



# Annual Report Pūrongo-ā-tau

for the year ended 30 June 2023

and National Emergency Management Agency Annual Report 2022/23  
and Report by the Minister for Cyclone Recovery on a Non-departmental Appropriation  
and Report by the Minister for Emergency Management on a Non-departmental Appropriation



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

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# Annual Report 2022/23 Pūrongo-ā-tau

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## Te reo Māori terms used in this report

**Hauora** – health

**Hui** – meeting

**Iwi** – tribe

**Kaitiakitanga** – guardianship

**Kaupapa** – purpose, topic

**Kōrero** – discussion, conversation

**Mahi** – work

**Tikanga** – correct procedure, protocol

**Whakahōtaetae** – prevent

**Whānau** – family

## Icons used in this report

Icons have been used throughout this report to identify where activities relate to our three outcomes.



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



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



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



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## Mahia i runga i te rangimārie me te ngākau māhaki

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



## Chief Executive's foreword

### Kupu whakataki a te Tumu Whakarae

Kia ora koutou

At the Department of the Prime Minister and Cabinet (DPMC) we focus on supporting the government of the day to deliver on the most critical issues. We do this through three key enduring roles:

- supporting informed decision making – including providing the Prime Minister, Ministers and Cabinet with intelligence, advice and support, for example through the Policy Advisory Group (PAG);
- supporting well-conducted government – supporting the Governor-General, Prime Minister and Ministers to exercise their constitutional roles, for example through the Cabinet Office; and
- leading effective, strategically focussed National Security and Emergency Management Systems – including providing situational understanding and improving coordination across government, for example through our National Security Group.

We also host the National Emergency Management Agency (NEMA), a departmental agency established in December 2019, led by Chief Executive Dave Gawn.

This year has, once again, been demanding for DPMC and our people. The Department has supported informed decision making on its agenda in a range of ways. In addition to the work of the PAG, DPMC's Implementation Unit provided advice on a series of key government initiatives, including public housing and housing supply initiatives, health reforms and climate change.

The Child Wellbeing and Poverty Reduction Group led the review of the Child and Youth Wellbeing Strategy (Strategy) and we are now focused on implementing its findings.

During the year, our role in supporting two Government health priorities ended. Responsibility for the next stage of the health and disability system reforms transitioned from DPMC to the Ministry of Health and the two new health entities, Te Whatu Ora and Te Aka Whai Ora. Similarly, the COVID-19 Response Group functions transitioned to Te Whatu Ora and the Ministry of Health during the year, marking the next phase of the response to, and recovery from, COVID-19.

In our role of supporting well-conducted government, this year has been particularly significant. The Cabinet Office led the New Zealand response to the death of Her Majesty Queen Elizabeth II, including the State Memorial Service and the Proclamation of Accession of His Majesty King Charles III. We supported the Governor-General to carry out her constitutional, ceremonial and community roles as the representative of the Head of State. In early 2023 we supported the transition between Prime Ministers, Rt Hon Jacinda Ardern and Rt Hon Chris Hipkins.

In our role of providing leadership to New Zealand's National Security and Emergency Management Systems, this year has been marked by significant progress to build a more open, transparent national security system to protect New Zealanders. This work has been guided by the Report of the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain.

Together with other Security and Intelligence agencies, we presented the National Security Long-term Insights Briefing to Parliament this year. Through this briefing, which focuses on engaging an increasingly diverse Aotearoa New Zealand on national security, we shared information on some of our most pressing national security risks and challenges. As a country, we have

choices about how we approach these. By increasing public conversations on national security, we can prepare and grow our resilience to meet these challenges together.

Resilience in the face of natural disasters was again put to the test in the last 12 months. We moved at pace coordinating the multi-agency response to the North Island extreme weather events in early 2023, including supporting NEMA during the immediate response and recovery. The Cyclone Recovery Taskforce and Cyclone Recovery Unit were rapidly established within DPMC to lead, coordinate, and monitor the severe weather recovery across government. Reporting to the Minister for Cyclone Recovery, Katrina Casey was appointed functional Chief Executive, Cyclone Recovery.

I returned to DPMC in February 2023 to lead the Department while Brook Barrington takes a leave of absence. I would like to acknowledge Brook's leadership before I arrived and his support while I have been in

this role. Much has changed since I was last at DPMC, as Secretary to the Cabinet, in 2014. The Department is no stranger to responding to challenge and change, rapidly flexing to best support the government. What has remained constant are the skills, talent, and commitment of the people who work here. I am heartened by the resilience and spirit of service displayed by staff.

DPMC operates in a complex, varied and changing environment that requires leadership and agility. The Department of the Prime Minister and Cabinet is only effective because of the quality of people who make up our team, and their commitment to high quality advice and a true sense of public service. We should be proud of what we do, and I would like to thank our team for their tireless commitment to advancing an ambitious, resilient and well-governed Aotearoa New Zealand.



Rebecca Kitteridge CVO

**Te Tumu Whakarae mō Te Tari o te Pirimia me te Komiti Matua  
Secretary of the Department of the Prime Minister and Cabinet, and Chief Executive**





# Our story | Te kōrero

This section sets out our strategic framework and key achievements in 2022/23.





# Our strategic intentions

## He takunetanga rautaki

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

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

**WHAT** we will deliver

|   |
|---|
| <p><b>Our enduring roles are</b></p> <p>Supporting informed decision making</p> |
| <p>Supporting well-conducted government</p>                                     |
| <p>Leading an effective, strategically focused National Security System</p>     |

**HOW** we work

**To deliver on this strategic direction we need to be an ambitious, resilient and well-governed DPMC**

- Strategic, effective influencers, leaders and system stewards
- First choice employer
- Well-positioned to deliver, now and in the future

**Our values underpin everything we do**

**Courageous**  
*We stand up*

**Connected**  
*We join together*

**Committed**  
*We believe in what we do*

*And we do it with*  
**Respect**

**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



# Who we are and what we do

Ko wai mātou, he aha ā mātou mahi

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

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

As one of the three central agencies, we also play a role in leading and coordinating across the public service.

Our functions and services are evolving to meet the changing needs and expectations of us as a department, however our purpose and enduring roles remain consistent.

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

### Supporting informed decision making

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

We support the Prime Minister and Cabinet, which includes providing advice on all Cabinet and Cabinet Committee papers (excluding appointments), as well as emerging issues. We serve Ministers with responsibilities relating to national security and intelligence, cyber security, the response to the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain on 15 March 2019, health, the response to COVID-19, Cyclone Recovery, the regeneration of greater Christchurch and child poverty reduction. Through the National Emergency Management Agency (NEMA), we provide advice to Ministers with responsibilities relating to civil defence and emergency management.

We host the Policy Project whose role is to build a high-performing policy system that supports good government decision making.

### Supporting well-conducted government

We support the Governor-General, Prime Minister, Cabinet and Ministers to exercise their constitutional roles. We ensure the smooth, lawful and trusted running of executive government through the provision of secretariat services, constitutional advice and support, support for the legislation programme, and the administration of the New Zealand Royal Honours system.

In 2022/23, this role included advice and support on the death of Her Majesty Queen Elizabeth II and the accession of His Majesty King Charles III.

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

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

We lead and steward Aotearoa New Zealand's National Security System in strengthening national resilience, developing situational understanding, and improving coordination and collaboration on nationally significant issues.

At the system level, this includes supporting the Security and Intelligence Board and the Hazard Risk Board to carry out their governance and oversight role for Aotearoa New Zealand's national security risks, and leading the Government's response to the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain. It involves supporting the Officials' Committee on Domestic and External Security Coordination (ODESC) in a crisis.

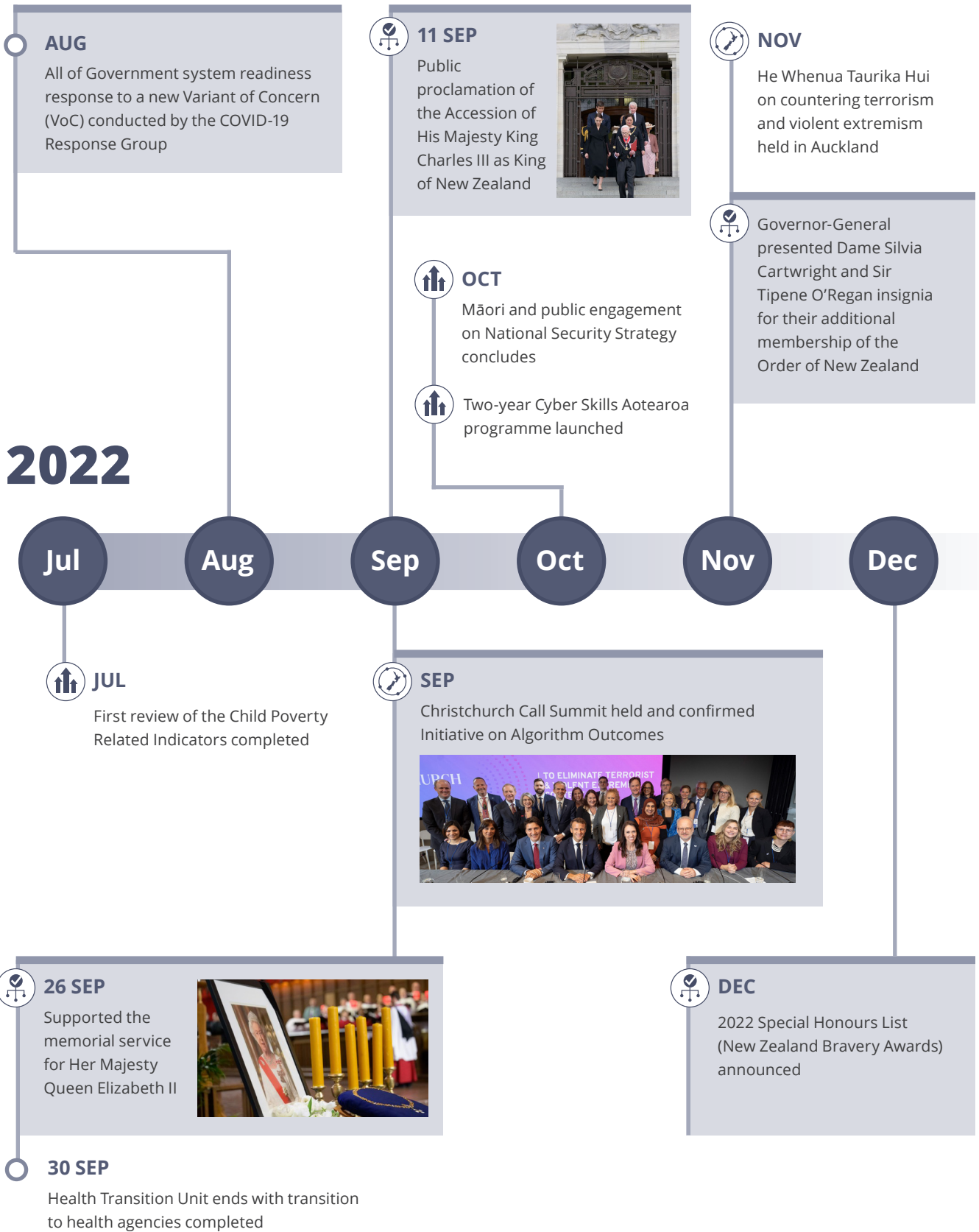
The Christchurch Call Unit leads and coordinates the Government's efforts on the Christchurch Call, working jointly with the Ministry of Foreign Affairs and Trade and counterparts in France.

