 or above. Although not directly comparable to previous years, our results also show fewer low scoring papers.

Over the next year we will work on the recommendations from the review to help us further improve the quality of our policy papers and work towards achieving our ambitious target for the average score of policy papers.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
11,961	Revenue Crown	13,551	12,276	13,553
536	Revenue Other	136	-	80
12,497	TOTAL REVENUE	13,687	12,276	13,633
11,792	Expenses	13,778	12,276	13,633
705	Net Surplus/(Deficit)	(91)	-	-

Expenditure was higher than originally budgeted for this category due to funding approvals later in the year to support security and intelligence activities.

Category: Policy Advice – Child Poverty Reduction

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The satisfaction of the Minister for Child Poverty Reduction with the advice provided by the Child Poverty Unit and the Child Wellbeing Unit, as measured using the Ministerial Satisfaction Survey (see Note 1) is at least:	4	Revised measure (see Note 2)	4.81	✓
Average score for assessed policy papers (see Note 3)	4	New measure	3.5	✗
A sample of policy advice fits within the target ranges for quality (see Notes 3 and 4)	Achieved	New measure	Achieved	✓

Note 1 – The Ministerial Satisfaction Survey measures Ministers' satisfaction with the quality, timeliness and value for money of advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 2 – Due to the implementation of a new five-point scale for measuring Ministerial satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

Note 3 – A sample of the department's policy advice was 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 DPMC.

Note 4 – A distribution score has been applied to show the percentage of papers that exceed, meet or don't meet the performance target set. The target for 2019/20 is that 70% of assessed papers score 3 or higher, 30% score 4 or higher, and no more than 10% score 2.5 or less.

How Ministerial satisfaction is 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 one of our policy quality targets

The past year was the first using the new scoring system from the updated Policy Quality Framework. We set two measures for policy quality, one an average score and one on the distribution of scores.

During 2019/20, we continued to focus on improving the consistency of our policy papers across DPMC which is reflected in our achievement of the distribution target. Of the papers reviewed, 88% scored 3 or above and 44% scored 4 or above. Although not directly comparable to previous years, our results also show fewer low scoring papers.

Over the next year we will work on the recommendations from the review to help us further improve the quality of our policy papers and work towards achieving our ambitious target for the average score of policy papers.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
2,823	Revenue Crown	2,246	1,946	2,246
2,823	TOTAL REVENUE	2,246	1,946	2,246
2,631	Expenses	2,163	1,946	2,246
192	Net Surplus/(Deficit)	83	-	-

Expenditure was higher than originally budgeted due to funding approvals later in the year to support the continuing development and communication of child and youth wellbeing leadership and strategic programmes.

Category: Policy Advice – Prime Minister and Cabinet

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The satisfaction of the Prime Minister with the policy advice service, as measured using the Prime Minister's Satisfaction Survey (see Note 1) is at least:	4	Revised measure (see Note 2)	4.75	✓

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

Note 2 – Due to the implementation of a new five-point scale for measuring satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

How satisfaction is calculated

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

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
4,010	Revenue Crown	4,485	3,987	4,487
1,430	Revenue Other	1,101	-	1,168
5,440	TOTAL REVENUE	5,586	3,987	5,655
5,416	Expenses	6,057	3,987	5,655
24	Net Surplus/(Deficit)	(471)	-	-

Expenditure was higher than originally budgeted for this category due to funding approvals later in the year for activities supported by revenue from other agencies.

Category: Science Advisory Committee

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The satisfaction of the Prime Minister with the scientific advice provided, as measured using the Ministerial Satisfaction Survey (see Note 1) is at least:	4	Revised measure (see Note 2)	5	✓

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

Note 2 – Due to the implementation of a new five-point scale for measuring satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

How satisfaction is calculated

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

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
675	Revenue Crown	705	675	705
50	Revenue Other	50	-	50
725	TOTAL REVENUE	755	675	755
725	Expenses	725	675	755
-	Net Surplus/(Deficit)	30	-	-

Expenditure was higher than originally budgeted for this category due to funding approvals later in the year for activities supported by revenue from another agency. The underspend against the Supplementary Estimates is due to delays in completing an initiative that will continue in 2020/21.

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

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The satisfaction of the Governor-General with services provided as measured using the Governor-General's Satisfaction Survey (see Note 1) is at least:	4	Revised measure (see Note 2)	4	✓
The satisfaction of the Building and Grounds Committee with support and advice in relation to the maintenance of the official residences (see Note 3) is at least:	6	6.6	6.3	✓

Note 1 – The Governor-General's Satisfaction Survey measures satisfaction with the quality, timeliness and value for money of advice on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 2 – Due to the implementation of a new five-point scale for measuring the Governor-General's satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

Note 3 – The Building and Grounds Committee's role is to ensure the Capital and Long-Term Maintenance Plan developed by Government House and formally approved by the Chief Executive is properly devised and then implemented. The Committee receives support and advice from DPMC officials following the development of the Plan regarding its implementation. The Committee's satisfaction is assessed through an annual feedback form.

How the Governor-General's satisfaction was calculated

The satisfaction survey for the Governor-General is carried out on a six-monthly basis. For the survey covering the period 1 July to 31 December 2019, the survey used a 10-point scale where 1 meant fell well short of expectations and 10 meant far exceeded expectations. For the survey covering the period 1 January to 30 June 2020 the above five-point scale was used. The results of the 1 July to 31 December 2019 survey were converted to the five-point scale for the purposes of calculating an overall result for the year.

How the Building and Grounds Committee's satisfaction was calculated

The Building and Grounds Committee is made up of four internal members. Each member provides a rating out of 10 (where 1 means fell well short of expectations and 10 means far exceeded expectations) on the following dimensions:

- reporting and advice meets needs for timeliness, accuracy, clarity, analytical rigour and relevance to the wider context
- staff are adequately developing and maintaining a long-term plan for maintenance and future enhancement of the properties
- staff are adequately implementing this plan through the maintenance programme
- the "special perspective" of the Governor-General is taken into account.