Over the last year, we also continued to provide oversight and coordination of cross-government work on the COVID-19 response, including successful transfer of those responsibilities to health agencies.

NEMA is a departmental agency hosted by DPMC. NEMA's role is to lead and coordinate across the Emergency Management System to reduce risk and enable the system and communities to be ready for, and able to respond to and recover from, emergencies. More information on their role and achievements is set out in the *National Emergency Management Agency Annual Report 2022/23* on page 31.



# Our year at a glance | Te tau kua hipa





### FEB

Government House hosts visit of Her Royal Highness The Princess Royal and Vice Admiral Sir Tim Laurence



### 27 FEB

Cyclone Recovery Taskforce and Unit established



### MAR

Transition of COVID-19 Response to Health agencies completed, RCOI COVID-19 Coordination Unit established



### MAY

Coronation national tree-planting ceremony as part of a nation-wide series of events



The Governor-General and Prime Minister led a delegation to attend the coronation of King Charles III

# 2023

Jan

Feb

Mar

Apr

May

Jun



### APR

Appointed Rt Hon Jacinda Ardern as Special Envoy for the Christchurch Call



First statutory Child and Youth Wellbeing Strategy Annual Report published



Māori engagement hui facilitated between government officials and Māori experts on implementation of the Budapest Convention on Cybercrime



Updated Cabinet Manual 2023 published



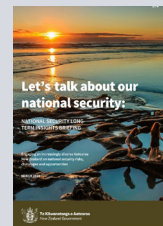
### 25 JAN

Appointment of Rt Hon Chris Hipkins as Prime Minister, Hon Carmel Sepuloni as Deputy Prime Minister, and Ministerial portfolio changes



### 25 MAY

National Security Long-term Insights Briefing presented to Parliament



### JUN

Finalised the refresh of the Policy Skills Framework



Hosted the Five Country Ministerial meeting



Published the Child Poverty Related Indicators Report covering 2021/22 year



First phase of consultation on increasing the resilience of New Zealand's critical infrastructure



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

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



### What we intended to achieve

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

### Measuring our progress

The table below sets out the indicators we use to monitor our progress against this outcome. Our work in this area is focused on providing high-quality policy advice and assessments that inform decision-making and building the capability of the system to do this as well. Our indicators focus on the quality of our policy advice and assessments, the satisfaction of our Ministers with our advice and support, as well as the work of the Policy Project in building public sector policy capability. The way in which we measure these indicators is set out on page 46.

All the indicators are on track, other than satisfaction with advice and servicing. Of the 14 surveys that make up this indicator, two of the three with lower scores had Ministers new to their portfolios in early 2023. Responding to Ministers’ needs and requirements over nine portfolio areas reflects the growing complexity of the Department’s operations in 2022/23.

| Indicator   | Desired trend | Progress 2021/22 | Progress 2022/23 | Outcome this contributes to            |
|---|---------------|------------------|------------------|--|
| Quality of policy advice and assessments  | ↑             | ●                | ●                | Informed decision making               |
| Prime Minister and Ministerial satisfaction with advice and servicing   | → or ↑        | ●                | ●                | Informed decision making               |
| Uptake of Policy Project tools and frameworks in support of improving policy quality across the public sector | ↑             | ●                | ●                | Proactive and responsive public sector |

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

## What we achieved in 2022/23

### We helped drive delivery of the Government's priorities

The Implementation Unit within DPMC exists to support the Government to implement its key priorities. It does this by working closely with agencies to ensure priority projects are on track to deliver the intended benefits within the planned timeframes. The Unit also helps to identify what needs to be done to bring the project back on track and follows up to ensure these actions are taken.

The Unit runs stocktakes of progress, rapid assessments and lessons learned reviews of issues that may be of concern to Ministers and prepares system guidance on what works well and what could be different, drawing on its work with agencies. Through the Unit's work, Ministers are better informed on the status of priority programmes and on the status of agreed actions to address potential roadblocks to successful delivery. Some government priority initiatives the Unit looked into include:

- public housing and housing supply initiatives;
- mental health and addiction services and infrastructure;
- climate change;
- health reforms; and
- progress in establishing Te Pūkenga.

It was another busy year for our Policy Advisory Group (PAG), which continued to provide high-quality and timely policy advice directly to the Prime Minister on the range of issues that the Government faces on a daily basis, as well as briefings on papers coming for decision to Cabinet and its committees.

The Strategy Unit continued its work on a small number of strategic policy and analytical projects in response to Prime Ministerial direction. The Strategy Unit also supported the implementation of the Cyclone Recovery Unit.

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

Being the best place in the world for children and young people requires a focus on the areas that have the biggest impact on improving wellbeing and reducing poverty. Providing advice in relation to this, supporting decision making, and monitoring progress across government is the focus of our Child Wellbeing and Poverty Reduction Group.

Key achievements for the year include:

- completing the first statutory review of the Strategy as required by the Children's Act 2014 and implementing the 16 review recommendations;
- publishing best practice guidelines for engaging with children and young people, to support government agencies to empower the views and voices of children and young people;
- publishing the second Child and Youth Wellbeing Annual Report, which provided a comprehensive overview of the progress that has been made in implementing the Strategy's objectives, and the impact that these efforts have had on the lives of children and young people across Aotearoa New Zealand. This work supports people within government and wider to make decisions that improve outcomes for children and young people;
- publishing the fourth Child and Poverty Related Indicators Report which includes measures related to the broader causes and consequences of child poverty. This work shines a light on progress in this area and supports decision making on policies, investment, and activities to further improve outcomes for our children and young people; and
- providing advice on many of the policies and measures including government investments that have contributed to the downward trend of all of the child poverty measures since 2017/18.

**77,000**

fewer children in poverty on the after-housing cost primary measure

**45,600**

fewer children in poverty on the before housing cost measure

**28,700**

fewer children in poverty on the material hardship measure

## We led and coordinated the Government's efforts on the Christchurch Call

The Christchurch Call, a joint venture of DPMC and the Ministry of Foreign Affairs and Trade, delivered a successful Christchurch Call Summit in September 2022. The Summit was co-chaired by Rt Hon Dame Jacinda Ardern and President Emmanuel Macron of France on the margins of leader level UN General Assembly meetings. It provided a useful opportunity for leaders to check in on progress against delivery on the Call commitments, and to set out priorities for shared work in the coming period.

The Christchurch Call was supported by the appointment of Rt Hon Dame Jacinda Ardern as the Prime Minister's Special Envoy for the Call in April 2023. Unit staff were engaged in organising and supporting a round of meetings with Call firms and others that the Special Envoy undertook in early June in the United States.

**4**

**Christchurch Call crisis system responses** enabled coordinated removal of attacker livestream or video content from participating platforms

**56** countries,

**14** technology firms,

**5** partner organisations, and

**50+** civil society organisations are now **part of the Christchurch Call**

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

The Policy Project works at system, government agency and policy practitioner levels to build capability to deliver quality policy advice across the public service. In the past year we have successfully increased the number of agencies supported, events held and the number of people taking part in these events.

Key achievements during 2022/23 include:

- refreshing the Policy Skills Framework to better reflect the skills needed by policy practitioners;
- supporting the response to recommendations of the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain through piloting the Policy Community Engagement Tool for use by response agencies;
- publishing the Policy Profession Board's response to the interim evaluation and commencing the work programme for its next phase;
- completing a moderation across 26 public service policy agencies using the policy quality framework to ensure consistency of agency policy assessments and scoring; and
- supporting agencies with workshops and guidance for preparing their first round of Long-term Insights Briefings.

**86**

Policy Project **courses and events held**

**11,000**

Policy Project **web page hits** per month

**849**

public service policy staff **supported by the Policy Project** to use the policy improvement frameworks and build policy capability



## Measurement of child and youth wellbeing

Our reporting on child and youth wellbeing is shining a light on how the system is performing, which is a key lever for improving wellbeing.

The Children's Act 2014 requires an annual report on the Government's progress towards achieving the Child and Youth Wellbeing Strategy's outcomes. The Child Poverty Reduction Act (CPRA) 2018 also requires that current and future governments set three-year intermediate and 10-year child poverty reduction targets and report on progress towards achieving these.

Each year the Child Wellbeing and Poverty Reduction Group prepares two key reports that support this process. The Child and Youth Wellbeing Annual Report provides a comprehensive overview of the progress made towards the Strategy's objectives.

In addition, the Child Poverty Related Indicators Report presents a balanced set of indicators that help tell a broader story about the impacts of poverty on the day-to-day lives of children in Aotearoa New Zealand.

We also support The Treasury to prepare the annual Child Poverty Budget Report which sets out the investments and progress made in reducing child poverty against the child poverty reduction targets set in 2018.

This year, the Child Wellbeing Annual report data showed that the majority of children and young people and their whānau are doing well and have what they need to thrive. This includes significant reduction in child poverty rates on eight out of the nine



measures under the CPRA. Despite this progress, disparities in wellbeing outcomes remained for many groups, in particular Māori, Pacific, ethnic, rainbow and disabled children and young people.

The insights provided through these reports is helping to ensure that Strategy implementation continues to be focused on the areas of greatest impact to address the root causes of inequities, and to ensure that all children and young people have the opportunity to thrive, regardless of their background or circumstances.

Reporting on the targets and the outcomes over time is also helping to demonstrate the impact of the Strategy and government work to support child and youth wellbeing.



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



### What we intended to achieve

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

### Measuring our success

The table below sets out the indicators we use to monitor our progress against this outcome. Our work in this area is focused on maintaining reliable and effective systems of executive government and our measures reflect this. They focus on New Zealanders’ trust and confidence in government, as well as the

satisfaction of our key stakeholders with these institutions, as well as the services we provide in support of them. The way in which we measure these indicators is set out on page 56. All the indicators are on track.

| Indicator  | Desired trend | Progress 2021/22 | Progress 2022/23 | Outcome this contributes to                                      |
|--|---------------|------------------|------------------|--|
| Trust and confidence in government <sup>1</sup>                                    | ↑             | ○                | ●                | Systems and institutions of executive government are trusted     |
| Ministerial satisfaction with the systems and institutions of executive government | → or ↑        | ●                | ●                | Systems and institutions of executive government are trusted     |
| Governor-General satisfaction with support provided                                | → or ↑        | ●                | ●                | Effective support for the Governor-General to carry out the role |

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

<sup>1</sup> In 2022/23, two out of the four surveys used to inform the results for this indicator were publicly available.

## What we achieved in 2022/23

### We supported the transition to a new Prime Minister and portfolio changes

In January 2023 a new Prime Minister was appointed. Over this year, we supported Prime Minister, Rt Hon Chris Hipkins to make changes to ministerial portfolios. This included induction briefings to the new Ministers to support them in their roles.

An updated edition of the Cabinet Manual, the authoritative guide to central government decision-making, was published on 20 April 2023. Work to update the Cabinet Manual included a review process, engagement with interagency partners, consideration by a Ministerial Reference Group and approval by Cabinet. The new Cabinet Manual content reflects legislative changes, updated guidance on privacy and the proactive release of Cabinet material, and the modernised principles governing the public service.

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

Rt Hon Dame Cindy Kiro's strategic priorities underpin her time in office and provide a focus for the activities the Governor-General undertakes. These priority areas comprise stewardship of the natural world; wellbeing for all; celebrating diversity and commonality; and expertise, knowledge and understanding.

A wide range of events showcased these objectives over the year including an engagement with QEII National Trust Ngā Kairauhi Papa; Community Foundations of New Zealand's celebration of Community Philanthropy; a visit to Refugee Services in Timaru; United Nations International Holocaust Remembrance Day; and Electoral Commission National Training for Electorate Managers. The Governor-General also undertook regional visits to West Auckland and Porirua, as well as visits to the Cook Islands, one of the Realm of New Zealand countries, and Samoa.

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

The New Zealand Royal Honours system recognises exceptional New Zealanders and celebrates their achievements. The lists continue the trend of recent years that 50% of recipients are female.

An additional 2022 Special Honours List (New Zealand Bravery Awards) acknowledged the extraordinary courage of seven people, mostly related to the rescue efforts following the 2019 Whakaari White Island eruption. The list included one award of our second highest Bravery honour, The New Zealand Bravery Star.

The timing of the New Zealand celebration of the King's Birthday in 2023 coincided with the main events in the United Kingdom to mark the Coronation of King Charles III. On the Prime Minister's recommendation, the King agreed that the significance of the Coronation be acknowledged in New Zealand by renaming the King's Birthday 2023 Honours list as the 'King's Birthday and Coronation Honours List 2023'. To mark the King's coronation the list included the appointment of Her Majesty The Queen Camilla as an additional member of the Order of New Zealand, our highest honour.

### Strengthening resilience to disinformation

As pandemic restrictions have eased, disinformation and conspiracy narratives have shifted from COVID-19 to a range of other issues. In response, DPMC is leading work to help people living in New Zealand to have a better understanding of, and resilience against, the harms of disinformation. This work includes three initiatives to:

- establish a civil society-led group to scope longer-term work;
- support capacity-building and community resilience; and
- commission public research and analysis into the problem.

It is important to ensure continued protection of human rights including freedom of expression, and an open online environment. We remain focused on Aotearoa New Zealand's specific needs, while taking lessons from overseas on efforts to counter this global issue.

## Accession and Coronation of the King of New Zealand

On 8 September 2022 Her Majesty Queen Elizabeth II died. On her death, Prince Charles automatically became King Charles III, King of New Zealand. The Cabinet Office led the New Zealand response to the death of the Queen, with the support of an inter-agency team. This included a public Proclamation of the Accession of the King at Parliament on 11 September 2022, and a moving memorial service for the Queen held at Wellington Cathedral and shared on large screens to a crowd on Parliament lawn.

The Governor-General and Prime Minister attended Her Majesty's funeral, along with a delegation of New Zealand senior Royal Honours holders, iwi leaders, and community representatives. The Governor-General's website was the official source of information and guidance about the death of the Queen and transition to the new Sovereign.



Rt Hon Dame Cindy Kiro meets His Majesty King Charles III after the funeral of Her Majesty Queen Elizabeth II.

The Governor-General and Prime Minister led a similar delegation to attend the coronation of the King in May 2023. Back at home, the government made a donation of \$1 million to Trees That Count as New Zealand's gift to mark the Coronation. Cabinet Office partnered with the Department of Internal Affairs to deliver a national tree planting ceremony at the Auckland Domain during the Coronation weekend, and local councils across the nation also held tree planting ceremonies.

As it had been 70 years since the last change of Sovereign, there were many questions to be settled around the transition, both constitutional and practical. The lengthy preparatory work undertaken by Cabinet Office and Government House, along with other agencies, ensured that this transition occurred smoothly, and was appropriately acknowledged by the nation.



New Zealand Herald of Arms Extraordinary, Phillip O'Shea, reads the Proclamation of Accession.



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



## What we intended to achieve

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

## Measuring our progress

The table below sets out the indicators we use to monitor our progress against this outcome. Our work in this area is focused on ensuring that people living in New Zealand are well-informed and able to respond to security and emergency threats and our measures reflect this. They focus on DPMC and NEMA's leadership of the National Security and Emergency Management Systems and the outcomes of this for public trust and confidence in the systems and readiness to take action. The way in which we measure these indicators is set out on page 60.

All the indicators are on track, other than New Zealanders' emergency preparedness. The percentage of people who report taking action to prepare for an earthquake or know the correct action to take falls the further away we are from the last significant earthquake. NEMA's public education programme is focused on raising peoples' awareness and preparedness (page 62).

| Indicator  | Desired trend | Progress 2021/22            | Progress 2022/23                         | Outcome this contributes to  |
|--|---------------|-----------------------------|--|--|
| National Security and Emergency Management System stakeholder satisfaction – indicator to be further developed | n/a           | Indicator under development | Indicator under development <sup>2</sup> | Effective leadership and operation of the National Security and Emergency Management Systems |
| Ministerial satisfaction with leadership of the National Security and Emergency Management Systems             | → or ↑        | ●                           | ●  | Effective leadership and operation of the National Security and Emergency Management Systems |
| Public Sector Reputation Index rating (National Emergency Management Agency)                                   | ↑             | ●                           | ●  | Emergency Management System is trusted   |

<sup>2</sup> Work to develop this indicator remained under active consideration during 2022/23. A National Security Public Survey was undertaken which provides insights into public confidence in government agencies to protect and respond effectively to natural disasters, terrorism attacks and threats around personal safety. This will inform review of this indicator for future reporting.

| Indicator  | Desired trend | Progress 2021/22 | Progress 2022/23 | Outcome this contributes to           |
|--|---------------|------------------|------------------|---------------------------------------|
| New Zealanders who have: <ul style="list-style-type: none"> <li>• Taken action to prepare for an emergency in the last 12 months</li> <li>• Know the correct action to take during an earthquake and during a long or strong earthquake near the coast.</li> </ul> | ↑             | ●                | ●                | Community preparedness and resilience |

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

## What we achieved in 2022/23

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

In our role as leaders and stewards of Aotearoa New Zealand’s National Security and Emergency Management Systems, it is important to ensure the strategic leadership of the systems fosters cohesion and collaboration and is trusted by the public. Some highlights in 2022/23 include:

#### *Development of the first National Security Strategy*

We engaged widely with New Zealanders on the first National Security Strategy to protect New Zealand and its people, today and into the future. The strategy will:

- encourage a more open, accessible, and mature conversation with New Zealanders on national security;
- provide a clear articulation of New Zealand’s national security vision, interests, principles and priorities;
- ensure New Zealand can make appropriate national security choices for the nation;
- provide overarching guidance across a growing number of individual strategies;
- recognise the connections between national security and other important areas, like climate change and social cohesion; and
- reflect te Tiriti o Waitangi, and the role of Māori in national security.