The result reported is an average of the ratings provided by each member.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
4,534	Revenue Crown	4,349	4,149	4,349
61	Revenue Other	88	30	69
4,595	TOTAL REVENUE	4,437	4,179	4,418
4,719	Expenses	4,552	4,179	4,418
(124)	Net Surplus/(Deficit)	(115)	-	-

Expenditure was higher than originally budgeted for this category due to higher than expected costs relating to property maintenance and procurement management.

Support, Secretariat and Coordination Services

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Cabinet and Cabinet committee minutes requiring subsequent amendment (excluding amendments made as the result of Cabinet decisions)	0.5%	0.5%	0.5%	✓
Papers for Cabinet and Cabinet committee meetings will be published on CabNet by the close of business, two days before the meeting (subject to on-time lodgement in CabNet)	90%	98%	96%	✓
Cabinet minutes will be published on CabNet by the close of business, three days after the Cabinet meeting	95%	98.5%	98%	✓
The satisfaction of the Governor-General with the services provided as measured using the Governor-General Satisfaction Survey (see Note 1) is at least:	4	Revised measure (see Note 2)	4.25	✓
The satisfaction of the Prime Minister with services provided as measured using the Prime Minister Satisfaction Survey (see Note 1) is at least:	4	Revised measure (see Note 2)	4.75	✓

Note 1 – The Governor-General and Prime Minister satisfaction surveys measure satisfaction with the quality, timeliness and value for money of support services on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

Note 2 – Due to the implementation of a new five-point scale for measuring Ministerial and Governor-General's satisfaction, results from 2019/20 are not comparable with results from 2018/19 when a ten-point scale was used.

How the Governor-General's satisfaction was calculated

The satisfaction survey for the Governor-General is carried out on a six-monthly basis. For the survey covering the period 1 July to 31 December 2019, the survey used a 10-point scale where 1 meant fell well short of expectations and 10 meant far exceeded expectations. For the survey covering the period 1 January to 30 June 2020 the above five-point scale was used. The results of the 1 July to 31 December 2019 survey were converted to the five-point scale for the purposes of calculating an overall result for the year.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
6,090	Revenue Crown	6,290	5,940	6,290
55	Revenue Other	63	-	80
6,145	TOTAL REVENUE	6,353	5,940	6,370
5,596	Expenses	5,722	5,940	6,370
549	Net Surplus/(Deficit)	631	-	-

Expenditure was lower than originally budgeted, due to some of the costs for CabNet system maintenance being lower than expected.

Tsunami Monitoring and Detection Network

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

In 2019/20, all categories in this appropriation contributed to achievements in Strategic Intention 3 (Our cohesive, risk-based national security system makes New Zealand stronger and more resilient).

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The Tsunami Monitoring and Detection Network is deployed within agreed timeframes, and operates and is maintained at agreed performance levels	Achieved	Achieved	Achieved	✓

Four Deep-ocean Assessment and Reporting of Tsunami (DART) buoys were deployed in December 2019 as scheduled. Deployment of the remaining network is scheduled to be completed in 2020/21. Planned maintenance is expected to begin later in the same year.

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

How much it cost

	2018/19 Actual \$000	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
204 Revenue Crown		263	465	263
204 TOTAL REVENUE		263	465	263
25 Departmental Expenses		90	465	263
179 Net surplus/(Deficit)		173	-	-
- Non-departmental Expenses		366	356	546
4,753 Capital Expenditure		6,795	7,018	11,679

Expenditure is lower than originally budgeted due to later delivery and deployment of the DART buoys.

Category: Depreciation of Tsunami Monitoring and Detection Network

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

How much it cost

2018/19 Actual \$000	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
- Depreciation of Tsunami Monitoring and Detection Network	366	356	546
- TOTAL DEPRECIATION OF TSUNAMI MONITORING AND DETECTION NETWORK	366	356	546

Depreciation expenditure is lower than budgeted due to depreciation being calculated on only the portion of DART buoys deployed at 30 June 2020. It is now expected that all DART buoys will be deployed by June 2021.

Category: Management of Tsunami Monitoring and Detection Network

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
The Tsunami Monitoring and Detection Network is available and operating at agreed performance levels	95%	N/A	110%	✓
The Tsunami warning DART buoys are maintained in accordance with the planned maintenance schedule	90%	N/A	Not yet applicable	-

Planned maintenance for the DART buoys should occur at two-year intervals. The initial deployment of buoys took place in December 2019, consequently maintenance is not planned to commence until 2021.

How much it cost

2018/19 Actual \$000	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
204 Revenue Crown	263	465	263
204 TOTAL REVENUE	263	465	263
25 Expenses	90	465	263
179 Net Surplus/(Deficit)	173	-	-

Expenditure is lower than originally budgeted due to later delivery and consequent deployment of the DART buoys.

Category: Tsunami Monitoring and Detection Network – Capital Expenditure

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
DART buoys are purchased and deployed within agreed timeframes	Achieved	Achieved	Achieved	✓

No further orders of DART buoys are planned.

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
4,753	Capital Expenditure	6,795	7,018	11,679

Expenditure is lower due to later delivery of some DART buoys. It is expected the all purchases will be completed by June 2021.

E

Our financial statements

This section contains our financial statements for 2019/20, 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
- the accuracy of any end-of-year performance information prepared by the Department, whether or not that information is included in the Annual Report.

In my opinion:

- the Financial Statements fairly reflect the financial position of the Department as at 30 June 2020 and its operations for the year ended on that date
- the Forecast Financial Statements fairly reflect the forecast financial position of the Department as at 30 June 2021 and its operations for the year ending on that date.



Brook Barrington
Chief Executive

Date: 30 November 2020

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 2020

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 66 to 78, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2020, 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 2020 on pages 11 to 21, 32 to 33 and 41 to 58;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2020 on pages 36 to 40; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 79 to 85 that comprise:
 - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2020;
 - the schedules of expenses; and revenue for the year ended 30 June 2020;
 - the statement of trust monies for the year ended 30 June 2020; 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 66 to 78:
 - present fairly, in all material respects:
 - its financial position as at 30 June 2020; 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 11 to 21, 32 to 33 and 41 to 58:
 - presents fairly, in all material respects, for the year ended 30 June 2020:
 - what has been achieved with the appropriation; and
 - the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure; and
 - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Department on pages 36 to 40 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 79 to 85 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 2020; and
 - expenses; and revenue for the year ended 30 June 2020; and
 - the statement of trust monies for the year ended 30 June 2020.

Our audit was completed on 30 November 2020. This is the date at which our opinion is expressed.

The basis for our opinion is explained below, and we draw attention to the impact of Covid-19 on the Department and the activities it manages on behalf of the Crown. 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.

Emphasis of matter – Impact of Covid-19

Without modifying our opinion, we draw attention to the disclosures about the impact of Covid-19 on the Department as set out in note 17 to the financial statements and pages 11 to 18, 32 and 42 to 50 of the performance information.

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, Supplementary Estimates and Addition to Supplementary Estimates of Appropriations 2019/20 for Vote Prime Minister and Cabinet, and the 2019/20 forecast financial figures in the Department's 2018/19 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 10, 22 to 31, 34, 60 and 88 to 90 but does not include the information we audited, and our auditor's report thereon.

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

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

The reports by the Minister of Civil Defence and Minister for Greater Christchurch Regeneration 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.

A handwritten signature in blue ink, consisting of a stylized 'S' followed by a horizontal line and a flourish.

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 2020

2018/19 Actual \$000	Note	2019/20 Actual \$000	2019/20 Unaudited Budget \$000	2020/21 Unaudited Forecast \$000
REVENUE				
62,080	Revenue Crown – Non-exchange	76,003	65,279	87,290
3,706	Other Revenue – Exchange	2,565	260	260
65,786	TOTAL REVENUE	78,568	65,539	87,550
EXPENSES				
35,489	Personnel Costs	39,625	37,261	41,568
1,089	Depreciation and Amortisation Expense	1,169	1,186	413
498	Capital Charge	538	549	650
23,032	Other Operating Expenses	26,606	26,543	44,919
60,108	TOTAL EXPENDITURE	67,938	65,539	87,550
5,678	NET SURPLUS/(DEFICIT)	10,630	-	-
-	Other Comprehensive Revenue and Expenses	-	-	-
5,678	TOTAL COMPREHENSIVE REVENUE AND EXPENSES	10,630	-	-

Statement of Changes in Equity

for the year ended 30 June 2020

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Unaudited Budget \$000	2020/21 Unaudited Forecast \$000
8,297	Balance at 1 July 2019	8,965	8,965	9,826
COMPREHENSIVE REVENUE/(EXPENSE)				
5,678	Surplus for the Year	10,630	-	-
668	Capital Injection	861	546	564
(5,678)	Return of Operating Surplus to the Crown	(10,630)	-	-
8,965	BALANCE AT 30 JUNE 2020	9,826	9,511	10,390

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 2020

2018/19 Actual \$000		Note	2019/20 Actual \$000	2019/20 Unaudited Budget \$000	2020/21 Unaudited Forecast \$000
ASSETS					
CURRENT ASSETS					
8,891	Cash and Cash Equivalents		33,665	8,603	4,758
9,983	Debtor Crown		11,429	6,107	12,214
1,016	Debtors and Other Receivables		1,417	1,350	500
-	Prepayments		29	-	-
286	Inventory		290	199	199
20,176	TOTAL CURRENT ASSETS		46,830	16,259	17,671
NON-CURRENT ASSETS					
-	Inventory		-	-	-
1,069	Intangible Assets	6	165	154	17
717	Property, Plant and Equipment	6	1,250	1,845	1,649
1,786	TOTAL NON-CURRENT ASSETS		1,415	1,999	1,666
21,962	TOTAL ASSETS		48,245	18,258	19,337
LIABILITIES					
CURRENT LIABILITIES					
4,484	Creditors and Other Payables	7	24,287	6,547	6,547
5,678	Provision for Repayment of Surplus		10,630	-	-
85	Provisions	8	85	-	-
2,374	Employee Entitlements	9	2,913	2,000	2,100
12,621	TOTAL CURRENT LIABILITIES		37,915	8,547	8,647
NON-CURRENT LIABILITIES					
106	Provisions	8	21	-	-
270	Employee Entitlements	9	483	200	300
376	TOTAL NON-CURRENT LIABILITIES		504	200	300
12,997	TOTAL LIABILITIES		38,419	8,747	8,947
8,965	NET ASSETS		9,826	9,511	10,390
EQUITY					
8,965	Taxpayers' Funds		9,826	9,511	10,390
8,965	TOTAL EQUITY		9,826	9,511	10,390