### *We helped build a public conversation about Aotearoa’s national security through our Long-term Insights Briefing*

We want to help people living in New Zealand to better understand national security threats, what is being done about them and the important role individuals, business, society and communities can play. Co-led by DPMC and Ministry of Foreign Affairs and Trade on behalf of New Zealand’s Security and Intelligence Board agencies we delivered the National Security Long-term Insights Briefing *Let’s talk about our national security: Engaging an increasingly diverse Aotearoa New Zealand on national security risks, challenges and opportunities.*

The briefing reflects on the importance of being transparent about national security challenges we may face in the future and the significance of having an effective engagement with communities to build resilience as a whole country.

Some insights shared through the briefing include:

- broader global trends (such as increasing competition, technology change, climate change and future pandemics) impacting and driving many of the future threats and challenges we could face such as cyber attacks, terrorism, violent extremism, disinformation, and transnational organised crime;
- recognition that over the next 10-15 years, threats to our national security could become more complex and linked, resulting in sometimes unpredictable outcomes. As a result, New Zealand’s national security system will continue to experience high demand; and
- understanding that working collaboratively with partners through our international relationships, with communities and businesses, by sharing more information with the public on the role they can play will be crucial to meeting future challenges.

***We learned more about people's views through the National Security Public Survey (2022 & 2023)***

As part of the National Security Long-term Insights Briefing, we commissioned an independently run, representative survey of more than 1,000 people living in New Zealand so we can learn more about their views on our national security. We repeated this survey in the first half of 2023 with more than 2,000 people.

Through the survey, we heard that people living in New Zealand consider many hazards and threats are more likely to occur in the next 12 months. We also heard that people want us to share more information about national security.

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

There are five workstreams in the Government's response to the report of the Royal Commission of Inquiry into the terrorist attack on Christchurch masjidain. Working with agencies and communities across New Zealand, DPMC is responsible for co-ordinating the all-of-government response to changes to the national security system, counterterrorism, social cohesion, responding to hate motivated offences, and firearms and safety.

We also supported Kāpuia, the Ministerial Advisory Group providing independent advice to the Lead Coordination Minister on progress, gaps, strengths, weaknesses and opportunities across the Government's response to the report of the Royal Commission of Inquiry.

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

Cyber security is among the top five national security threats concerning people living in New Zealand.

DPMC has continued to set the direction for cyber security policy, to help New Zealanders take action to address cyber security threats and build cyber security resilience and capacity.

The Cyber Security Strategy Coordination Committee made significant progress to deliver 13 initiatives across the Strategy's five priority areas – resilience, awareness, workforce, cybercrime and international engagements.

Key achievements across the priority areas include:

- engaging and involving the public in cyber security issues, by improving accessibility to cyber resources for diverse communities, launching Cyber Skills Aotearoa in schools, and working to co-design a bespoke model for Māori involvement in New Zealand's approach to cybercrime;

**9**

government agencies that make up the Security and Intelligence Board **collaborated to deliver the briefing**

Only  
**1 in 5**

New Zealanders think we share **enough information about national security**

**61%**

of New Zealanders would like **more information about national security**

## Top 5

### perceived threats in the next 12 months:

- natural disaster **93%**
- organised crime between New Zealand and another country **84%**
- hacking into information systems **82%**
- disinformation **80%**
- a nuclear/biological/chemical attack happening somewhere in the world **77%**

- addressing information gaps in government knowledge and expertise, by commissioning research projects to identify potential policy responses to current and emerging trends;
- streamlining and strengthening operational structures and information flows within and between agencies, by working to consolidate cyber incident reporting functions and broadening secondment opportunities to enhance relationships and information-sharing across agencies;
- representing and promoting New Zealand's interests internationally, including discussions with close partners on critical and sensitive issues, participating in UN and other international governance bodies relating to cyber security, and supporting Ukraine's cyber security following the Russian invasion; and
- supporting our Pacific partners to build and strengthen their own cyber capabilities, as well as participate in international forums to promote their perspectives on key issues.

**We supported effective response to national security risks and adverse events**

We want to achieve effective reduction, readiness, response and recovery to national security risks, emergencies and adverse events. For more information on achievements related to NEMA's role as steward, operator and assurer of the emergency management system, refer to the NEMA Annual Report on page 31.

***We supported all-of-government coordinated decision-making through convening the Official Committee for Domestic and External Security Coordination (ODESC)***

The ODESC system is New Zealand's all-hazards, all-risks strategic crisis management system, which provides for a coordinated government response to emerging, or actual crises. The Prime Minister is the lead decision maker in the ODESC system, supported by the DPMC Chief Executive as Chair ODESC. The system focuses on strategic matters, and looks to guide agencies' involvement in crisis management, to ensure resources are directed to where they are most needed and that risks, implications, and mitigations across agencies are understood and addressed. DPMC's Strategic Crisis Management Unit supports the ODESC system through thought leadership, coordination and secretariat support.

In 2022/23, the ODESC system was activated in response to a number of matters including:

- North Island severe weather events;
- cyber security incidents;
- complex consular cases such as a New Zealand citizen being held hostage in Papua as well as two New Zealand citizens detained in Iran;
- the shortage of carbon dioxide;
- implications from the Russian invasion of Ukraine; and
- humanitarian and disaster relief to Vanuatu.



## Supporting New Zealand's resilience – Auckland Weather Events and Cyclone Gabrielle

In early 2023, New Zealand experienced two separate extreme weather events – the Auckland Anniversary Weekend floods and Cyclone Gabrielle.

The severe weather events that hit the north and east of the North Island in January and early February 2023 caused widespread devastation to communities, land, and infrastructure.

While the events were localised to specific regions, the degree of impact and devastation called for a national level response – both during the emergency to support the response and after to support a lengthy period of recovery.

New Zealand's third-ever State of National Emergency was declared, with the national response led by the National Emergency Management Agency (NEMA) – operating out of the National Crisis Management Centre.

The ODESC system was activated to provide all of government coordination in response to Cyclone Gabrielle. ODESC is comprised of Chief Executives and meets to ensure that there is a shared understanding of the situation, the response is coordinated, and that risks and potential implications have been identified.

The depth and scale of damage to specific communities, businesses and homes was brought home to all those involved on the ground or as part of the response

co-ordination. Staff from across DPMC and the wider public service leaned in to support and assist the response.

Understanding and being responsive to the specific needs of communities and individuals, working with other agencies and local government has always been top of mind for NEMA and DPMC people in the period since the weather hit.

In response to what will be a long and complex recovery, in early 2023 the Cyclone Recovery Taskforce led by Sir Brian Roche was established to advise the Minister for Cyclone Recovery. The Cyclone Recovery Unit established within DPMC is led by the Chief Executive, Cyclone Recovery, Katrina Casey, appointed as a functional Chief Executive under the Public Service Act 2020.

The Cyclone Recovery Unit plays a critical role in coordinating cross-government work on recovery including supporting locally led engagements with communities, iwi, business, and local government. The Taskforce provides an independent advisory function to the Minister for Cyclone Recovery including advice on the prioritisation and sequencing of needs for each region and assurance that those needs are met. Together, the Cyclone Recovery Unit and Taskforce ensure Ministers are receiving comprehensive advice across a complex policy and operational recovery landscape.



NZ Response Team volunteers conduct property checks in isolated communities in Hawkes Bay, after Cyclone Gabrielle.



# Advancing an ambitious, resilient and well-governed DPMC

## Strategic, effective influencers, leaders and system stewards

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

During the year we worked closely with other central agencies to lead the public service and deliver results for New Zealanders. We continued to work collaboratively across the policy, national security, and emergency management systems to advance an ambitious, resilient and well-governed Aotearoa New Zealand. We also continued to support executive government decision-making by providing effective and impartial Secretariat services.

In both national security and child wellbeing we have had a particular focus on building our capability to engage effectively with Aotearoa's diverse communities and with Māori as we develop policy and advice for Ministers.

Long-term Insights Briefings are a new requirement introduced under the Public Service Act 2020. They are one of the ways that the chief executives of government agencies give effect to the public service principle of stewardship. They are focused on the future, providing information about medium and long-term trends, risks and opportunities that may affect Aotearoa New Zealand<sup>3</sup>. During the year, we co-ordinated this process across government and supported agencies as they developed Long-term Insights.

## First choice employer

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

This year, we made progress in creating a diverse, positive and safe working environment in which our staff can learn and grow. In 2022/23, this included advancing a range of initiatives including those aligned with our aspiration to improve our cultural competency and building our te ao Māori capability across both DPMC and NEMA. For further information, refer to pages 23 to 25.

During the year, we continued our focus on our health, safety and security obligations. Health and Safety Committee meetings were held regularly and issues were resolved quickly. There were high completion rates (exceeding 90%) for health, safety and security induction modules, with completion done within the first two weeks. In 2022/23 we completed the annual Protective Security Requirements self-assessment to ensure we meet all mandatory protective requirements and used those results to uplift our security capability.