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 2020

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

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Unaudited Budget \$000	2020/21 Unaudited Forecast \$000
CASH FLOWS FROM OPERATING ACTIVITIES				
58,028	Receipts from the Crown	74,746	65,279	87,290
4,393	Receipts from Other Revenue	3,499	260	260
(24,085)	Payments to Suppliers	(10,202)	(26,618)	(63,584)
(35,136)	Payments to Employees	(38,731)	(37,186)	(41,493)
(498)	Payments for Capital Charge	(538)	(549)	(650)
(991)	Goods and Services Tax (net)	1,613	-	-
1,711	NET CASH FLOWS FROM OPERATING ACTIVITIES	30,387	1,186	(18,177)
CASH FLOWS FROM INVESTING ACTIVITIES				
(301)	Purchase of Property, Plant and Equipment	(767)	(646)	(664)
-	Purchase of Intangible Assets	(28)	-	-
(301)	NET CASH FLOWS FROM INVESTING ACTIVITIES	(795)	(646)	(664)
CASH FLOWS FROM FINANCING ACTIVITIES				
(4,941)	Repayment of Net Surplus to the Crown	(5,679)	-	(10,630)
668	Capital Contribution	861	546	564
(4,273)	NET CASH FROM FINANCING ACTIVITIES	(4,818)	546	(10,066)
(2,863)	Net Increase/(Decrease) in Cash and Cash Equivalent	24,774	1,086	(28,907)
11,754	Cash and Bank Balances at the Beginning of the Year	8,891	7,517	33,665
8,891	CASH AND BANK BALANCES AT YEAR END	33,665	8,603	4,758

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 2020

Capital commitment

At 30 June 2020, the Department has \$326,000 of capital commitments (2019: Nil). The capital commitments are 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 floors 4 and 17 in Bowen House and part of Pipitea House. 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 or the departmental agency by any of the operating lease arrangements.

2018/19 Actual \$000		2019/20 Actual \$000
OPERATING COMMITMENTS		
NON-CANCELLABLE OPERATING LEASE COMMITMENTS		
1,303	No later than one year	1,344
2,515	Later than one year and not later than 5 years	613
591	Later than five years	559
4,409	TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS	2,516

Statement of Contingent Liabilities and Contingent Assets

as at 30 June 2020

Contingent liabilities

At 30 June 2020, the Department has no contingent liabilities (2019: Nil).

Contingent assets

At 30 June 2020, the Department has no contingent assets (2019: Nil).

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

Notes to the departmental financial statements

for the year ended 30 June 2020

1. Statement of Accounting Policies

Reporting entity

The Department of the Prime Minister and Cabinet ('the Department') is a New Zealand government department as defined by the Public Finance Act 1989.

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

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

The Departmental Financial Statements and the Non-departmental Financial Schedules are for the year ended 30 June 2020. Both sets of Financial Statements were authorised for issue by the Chief Executive of the Department on 30 September 2020. The Forecast Financial Statements are for the year ended 30 June 2021.

The Departmental Financial Statements and the financial information reported in the Non-departmental Schedules are consolidated into the Financial Statements of the Government and therefore readers of these statements and schedules should also refer to the Financial Statements of the Government for the year ended 30 June 2020.

Statement of compliance

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

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

Basis of preparation

The financial statements have been prepared on a going concern basis. The accounting policies have been consistently applied throughout the year in the preparation of the Departmental Financial Statements and Non-departmental Schedules.

Measurement base

The Departmental Financial Statements and Non-departmental Schedules have been prepared on an historical-cost basis adjusted for the revaluation of Government House land and buildings, antiques, and artworks. The accrual basis of accounting has been used.

Functional and presentation currency

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

Changes in accounting policies

The Department has early adopted the PBE IFRS 9 Financial Instruments which has the effective date of 1 January 2022. There are no changes resulting from the adoption of this standard.

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

Standards issued and not yet effective and not early adopted

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

Critical accounting estimates and assumptions

In preparing these Financial Statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the Non-departmental assets and liabilities within the next reporting period are in respect of estimating the fair value of land and buildings (see Note 14 Property, Plant and Equipment) and the Non-departmental provisions for emergencies (see Note 15 Provisions).

Significant accounting policies

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

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

Revenue Crown – non-exchange – departmental

Revenue from the Crown is measured based on the Department's funding entitlement for the reporting period.

The funding entitlement is established by Parliament when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the year and certain other unconditional funding adjustments formally approved prior to balance date. There are no conditions attached to the funding from the Crown. However, the Department can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Financial instruments

Financial assets

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

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

Financial liabilities

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

Commitments

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

Budget figures

The budget figures are those included in the Department's Budget Estimates for the year ended 30 June 2020, which are consistent with the financial information in the Main Estimates. In addition, the Financial Statements also present the updated budget information from the Addition to the Supplementary Estimates.

Forecast figures

Basis of preparation

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

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

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

The main assumptions were as follows:

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

Additional factors that could lead to material differences between the Forecast Financial Statements and the 2019/20 Actual Financial Statements include changes to the baseline budget through new initiatives, transfer of funding across financial years or technical adjustments.

Authorisation statement

The Departmental Forecast Financial Statements were authorised for issue by the Chief Executive of the Department of the Prime Minister and Cabinet on 30 November 2020. The Chief Executive is responsible for the Forecast Financial Statements presented, including the appropriateness of the assumptions underlying the Forecast Financial Statements and all other required disclosure. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual financial results achieved for the period covered are likely to vary from the information presented, and the variations may be material.

Comparatives

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

Statement of cost accounting policies for Department Financial Statements

There have been no changes in cost accounting policies since the date of the last audited Financial Statements. The Department has determined the cost of outputs using the following cost allocation system:

- Direct costs are expenses incurred from activities in producing outputs. These costs are charged directly to the related appropriations.
- Indirect costs are expenses incurred by Corporate Services and by the Strategy, Governance and Engagement Group. Indirect costs are allocated to appropriations based on full-time equivalent personnel numbers. Indirect costs include those costs incurred by the Central Agencies Shared Services function within the Treasury and then recovered from DPMC.

2. Other Revenue

2018/19 Actual \$000		2019/20 Actual \$000
778	Revenue Department – Secondment Recovery	612
2,595	Revenue Department – Other	1,552
333	Third Party – Other Revenue	401
3,706	TOTAL OTHER REVENUE AND GAINS	2,565

3. Personnel Costs

2018/19 Actual \$000		2019/20 Actual \$000
33,367	Salaries and Wages	37,057
1,057	Employer Contributions to Defined-Contribution Plans	1,236
259	Increase/(Decrease) in Employee Entitlements	506
806	Other ⁸	826
35,489	TOTAL PERSONNEL COSTS	39,625

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 2020 was 6% (2019: 6%).

5. Other Operating Expenses

2018/19 Actual \$000		2019/20 Actual \$000	2018/19 Unaudited Budget \$000	2020/21 Unaudited Forecast \$000
100	Audit Fees for Audit of Financial Statements	112	110	150
2,028	Premises Rental	2,986	2,344	3,500
455	Facilities Costs	533	368	360
120	Inventories Consumed	109	140	150
5,510	Consultancy	5,602	6,234	10,361
1,830	Travel Costs	1,546	2,232	1,384
591	Building and Ground Maintenance Costs	601	621	653
728	Promotion and Publicity Costs	574	776	658
190	Photocopying and Printing Costs	271	191	235
246	Cell Phone and Telephone	346	231	265
489	IT-related Costs	1,571	816	986
7,534	CASS	7,497	7,534	8,081
-	COVID-19 Publicity Costs	1,669	-	5,400
3,211	Other Operating Expenses	3,189	4,946	12,736
23,032	TOTAL OTHER OPERATING COSTS	26,606	26,543	44,919

⁸ 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	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
COST						
Balance at 1 July 2018	765	19	-	1,180	1,964	4,626
Additions	17	-	266	18	301	-
Disposals	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-
BALANCE AT 30 JUNE 2019	782	19	266	1,198	2,265	4,626
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 ⁹	12	-	(141)	(9)	(138)	-
BALANCE AT 30 JUNE 2020	954	37	125	1,903	3,019	4,654
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES						
Balance at 1 July 2018	461	19	-	905	1,385	2,630
Depreciation Expense	73	-	-	89	162	927
Other Movements	-	-	-	1	1	-
BALANCE AT 30 JUNE 2019	534	19	-	995	1,548	3,557
Balance at 1 July 2019	534	19	-	995	1,548	3,557
Depreciation Expense	86	5	-	146	237	932
Disposals	-	(16)	-	-	(16)	-
Other Movements	-	-	-	-	-	-
BALANCE AT 30 JUNE 2020	620	8	-	1,141	1,769	4,489
CARRYING VALUE						
At 1 July 2018	304	-	-	275	579	1,996
At 30 June 2019	248	-	266	203	717	1,069
At 30 June 2020	334	29	125	762	1,250	165

7. Creditors and Other Payables

2018/19 Actual \$000		2019/20 Actual \$000
2,174	Payables	3,356
1,895	Accrued Expenses	18,719
415	GST Payable to Inland Revenue	2,212
4,484	TOTAL CREDITORS AND OTHER PAYABLES	24,287

9 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.

2018/19 Actual \$000		2019/20 Actual \$000
PROVISIONS		
275	Opening Balance	191
(84)	Provision Used/Reversed During the Year	(85)
191	CLOSING BALANCE	106
85	CURRENT PROVISION	85
106	NON-CURRENT PROVISION	21

The provision at 30 June 2020 relates to a long-term 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

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

2018/19 Actual \$000		2019/20 Actual \$000
CURRENT EMPLOYEE ENTITLEMENTS		
212	Salary Accrual	469
1,590	Annual Leave	2,027
143	Long Service Leave	89
113	Retirement Leave	50
69	Sick Leave	93
247	Other Employee Benefits	185
2,374	TOTAL CURRENT LIABILITIES	2,913
NON-CURRENT EMPLOYEE ENTITLEMENTS		
118	Long Service Leave	193
152	Retirement Leave	290
270	TOTAL NON-CURRENT LIABILITIES	483
2,644	TOTAL EMPLOYEE ENTITLEMENTS	3,396

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

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

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

2018/19 Actual \$000		2019/20 Actual \$000
5,678	NET SURPLUS (DEFICIT)	10,630
	ADD/(LESS) NON-CASH ITEMS	
1,089	Depreciation and Amortisation	1,169
1,089	TOTAL NON-CASH ITEMS	1,169
	ADD/(LESS) WORKING CAPITAL MOVEMENT	
(3,946)	(Increase)/Decrease in Receivables and Prepayments	(541)
(15)	(Increase)/Decrease in Inventories	(4)
(982)	Increase/(Decrease) in Creditors and Other Payables	16,662
(382)	Increase/(Decrease) in GST	1,804
516	Increase/(Decrease) in Employee Entitlements	539
(4,809)	TOTAL NET MOVEMENT IN WORKING CAPITAL ITEMS	18,460
(247)	Add/(Less) Movements in Non-current Liabilities	128
1,711	NET CASH FLOWS FROM OPERATING ACTIVITIES	30,387

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]

2018/19 Actual \$000		2019/20 Actual \$000
2,580	Remuneration	3,157
8	Full-time Equivalent Staff	10

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 (2019: Nil).

12. Explanations of Major Variances Against Budget

Explanations for major variances from the Department's original 2019/20 budget figures and comparison to 2019/20 year actuals are as follows:

Revenue

Revenue was higher than budgeted by \$13.029 million due to decisions made since the 2019/20 Budget.

These mainly relate to:

- approvals for increased funding due to transfers from the prior year for CabNet system maintenance, Canterbury Earthquake Recovery, Child Poverty Reduction, Emergency Mobile Alerting, Emergency Management Assistance teams, Government House work programme, support for National Security Sector objectives, support for the Inquiry into EQC, Tsunami Monitoring and Detection Network, and other general emergency recovery initiatives (\$4.479 million)
- new funding approved for the Strategy Unit in the Policy Advisory Group; an intern programme within the Chief Science Advisors Office; and towards the COVID-19 response (\$11.868 million)
- increased cost recoveries and contributions from other departments (\$2.982 million).