<sup>3</sup> Long-term Insights Briefings give effect to the Public Service's stewardship responsibilities and are not government policy.



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

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

DPMC is a flexible organisation that gears up to meet the emerging priorities of the Government. This year, we supported the COVID-19 Response Group and Health and Disability System Reform Transition Unit to transition out of DPMC, and have established the Cyclone Recovery and COVID-19 RCOI Coordination units in the Department.

This operating model is a challenge for our corporate centre that must support the organisation as it grows and contracts and support new organisational forms (e.g. functional Chief Executive). Ensuring the resilience and sustainability of our corporate function in this environment remains a focus and work in progress.

Our Risk and Assurance Committee continued to oversee our risk and assurance activities to give the

Chief Executive direct and independent advice on these and other matters.

In 2022/23 we continued to implement our Carbon Neutral Government Programme Emissions Reduction Plans, regularly reporting on progress to reduce emissions to the Executive Leadership Team Board and updating our corporate policies and procedures to align with broader emissions reduction goals.

Looking to the future, in February 2023, we published our *Strategic Intentions 2023/24 to 2026/27*, which sets out how we will deliver on our purpose and support the Government to deliver its priorities. We used this as an opportunity to set performance indicators so we can better monitor and report on the outcomes we are seeking to achieve.

## Measuring our progress

The table below sets out the indicators we use to monitor our progress advancing an ambitious, resilient, and well-governed DPMC. Our measures reflect the breadth of our ambition in this areas. The way in which we measure these indicators is set out on page 20.

The challenging environment in which we have been operating in the last two years is reflected in some of our indicators. Staff satisfaction across both DPMC and NEMA shows a slow downward trend to just below the public service average engagement levels and unplanned turnover is higher than in the past. These results are discussed regularly with people leaders and at all staff meetings, with several initiatives planned to address key areas of concern.

Our combined gender pay gap across DPMC and NEMA is trending down to an average of 10%. Within DPMC this fluctuated throughout the year reflecting the reality of an organisation whose employee base shifts dramatically for short periods, ending the year at 15.5%. The gender pay gap was regularly monitored by the Executive Leadership Team Board with DPMC and NEMA developing and implementing Kia Toipoto Action Plans to attract and retain diverse and talented employees. For further information on NEMA's gender pay gap and initiatives, refer to page 41.

| Indicator   | Desired trend | Progress 2021/22            | Progress 2022/23                         | Outcome this contributes to                                  |
|---|---------------|-----------------------------|--|--|
| Stakeholder satisfaction with system leadership and the way we engage with others | -             | Indicator under development | Indicator under development <sup>4</sup> | Strengthen how we work with others                           |
| Māori capability of our workforce   | ↑             | ●                           | ●  | Create a Māori capable organisation                          |
| Diversity of workforce  | ↑             | ○                           | ○  | Our workforce reflects the diversity of Aotearoa New Zealand |
| Gender pay gap  | ↓             | ●                           | ●  | Equitable and fair employment                                |
| Staff satisfaction  | ↑             | ○                           | ●  | Engaged and high performing, well positioned to deliver      |
| Unplanned turnover  | ↓             | ●                           | ●  | Engaged and high performing, well positioned to deliver      |

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

4 Work to develop this indicator remained under active consideration during 2022/23.



# Building our te ao Māori capability

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

## Māori Language and Whāinga Amorangi

Our te reo Māori plan, shared across DPMC and NEMA, supports te reo Māori as a taonga in te ao Māori. The plan is informed by Maihi Karauna, the Crown’s Strategy for Māori Language Revitalisation 2019-2023. Our plan is structured around the three outcome areas of the strategy: Aotearoa tangata – nationhood, Mātauranga – knowledge and skills, and Hononga – engagement.

Our shared DPMC and NEMA Whāinga Amorangi plan is our starting point for building our internal capability and our aspiration will continue to grow as we make progress on this shared kaupapa. The plan focuses on two capability areas – New Zealand history/Treaty of Waitangi literacy and te reo Māori. For each of these areas, we have set aspirations, actions and measures.

Our progress against the actions and measures for te reo Māori and the New Zealand history/Treaty of Waitangi outcome areas are summarised below. The indicators above were chosen as these are tangible area of progress of capability development. We identified the level of progress against the Whāinga Amorangi framework and determined our aspiration for our staff to be ‘comfortable’ in both areas, acknowledging this would take some time. The trend is therefore to move more staff into the ‘moderately confident’ and above ratings from the base year of 2020/21.

| Indicator/action  | Measure   | Baseline 2020/21 | Progress 2021/22 | Progress 2022/23 |   |
|---|---|------------------|------------------|------------------|---|
| We can open and close a hui in te reo and recite our pepeha<br>By 30 June 2023  | Moderately confident or above:                          |                  |                  |                  |   |
|   | • Introduce myself in te reo Māori                      | 27%              | 48%              | 52%              | ✓ |
|   | • Practice tikanga in the office, including in meetings | 20%              | 41%              | 45%              | ✓ |
| Development opportunities are provided to engagement staff to integrate their understanding of te reo Māori with tikanga<br>By 30 June 2023 | No specific measure in place                            | n/a              | n/a              | n/a              | ● |
| Percentage of employees who can describe key historical moments in the Māori Crown relationship from a Māori and Pākehā perspective         | Moderately confident or above                           | 33%              | 43%              | 45%              | ✓ |
| Percentage of staff who can sing two waiata from memory   | Moderately confident or above                           | 40%              | 44%              | 49%              | ✓ |

Key to the indicators: ✓ Complete/achieved ● No progress to report



# Diversity, equity and inclusion

In 2022/23 we were guided by a strategic framework and plan, informed by our people. It focused on having a positive, safe, diverse and inclusive working environment.

Building diversity and inclusion involves people across DPMC and NEMA providing input on organisational initiatives, challenges and approaches through all-staff hui, surveys, and network kōrero. DPMC also works with other security and intelligence agencies on collective efforts to build a more diverse workforce and inclusive sector.

Our staff survey Kōrero Mai, held in May 2023, looks at our staff experience. The results show both strengths to build and improvements to make. Our engagement level dropped slightly with our focus on diversity and inclusion and te ao Māori remaining steady.

| People Score (engagement) | 2020 | 2022 | 2023 |
|---------------------------|------|------|------|
| DPMC                      | 63%  | 64%  | 61%  |
| NEMA                      | 60%  | 60%  | 58%  |

Two of our highest rating questions are about recognising individual contributions and celebrating team achievements – a positive indicator of inclusive behaviour.

|  | DPMC | NEMA | State sector |
|--|------|------|--------------|
| The contributions of individuals are recognised in my team | 73%  | 70%  | 67%          |
| We celebrate achievements as a team                        | 71%  | 65%  | 67%          |

Our activities to build diversity, equity, and inclusion over the last year are shown below, against the Papa Pounamu commitments.

## Addressing Bias

In collaboration with staff networks we created a guide to inclusive language. This guide supports staff to understand the impact of their word choices on others.

We released new unconscious bias elearning material for staff, including targeted information for recruitment, and our new induction material supports and acknowledges different cultural and social norms.

DPMC and NEMA have refreshed development guidance on progression and promotion.

## Cultural Competence

Our learning management system (eTipu) provides online access to Mana Āki cultural competency programme, te reo and te ao Māori elearning and in-person options, and modules on Pacific communities and the Rainbow community. NEMA has a bespoke cultural confidence programme for staff, with a focus on te reo and tikanga Māori.

Our Kōrero Series brings diverse perspectives and information to our people through speakers on topics such as the experiences of people new to the workforce, learning te reo Māori, race unity, faith in the workplace, and Treaty clauses in legislation. All recorded sessions are available on eTipu as a learning resource.

Over the summer of 2022/23 DPMC welcomed two interns from the Tupu Tai Pasifika Internship Programme and two from the TupuToa Internship Programme for Māori and Pacific tertiary students.

Our intranet is a source for information for our people on different worldviews, cultural and social norms. This includes information about events of cultural significance, staff stories, tools and resources, and opportunities to participate in groups or events.

## Inclusive Leadership

Leaders undertake a range of formal and on-the-job development opportunities. The number of people leaders who have engaged with key public sector leadership development training in the 2022/23 year is shown below:

| Training provider             | Number of people leaders |
|-------------------------------|--------------------------|
| Leadership Development Centre | 12                       |
| New Zealand Defence Force     | 3                        |

Our Leadership Forums explore inclusive leadership practice, for example, facilitated sessions on speaking up safely and leadership skills such as leading culture, empathy, and perspective taking. Regular leadership communications include material on topics such as understanding individual and group needs, wellbeing, and support for networks. Team development is offered so that leaders are supported to build their skills and inclusive approaches, and their teams develop in a unified way.

A group of people leaders and staff explored an inclusive leadership coaching technique, creating space for the staff member's voice. Participants shared their experiences to inform future leadership development.

## Building Relationships

Our Kōrero Series of speakers builds relationships by bringing internal and external people together. Social networks include the waiata group and coffee roulette, where people are paired up to meet and chat each month, creating space for connection.

The DPMC and NEMA Kōrero Mai surveys enable discussions about results and actions at organisation, group, and team levels. Creating shared goals generates understanding and builds connections.

Induction materials prompt personal connections, for example, conversation starter questions for leaders are focused on individual needs and getting to know one another.

## Employee-led Networks

All employee-led networks have an Executive Leadership Team Board sponsor to profile their mahi and provide advice and encouragement. Each network has a representative on the Culture and Engagement Network, a leadership-led group with representatives from DPMC and NEMA. We have five employee-led networks: Women's, Rainbow, Interfaith, New Professionals, and Tai Ora (Climate Change and Sustainability). Our networks are active in sharing stories and information with our kaimahi.

The Interfaith network created He Kete Karakia for staff; a collection of karakia, incantations, prayers, mantra, blessings and reflections precious to different faith traditions. Tai Ora has supported the Carbon Neutral Government Programme work for DPMC and NEMA.

Our employee-led networks are building connections to cross-agency networks in the public sector. Cross-agency networks are promoted to all staff so they know what is available for them. We also support wider external connections through our employee-led networks, for example, membership to Rainbow Wellington.

We have additional workplace networks where people build relationships, improve practice, and have their views represented. These include the Peer Review Network (improving the quality and consistency of peer review), the NEMA women's network (focused on issues for women in emergency management), and the NEMA diversity and inclusion working group.



# Our workforce

**290**  
 staff as at  
 30 June 2023  
 (excluding NEMA)

**Business units**

|            |                                       |           |   |
|------------|---------------------------------------|-----------|---|
| <b>124</b> | • National Security Group             | <b>22</b> | • Cyclone Recovery Unit                       |
| <b>32</b>  | • Government House                    | <b>11</b> | • Child Wellbeing and Poverty Reduction Group |
| <b>32</b>  | • Policy Advisory Group               | <b>7</b>  | • COVID-19 RCOI Coordination Unit             |
| <b>31</b>  | • Strategy, Governance and Engagement | <b>4</b>  | • Implementation Unit                         |
| <b>27</b>  | • Cabinet Office                      |           |   |

**Location**

|            |              |
|------------|--------------|
| <b>281</b> | • Wellington |
| <b>3</b>   | • Canterbury |
| <b>6</b>   | • Auckland   |

**Workforce**

|            |              |
|------------|--------------|
| <b>225</b> | • Permanent  |
| <b>53</b>  | • Fixed term |
| <b>12</b>  | • Secondee   |

**Gender**

|               |                     |
|---------------|---------------------|
| <b>187</b>    | • 154 Staff         |
| <b>Female</b> | • 33 People leaders |
| <b>98</b>     | • 74 Staff          |
| <b>Male</b>   | • 24 People leaders |

**Ethnicity<sup>5</sup>**

| Staff | People leaders |
|-------|----------------|
| 166   | 46             |
| 14    | 5              |
| 16    | 1              |
| 6     | 2              |
| 2     | 1              |
| 1     | 2              |

90% **Disclosure rate**      89%

<sup>5</sup> This ethnicity data does not include secondees-in. Ethnicity has been reported using total response data. This means that every ethnic group a person identifies with is counted. Therefore, the sum of categories is greater than the number of people.





# Carbon Neutral Government Programme



In response to the Government’s announcement of a Climate Emergency in 2020, DPMC has actively participated in the Carbon Neutral Government Programme (CNGP). The programme aims to accelerate emissions reductions across the public sector and offset remaining gross emissions from 2025 to achieve carbon neutrality.

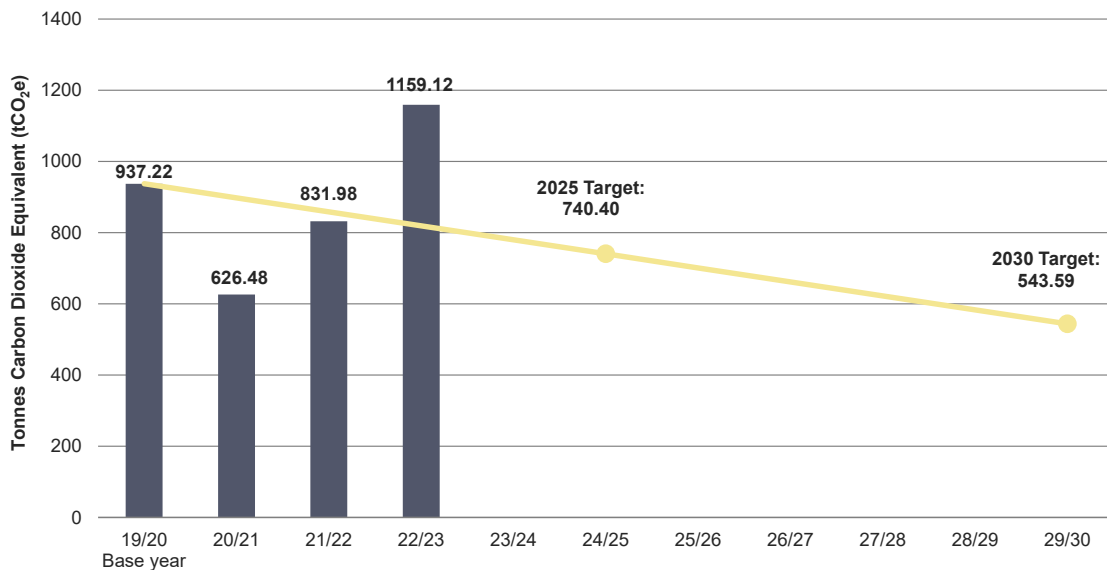
DPMC has made substantial progress in meeting our CNGP requirements. We worked with Toitū EnviroCare (Enviro Mark Solutions Limited) to ascertain our commitments and have measured and verified departmental emissions for each year from 1 July 2019 through to 30 June 2023.

## Independent verification

We have achieved Toitū Carbonreduce Certification in June 2023 and will continue to measure, manage, and reduce our carbon emission in line with ISO14064-1:2018.

We have restated previous annual emissions to reflect the change in emissions factors as issued by the Ministry for the Environment (MfE).

## Total annual emissions and their source<sup>6</sup>



In 2019/20 our base year, we emitted 937.22 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). In the following years our operations were impacted by COVID-19 with 626.48 tCO<sub>2</sub>e emitted in 2020/21, and 831.98 tCO<sub>2</sub>e emitted in 2021/22. This year we emitted more than our previous years due to removal of international travel restrictions, higher demand from international partners, and our Cyclone Recovery response mahi.

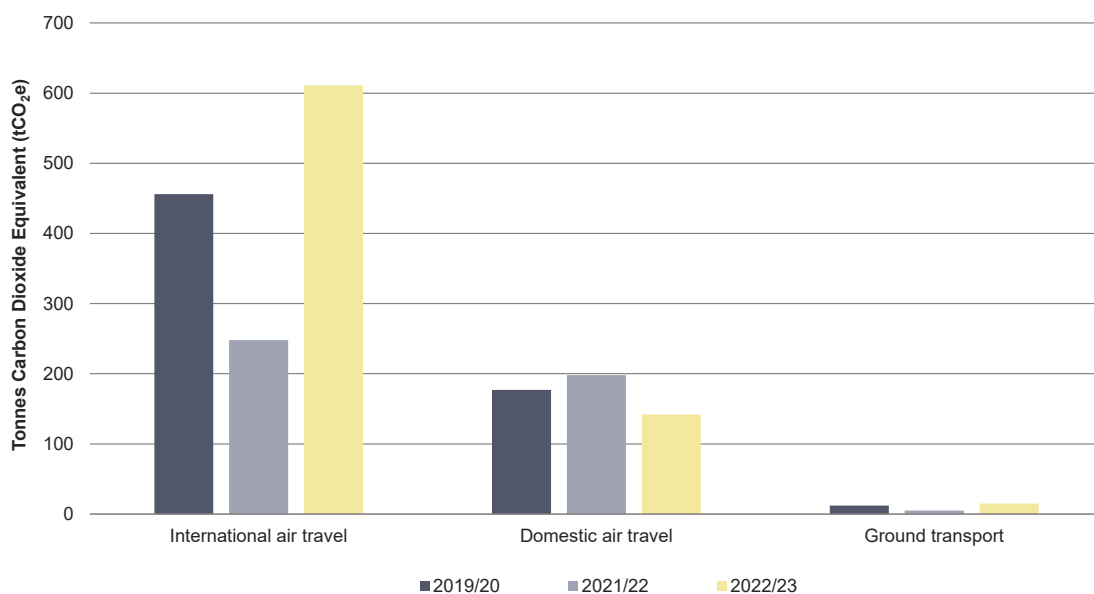
<sup>6</sup> In May 2023, the Ministry for the Environment (MfE) issued an update in the electricity transmission and distribution emissions factors. This was necessary to ensure that the CNGP remain aligned with leading science and is up to date with the latest information available. As required by the CNGP we updated previous years to reflect this change.

## Emissions profile broken down by category and total annual emissions

| Category   | Scope   | 2019/20<br>(tCO <sub>2</sub> e) | 2021/22<br>(tCO <sub>2</sub> e) | 2022/23<br>(tCO <sub>2</sub> e) |
|--|---------|---------------------------------|---------------------------------|---------------------------------|
| 1 Direct emissions<br>• Natural Gas<br>• Transport fuels<br>• Fuel use for generators<br>• Refrigerants<br>• LPG bottles                                   | Scope 1 | 124.73                          | 177.13                          | 164.49                          |
| 2 Indirect emissions from imported energy<br>• Electricity use   | Scope 2 | 91.38                           | 125.16                          | 126.53                          |
| 3 Indirect emissions from transportation<br>• Air Travel<br>• Rental vehicles use<br>• Taxis and rideshare<br>• Accommodation<br>• Staff working from home | Scope 3 | 682.35                          | 472.55                          | 821.06                          |
| 4 Indirect emissions from products and services used by organisation<br>• Transmission of energy<br>• Water supply and treatment<br>• Waste disposal       | Scope 3 | 36.76                           | 57.14                           | 47.04                           |
| 5 Indirect emissions associated with the use of products and services from the organisation  | Scope 3 | 0                               | 0                               | 0                               |
| 6 Indirect emissions from other sources  |         | 0                               | 0                               | 0                               |
| <b>TOTAL GROSS EMISSIONS (tCO<sub>2</sub>e)</b>  |         | <b>937.22</b>                   | <b>831.98</b>                   | <b>1,159.12</b>                 |
| Change in gross emissions from previous financial year   |         |                                 | 32.80%                          | 42.06%                          |
| Change in gross emissions since base year  |         |                                 | -11.22%                         | 25.36%                          |

The table above shows our greenhouse gas emissions profile broken down by the four CNGP Categories applicable to DPMC. Emissions from transportation (Category 3) are the largest contributor to greenhouse gas emissions, with air travel being the primary emissions source. Emissions from air travel have increased above pre-COVID-19 levels.