These increases were offset by approved transfers to 2020/21 for the Canterbury Earthquake Recovery and Cyber Security Strategy work programmes, enhancement of National Crisis Management Centre resilience, and establishment of the National Emergency Management Agency (\$6.300 million).

Expenditure

Expenditure was higher than budgeted by \$2.399 million due to decisions made since the 2019/20 Budget. These mainly relate to:

- approvals for expenditure incurred from funding carried forward from 2018/19 to ensure work is completed for Support for the Inquiry into EQC, National Security Objectives and Government House (\$0.646 million)
- approvals for expenditure made from underspends carried forward from 2018/19 to support Child Poverty reduction, and Emergency Management initiatives including Emergency Mobile Alerting, Emergency Management Assistance Teams, Common Operating Picture and the National Recovery Office (\$1.700 million)
- approvals for expenditure made from third-party contributions mainly relating to expenditure on the Policy Project, the disaster resilience programme in the Pacific region and expenditure on staff seconded in (\$2.944 million)
- approvals for expenditure from new funding for the Strategy Unit and Covid-19 response costs (\$3.600 million).

These are offset by lower than expected expenditure reflected in expense transfers to 2020/21 approved since 2019/20 Budget (\$6.500 million).

Balance Sheet

Total assets exceeded 2019/20 Budget by \$29.987 million due to a larger cash balance than expected as some payments related to COVID-19 response costs and other operating expenses had not been paid as at 30 June 2020. Offsetting this, total liabilities exceeded 2019/20 budget by \$29.672 million reflecting higher accounts payable than expected, including COVID-19 response costs, and provision for repayment of surplus. There is a single intercompany item of \$13.678 million, from DPMC Departmental to DPMC Non-departmental, that was settled in July 2020.

Cash flow

Net Cash Flow from Operating Activities is higher than budget due to additional Crown revenue for new Emergency Management appropriation funding received during the year, higher levels of accruals, and the receipt of \$13.678 million that became an intercompany payable at year end.

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 2020

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

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Unaudited Budget \$000
7,460	Grants and Contributions	47,461	13,309
-	Increase to Provisions for Kaikōura Three Waters	838	-
15,000	Write Down of Suspensory Loan	-	-
770	Depreciation	1,377	2,318
3,195	Other Operating Costs	20,687	3,211
3,399	Goods and Services Tax	7,971	5,045
REMEASUREMENTS			
(9,119)	Movement in Provision for Horizontal Infrastructure (Three Waters)	(314)	-
2,951	Movement in Provisions for Emergency Expenses	(1,591)	-
23,656	TOTAL NON-DEPARTMENTAL EXPENSES	76,429	23,883

Schedule of Non-departmental Revenue and Receipts

for the year ended 30 June 2020

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Unaudited Budget \$000
1,413	Other Revenue	4,602	150
1,413	TOTAL NON-DEPARTMENTAL REVENUE AND RECEIPTS	4,602	150

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

Schedule of Non-departmental Assets and Liabilities

as at 30 June 2020

2018/19 Actual \$000		Note	2019/20 Actual \$000	2019/20 Unaudited Budget \$000
ASSETS				
CURRENT ASSETS				
10,750	Cash in Bank		16,755	6,284
74	Debtors and Other Receivables		13,730	-
-	Other Financial Assets		2,099	-
10,824	TOTAL CURRENT ASSETS		32,584	6,284
NON-CURRENT ASSETS				
127,733	Land, Property, Plant and Equipment	14	133,907	120,100
127,733	TOTAL NON-CURRENT ASSETS		133,907	120,100
138,557	TOTAL NON-DEPARTMENTAL ASSETS		166,491	126,384
LIABILITIES				
CURRENT LIABILITIES				
3,506	Creditors and Other Payables		39,410	2,174
2,455	Provision – Horizontal Infrastructure – Three Waters (SCIRT)	15	-	-
-	Provision – Kaikōura District Council Three Waters	15	838	-
26,916	Provision – Emergency Expenses	15	23,390	7,976
32,877	TOTAL CURRENT LIABILITIES		63,638	10,150
-	TOTAL NON-CURRENT LIABILITIES		-	-
32,877	TOTAL NON-DEPARTMENTAL LIABILITIES		63,638	10,150
REVALUATION RESERVES				
55,952	Property Revaluation Reserves		55,952	42,748
55,952	TOTAL REVALUATION RESERVES		55,952	42,748

Schedule of Non-departmental Commitments

as at 30 June 2020

As at 30 June 2020, there are no operating commitments in Vote Prime Minister and Cabinet (2019: Nil).

As at 30 June 2020, there is a capital commitment of \$4.519 million (USD 2.841 million) in Vote Prime Minister and Cabinet (2019: \$4.846 million (USD 3.245 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 2020

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 2020.

Contingent liabilities – quantifiable

There are no quantifiable contingent liabilities for 2019/20 (2019: Nil).

Contingent assets – quantifiable

There are no quantifiable contingent assets for 2019/20 (2019: 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 2020 there were 6 events (2019: 5) from which we expect to receive claims for reimbursement from local authorities for welfare, response and recovery costs, being:

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

In relation to the above events, a provision of \$23.389 million has been made for costs that have been ascertained (see Note 14) (2019: \$26.916 million for events pre-June 2019).

There were also two 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 2020, and no provision has been made.

Contingent assets – unquantifiable

There are no unquantifiable contingent assets as at 30 June 2020 (2019: Nil).

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

Statement of Trust Monies

for the year ended 30 June 2020

DPMC operated a trust account as the agent under section 66 of the Public Finance Act 1989. This account was set up during 2017/18 and was closed in 2019/20. The transactions through this account and its balance are not included in the Department's own Financial Statements. There were no transactions through this account during the year.