### Total transportation emissions (tCO<sub>2</sub>e) 2021/22 to 2022/23<sup>7</sup>



<sup>7</sup> The terminology of 'categories' is used in ISO 14064-1:2018, to add further definition to the different 'scopes' that are used in the Greenhouse Gas Protocol. Scope 1 and 2 are the same as categories 1 and 2, respectively. Scope 3 includes categories 3, 4, 5 and 6.

## Emissions intensity by FTE and expenditure

Since the base year, our work programme and number of staff have increased. Despite this growth, we decreased our emissions intensity while continuing to deliver impactful work. Our emissions intensity per FTE has decreased from 4.71 tCO<sub>2</sub>e to 4.01 tCO<sub>2</sub>e per full-time equivalent staff members (FTE) as shown below.

### Full-time Equivalents and Expenditure for 2022/23

| KPI   | 2019/20 | 2021/22 | 2022/23 |
|---|---------|---------|---------|
| FTEs  | 198.99  | 305.35  | 288.43  |
| Expenditure (\$m) <sup>8</sup>  |         | 157.18  | 69.31   |
| <b>Emissions intensity</b>  |         |         |         |
| Total gross emissions per FTE (tCO <sub>2</sub> e)                            | 4.71    | 2.72    | 4.01    |
| Total gross emissions per million dollars of expenditure (tCO <sub>2</sub> e) |         | 5.29    | 16.72   |

## Reducing our emissions

In June 2022, we launched our Emissions Reduction Plan for the following three years. This sets out our intentions and an action-based pathway for reducing emissions in line with the Government's commitment to keep global warming to less than 1.5 degrees of warming. These actions include a focus on facilitating climate positive behaviours in our work.

As part of our obligations, we have committed to the following targets:

- **2025 target:** Gross emission (all Categories) to be no more than 740.40 tCO<sub>2</sub>e – a 21% reduction in gross emission compared to base year.
- **2030 target:** Gross emission (all Categories) to be no more than 543.59 tCO<sub>2</sub>e – a 42% reduction in gross emission compared to base year.

## Our reduction plan and future reporting

Our Emissions Reduction Plan will enable us to reduce emissions where possible through understanding and reviewing our operation and business travel behaviours. This Plan uses several behavioural and investment levers to achieve our emissions reduction commitments and CNGP offsetting requirements.

## Highlights

Significant progress on targets set out in our Emissions Reduction Plan has been made, including:

- an Electric Vehicle purchased for use by Government House staff in Auckland;
- amended travel policy in November 2022 to bring forward emissions consideration to reduce the volume and intensity of air travel;
- analysed group level travel profiles as part of our quarterly reporting;
- created framework with our travel provider for categorising reasons for travel at point of booking;
- commissioned specialist adviser for energy efficiency investment options at Government Houses;
- reviewed capital expenditure criteria for Government Houses and other investment choices
- developed new codes with finance business partners to increase data quality; and
- reallocated resources to ensure ongoing leadership and implementation of our Emissions Reduction Plan and CNGP commitments.

This Plan is complementary to the efforts of Tai Ora, our Climate Change and Sustainability staff-led network. Established in June 2022, Tai Ora is sponsored by a member of the Executive Leadership Team Board. Its mahi includes support for achieving our Emissions Reduction Plan, advocating for changes in behaviours and actions, and incorporating te ao Māori perspectives into our mahi.

## Improving our data

An important part of our Emissions Reduction Plan is a commitment to improving data quality and understanding how we can reduce emissions. Our current emissions reporting indicates a high concentration in air travel. This year we analysed our business-related travel and created necessary insights that will foster climate positive behaviours in our engagement with both domestic and international partners.

<sup>8</sup> Expenditure data is only available from 2021/22. We intend to continue reporting on emissions intensity.





**National Emergency  
Management Agency**  
Te Rākau Whakamarumarū

# National Emergency Management Agency Annual Report 2022/23

Te Rākau Whakamarumarū  
Pūrongo-ā-tau 2022/23

# Our Strategic Framework Tā Mātou Anga Rautaki



**National Emergency Management Agency**  
Te Rākau Whakamarumarū

## Our Purpose

Ā Mātou Whāinga

Empowering communities before, during and after emergencies.

## Our Vision

Ā Mātou Tirohanga

A safe and resilient Aotearoa New Zealand.

## Our Role

Tō Mātou Tūranga

We are the Government lead for emergency management.

## Our Functions Ā Mātou Mahi

### As Steward...

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

### As Operator...

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

### As Assurer...

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

## Strategic Outcomes Ā Mātou Whāinga Rautaki



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



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



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



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

## Our Values Ā Mātou Uara

**Courageous**  
Kia māia  
We stand up.

**Connected**  
Kia honohono  
We join together.

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

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

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

### Kupu whakataki a te Tumu Whakarae

Aotearoa New Zealand continues to see the impacts of an increase in the frequency and intensity of severe weather events and emergencies. These events have very real consequences for individuals, whānau, and communities. The impacts to people are compounded by effects on property, infrastructure, the economy, and environment.

In early 2023, several significant severe weather events, including Cyclones Hale and Gabrielle, impacted many parts of the North Island and saw the third ever State of National Emergency declared, lasting from 14 February through to 14 March.

Following these North Island severe weather events, the National Emergency Management Agency (NEMA) had to readjust its priorities and goals. The demands of more frequently occurring events are testing the capacity of our workforce and ability to balance priorities across the 4Rs (Risk Reduction, Readiness, Response and Recovery).

I am immensely proud of our NEMA staff who serviced the response to the State of National Emergency in the National Crisis Management Centre, as well as those deployed around the North Island, and those supporting the response from business-as-usual roles. Our staff showed dedication, professionalism, and endurance to support those affected by the disaster. Recovery from the North Island severe weather events will be ongoing, and some regions will take many years to recover. Our hearts go out to everyone affected. With a country as small and well connected as ours, it is hard to imagine there were many unaffected.

Despite an enormous response and recovery effort and supporting long-term recovery in other areas of Aotearoa New Zealand following events outside of the recent North Island severe weather events, NEMA has begun and progressed work that will have lasting benefits to the emergency management system. Notable highlights include the first of a series of multi-agency Catastrophic Planning workshops commencing November 2022 and the Emergency Management Bill being introduced in Parliament in June 2023.

Emergency management is a team effort. As steward of the emergency management system, we acknowledge and are grateful for our partners including, but not limited to, iwi, Civil Defence Emergency Management Groups, local authorities, other government agencies, lifeline utilities and community organisations.

### Statement of Responsibility

I am responsible, as Chief Executive of the National Emergency Management Agency Te Rākau Whakamarumarū, 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 black ink, appearing to read 'Dave Gawn', written over a light blue circular background.

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

# Who we are and what we do

Ko wai mātou, he aha ā mātou mahi

## Overview of our Agency

NEMA works to build a safe and resilient Aotearoa New Zealand by empowering communities before, during and after emergencies. NEMA's key functions are steward, operator and assurer of the emergency management system. The roles of steward and assurer are still being developed and are at an early stage of development, reflecting NEMA's recent establishment. As steward, NEMA looks to provide strategic leadership for the 4Rs (Risk Reduction, Readiness, Response and Recovery) activities, and builds emergency management capability and capacity. As operator, NEMA leads or supports the response to and recovery from emergencies while also supporting the operation of the emergency management system. As assurer, NEMA intends to provide assurance that the emergency management system is fit for purpose.

NEMA leads geological and meteorological national emergencies and supports other lead agencies in the response and recovery of other hazard events. Whether NEMA leads or supports the response and recovery depends on the scale of the emergency. For national emergencies, NEMA coordinates central government's response and recovery functions. For example, when the State of National Emergency was declared during

Cyclone Gabrielle, NEMA led the response. Additionally, many emergencies over the past year were local or regional emergencies. During these events, NEMA's role was to support the management of local emergencies by Civil Defence Emergency Management (CDEM) Groups and, where necessary, coordinated national-level support.

NEMA works with a diverse range of organisations and bodies, including central and local government, communities, iwi, emergency services, lifeline utilities, private sector organisations, education providers, research and science organisations, 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 (CDEM Act) 2002, the National Disaster Resilience Strategy and the National CDEM Plan.