2018/19 Actual \$000	2019/20 Actual \$000
- Balance at 1 July	-
- Contributions	-
- Withdrawals	-
- Balance at 30 June	-

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

DPMC has been appointed as agent to administer the Trust money and will not purchase services from the Trust nor is it a beneficiary of the Trust. The account was closed in 2020.

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
COST							
Balance at 1 July 2018	56,380	49,249	3,279	283	-	2,013	111,204
Additions	-	8	-	162	5,927	-	6,097
Disposals	-	-	-	-	-	-	-
Other Movements	5,320	6,662	-	-	-	-	11,982
BALANCE AT 30 JUNE 2019	61,700	55,919	3,279	445	5,927	2,013	129,283
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 Movements ¹⁰	-	-	-	-	(1,074)	-	(1,074)
BALANCE AT 30 JUNE 2020	61,700	56,167	3,279	8,673	4,853	2,162	136,834
ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES							
Balance at 1 July 2018	-	610	-	106	-	1,286	2,002
Depreciation Expense	-	612	-	64	-	94	770
Other Movements	-	(1,222)	-	-	-	-	(1,222)
BALANCE AT 30 JUNE 2019	-	-	-	170	-	1,380	1,550
Balance at 1 July 2019	-	-	-	170	-	1,380	1,550
Depreciation Expense	-	728	-	533	-	116	1,377
Disposals	-	-	-	-	-	-	-
Other Movements	-	-	-	-	-	-	-
BALANCE AT 30 JUNE 2020	-	728	-	703	-	1,496	2,927
CARRYING VALUE							
At 1 July 2018	56,380	48,639	3,279	177	-	727	109,202
At 30 June 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

10 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	100-120 years
Other Assets	5-10 years

Revaluations

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

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

Restrictions on land title include:

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

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

Revaluations are performed with sufficient regularity to ensure the carrying amount does not differ materially from their fair value. Land and buildings are revalued every two years. A fair value assessment for the value of Government House and Buildings was performed in June 2020 which deemed the valuation movements immaterial.

Antiques and Artworks are revalued every three years. The Antiques and Artworks were not revalued this year due to restrictions from COVID-19 and will be revalued in 2020/21.

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

		2019/20 Actual \$000	
	Emergency Expenses	Kaikōura District Council Three Waters	Horizontal Infrastructure (Three Waters)
Balance at 1 July 2019	26,916	-	2,456
Additional Provision Recognised	11,315	838	-
Payments Made During the Year/Provision Used for the Year	(11,310)	-	(2,142)
Provision Released During the Year	(3,531)	-	(314)
Balance at 30 June 2020	23,390	838	-
Current Portion of the Provision	23,390	838	-
Non-current Portion of the Provision	-	-	-

When significant emergency events occur, the Crown may provide financial support to local authorities for response and recovery costs relating to damaged essential infrastructure. The National Civil Defence Emergency Management Plan Order 2015 stipulates how the Crown may contribute to these costs. The Crown's contribution to response and recovery costs, most notably for Three Waters infrastructure (wastewater, storm-water and potable water) is typically 60% of the total cost for valid and eligible work.

Horizontal Infrastructure (Three Waters) provision

There is no provision recorded by DPMC as at 30 June 2020 for the Crown's contribution to Three Waters response and recovery costs arising from the 2010 and 2011 greater Christchurch earthquakes.

The Waimakariri Horizontal Infrastructure Programme was completed in June 2020. The Crown's financial interest in the Programme ended with the completion of the physical works, after which the 12-month defects liability period will be managed by the Waimakariri District Council.

Emergency Expenses provision

The 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:

- \$5.901 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. This estimate was based on information provided from the District Councils based on damage assessments. The respective District Councils are progressing with the recovery and the estimate of the Crown's contribution to this will continue to be refined as the Councils undertake more comprehensive engineering assessments.
- \$7.398 million for estimated costs associated with cyclones Debbie and Cook in the Bay of Plenty region in April 2017.
- \$6.128 million for welfare costs related to the response to COVID-19 that are eligible for reimbursement from the Local Authority Emergency Expenses PLA.
- \$3.962 million for estimated costs associated with flooding in Westland in March 2019, Southland Flooding in February 2020 and other emergency events that have occurred. These estimates are based on information provided from the relevant local authorities.

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

16. Events after the Balance Date

There are no events after the balance date of 30 June 2020 (2019: Nil).

17. Impact of COVID-19

COVID-19 had an impact on the operations of DPMC, as it had a key role in coordinating the Government response. These impacts included:

- incurring costs associated with the establishment of a COVID-19 All-of-Government Response Group, including the costs of the Unite against COVID-19 publicity campaign, and
- payments to Civil Defence Emergency Management (CDEM) groups for qualifying COVID-19 welfare costs, that were unable to be met by other sources of support. Accruals involving management judgement were also made for the estimation of future claims.

F

Appendices

This section includes:

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

Cabinet Office statistics

	2019/20 Actual	2018/19 Actual	2017/18 Actual
Meetings			
Executive Council	44	38	30
Cabinet	47	41	39
Cabinet committees	175	182	132
Submissions			
Summary cover sheets to Cabinet and Cabinet committee papers	1,562	1,631	1,219
Submissions lodged by Ministers' offices by the Cabinet Office deadline	65.25% ¹¹	89%	87.6%
Papers published by the close of business, two days before the meeting	96%	98%	94%
Cabinet and Cabinet committee minutes			
Cabinet and Cabinet committee minutes	2,105	2,155	1,590
Cabinet and Cabinet committee minutes requiring an amendment by the Cabinet Office ¹²	10	10	5
Cabinet minutes published by the close of business, three days after the Cabinet meeting	97.8%	98.5%	97.6%
Other Services			
Cabinet Office circulars	7	8	10
Briefing seminars to departments, Ministers' offices and other interested parties on the Cabinet decision making process	22	26	30
Enquiries and requests from Ministers' offices and departments about Cabinet papers and related information	140	161	146

¹¹ Lodgement rates were impacted by the requirement to submit a significant number of COVID-19 related papers at short notice.

¹² 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 2020

	Number of Meetings	Number of Agenda Items	Average Number of Items per Meeting
Executive Council ¹³	44	261	6
Cabinet	47	378	8
Cabinet committee meetings			
Ad Hoc Cabinet Committee on COVID-19 Response ¹⁴	4	15	4
Cabinet Appointments and Honours Committee	28	294	10
Cabinet Business Committee	13	84	6
Cabinet Economic Development Committee	27	269	10
Cabinet Environment, Energy and Climate Committee	12	56	5
Cabinet External Relations and Security Committee	8	48	6
Cabinet Government Administration and Expenditure Review Committee	12	50	4
Cabinet Legislation Committee	26	209	8
Cabinet Māori Crown Relations: Te Arawhiti Committee	10	48	4.8
Cabinet Priorities Committee	8	10	1
Cabinet Social Wellbeing Committee	27	195	7
TOTAL	175	1362	8
COVID-19 Ministerial Group ¹⁴	16	95	6

13 One additional Executive Council meeting was held to swear in a new Minister.

14 The Ad Hoc Cabinet Committee on COVID-19 Response met between 4 and 18 March 2020. It was superseded by a COVID-19 Ministerial Group which met regularly between 20 March and 23 April 2020, after which time Cabinet committees resumed responsibility for COVID-19 issues.

New Zealand Royal Honours

for the year ended 30 June 2020

The New Zealand Order of Merit

Dame Companion	6
Knight Companion	5
Companion	28
Officer	71
Member	125
Honorary Member	4

The Queen's Service Order

Companion	3
Queen's Service Medal	113
Honorary Queen's Service Medal	1

The New Zealand Distinguished Service Decoration

The New Zealand Distinguished Service Decoration	2
TOTAL	358

Other honours and appointments

Grant of the title "The Honourable" for life	1
GRAND TOTAL	359

Areas of contribution for the New Year and Queen's Birthday 2020 Honours List recipients

Area of contribution	Female	Male	Total
Arts and Media	31	21	52
Business and the Economy	4	11	15
Community, Voluntary and Local Services	69	79	148
Education	23	11	34
Health	29	13	42
Science and Technology	4	11	15
Services to the State	2	9	11
Sport and Recreation	17	24	41
TOTAL	179	179	358

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

This report meets the requirement, set out in the Vote Prime Minister and Cabinet Estimates of Appropriations 2019/20 and Supplementary Estimates of Appropriations 2019/20, for information on certain Non-departmental appropriations to be reported by the Minister of Civil Defence.

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

Although presented in the same document, this report does not form part of the Department of the Prime Minister and Cabinet's Annual Report 2019/20.

Civil Defence Emergency Management Training

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

What was achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Satisfaction is at least 6 in relation to the measure below (see Note 1):				
Civil defence emergency management training courses meet participants' expectations (see Note 2)	6	9.5	9	✓

Note 1 – Course participants to complete satisfaction survey.

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

How much it cost

2018/19 Actual \$000	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
91 Expenses	929	2,000	2,000

COVID-19: Civil Defence Emergency Management Group Welfare Costs

This appropriation provides payments to Civil Defence Emergency Management (CDEM) Groups for qualifying COVID-19 welfare costs unable to be met by other sources of support.

What was achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Payments to local authorities/CDEM groups to support individuals impacted by COVID-19 are made in accordance with the eligibility criteria	Achieved	New measure	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 2015*.

How much it cost

2018/19 Actual \$000	2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
- Expenses	28,794	-	25,000

Local Authority Emergency Expenses PLA

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

What was achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Claims received against the appropriation will be assessed in conjunction with approved criteria as set out in clause 33 of the Guide to the National Civil Defence Emergency Management Plan	100%	100%	100%	✓

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

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
2,951	Expenses	10,768	5,000	5,000

Maintaining Water Supply in Periods of Drought

This appropriation is achieve immediate and short-term relief to regions affected by drought by ensuring adequate water supply during periods of water-shortages.

What was achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Funding is provided to agreed service providers	Achieved	New measure	Achieved	✓

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2019/20 Supp. Estimates \$000
-	Expenses	209	-	10,000

Restoration of Kaikōura District Three Waters Network

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

What was achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Additional work scope over and above a 'like for like' repair or replacement must be recommended by the Kaikōura Rebuild Steering Group and must meet the requirements of the Memorandum of Understanding; drawdown of restoration of Three Waters appropriation (see Note 1)	Achieved	Achieved	Achieved	✓

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

How much it cost

2018/19 Actual \$000	2019/20 Actual \$000	2018/19 Budget \$000	2018/19 Supp. Estimates \$000
- Expenses	1,738	-	1,738

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

This report meets the requirement, set out in the Vote Prime Minister and Cabinet Estimates of Appropriations 2019/20, for information on a certain Non-departmental appropriation to be reported by the Minister for Greater Christchurch Regeneration.

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

Although presented in the same document, this report does not form part of the Department of the Prime Minister and Cabinet's Annual Report 2019/20.

Regenerate Christchurch

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

What we achieved

Performance measure	Target for 2019/20	Result for 2018/19	Result for 2019/20	Achieved
Regenerate Christchurch's achievement in leading and contributing to the regeneration of Christchurch, as measured using the performance targets in its annual Statement of Performance Expectations, is at least:	60%	75%	100%	✓

How much it cost

2018/19 Actual \$000		2019/20 Actual \$000	2019/20 Budget \$000	2018/19 Supp. Estimates \$000
5,072	Expenses	2,627	4,000	4,000