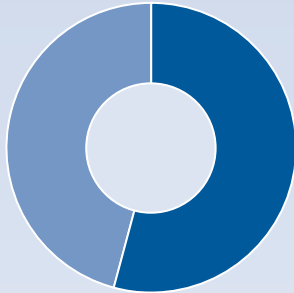


## Our workforce<sup>9</sup>

# 159

staff as at 30 June 2023

### Gender



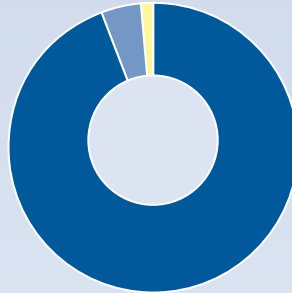
**86** Female

- 69 Staff
- 17 People leaders

**72** Male

- 52 Staff
- 20 People leaders

### Workforce



**150**

- Permanent

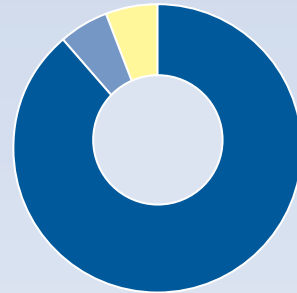
**7**

- Fixed term

**2**

- Secondee

### Location



**141**

- Wellington

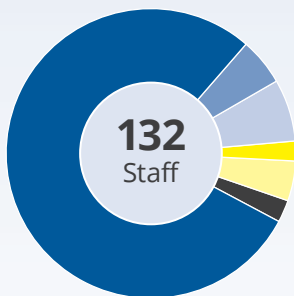
**9**

- Auckland

**9**

- Canterbury

### Ethnicity<sup>9</sup>



**132**  
Staff

#### Staff

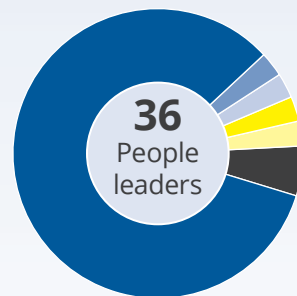
- New Zealand European/European: 104
- Māori: 7
- Asian: 9
- Pacific: 3
- Other ethnicity: 6
- Middle Eastern/Latin American/African: 3

100%

#### People leaders

- New Zealand European/European: 30
- Māori: 1
- Asian: 1
- Pacific: 1
- Other ethnicity: 1
- Middle Eastern/Latin American/African: 2

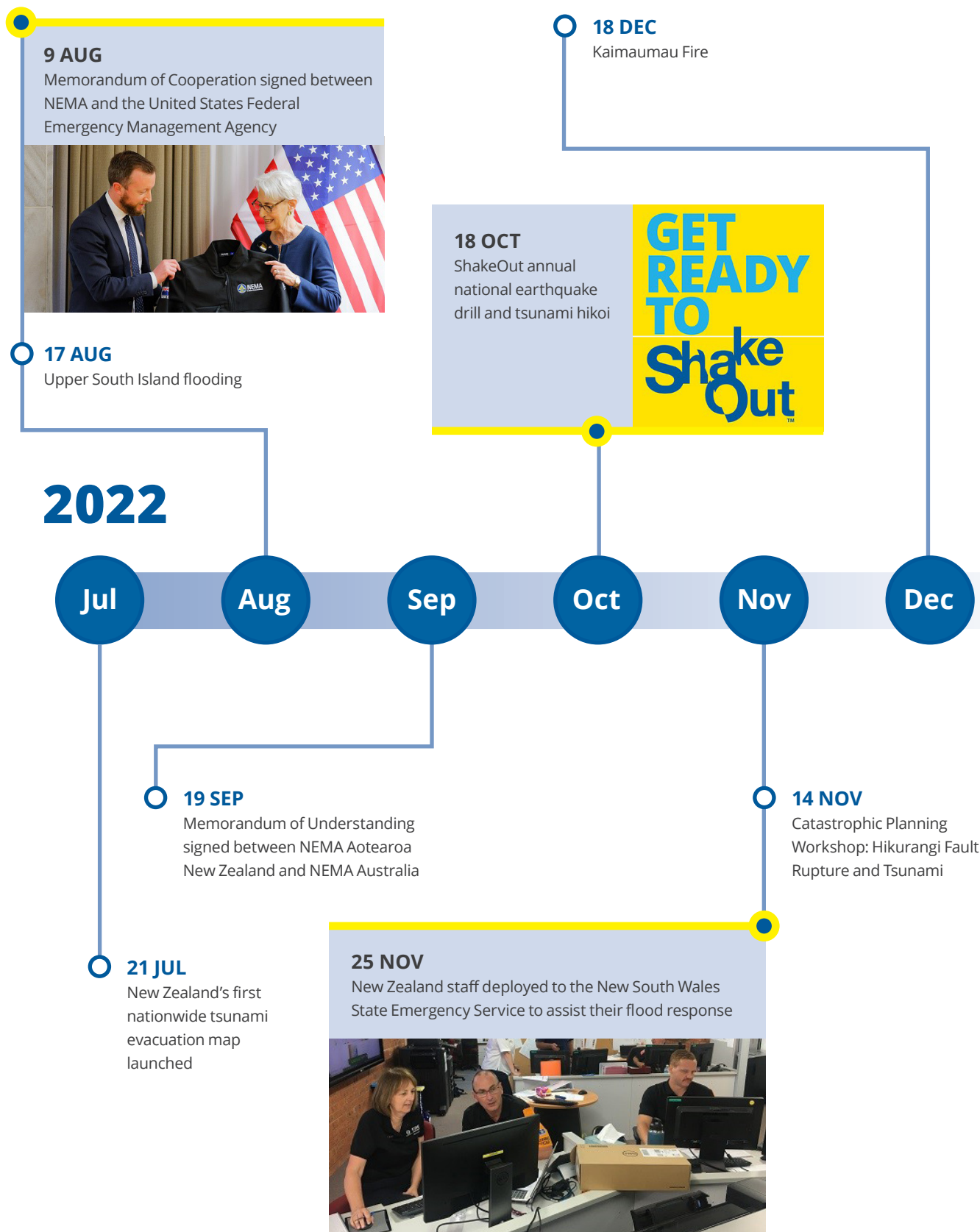
94%



**36**  
People  
leaders

<sup>9</sup> This ethnicity data does not include secondees-in. Ethnicity has been reported using total response data. This means that every ethnic group a person identifies with is counted. Therefore, the sum of categories is greater than the number of people.

# The year at a glance | Te tau kua hipa



**10 JAN**  
Cyclone Hale impacts North Island

**27 JAN**  
Auckland severe weather event

**28-MAY**  
Emergency Mobile Alert Nationwide Test



**MAY**  
NEMA compiled Aotearoa New Zealand's Sendai Framework for Disaster Risk Reduction 2015-2030 Midterm Review

**2023**

**Jan**

**Feb**

**Mar**

**Apr**

**May**

**Jun**

**9 FEB**  
New public education campaign 'Prep Talk' launched

**14 MAR**  
State of National Emergency ends

**7 JUNE**  
Emergency Management Bill introduced in Parliament

**14 FEB**  
State of National Emergency declared in response to impact of Cyclone Gabrielle

**26 JUNE**  
A team from Niue were welcomed to support the Recovery from Cyclone Gabrielle. This is the first time Aotearoa New Zealand has utilised international assistance for Recovery



## Our numbers at a glance

# NEMA was rated as 6th equal

(out of 56 public sector agencies)

most trusted agency in the 2023 Kantar Public Sector Reputation Index.

## 700,000+

people

were registered for the 2022 ShakeOut earthquake drill.

## 17,420

people

are registered with our online learning management system, Takatū.

As of 30 June 2023, NEMA paid claims to local authorities for a total of

## \$2.3 million

for Cyclone Gabrielle welfare costs

## 197

uses of the Emergency Mobile Alert system

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

## 7

Emergency Responses

including floods, severe weather, fire, and cyclones.

## 256,000

followers

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

## 28

consecutive days

of declared national emergency with the total period of response nearing two months relating to the severe weather event at the start of 2023, resulting in a national emergency being declared (Auckland and East Coast flooding).

# Our performance | Ko tā mātou mahi

## What we achieved in 2022/23

### We responded to multiple emergency events and a State of National Emergency

After one National Coordination Centre activation and two instances of being in enhanced monitoring mode in late 2022, Ex-Cyclone Hale impacted multiple regions with record breaking rainfall in January 2023. This was followed by Auckland, Northland, Waitomo, and Thames-Coromandel flooding. Then, Cyclone Gabrielle impacted all regions along the east coast of the North Island in February and saw the third-ever State of National Emergency declared. These became known as the North Island severe weather events.

NEMA activated the National Coordination Centre for eight weeks to respond to this severe weather, with all staff contributing to the response and early recovery. NEMA deployed approximately 670 personnel including NEMA staff, specialists from the Emergency Management Assistance Team (EMAT), and other support staff from a range of agencies to support the response. After transitioning from response to recovery, the work continued, as NEMA collaborated on recovery efforts with the newly established Cyclone Recovery Unit, regional Civil Defence Emergency Management (CDEM) Groups, and local organisations.

Following the response to the North Island Severe Weather events NEMA began an After-Action Review of its role and actions in the response and early recovery phases. After any significant emergency, NEMA reflects on how well things went while also looking for opportunities to make things better. It will provide us with important lessons to improve our readiness, response, and recovery capability for the future. The After-Action Review focuses on NEMA's response; it is not a review of the emergency management system, or other agencies' response to this event.

### We worked to update emergency management system settings and standards

This year the Emergency Management Bill was introduced. This legislation will replace the two-decades old Civil Defence Emergency Management Act 2002. CDEM Groups, Māori emergency management practitioners, and partner agencies were engaged in policy development leading up to the Bill.

Science and advanced modelling techniques have given NEMA a clearer picture of the likelihood of catastrophic natural hazard events occurring such as major earthquakes and tsunami. This year, NEMA started work on understanding and preparing for such catastrophic events.

### We continue to build community and individual readiness for future emergencies

NEMA has made strides in its public education programme. This year NEMA launched a tsunami evacuation map which promotes tsunami safety by allowing people to use their address to determine whether they are within or near a tsunami evacuation zone.

NEMA added a new education campaign, 'Prep Talk', to its lineup of emergency preparedness and safety awareness campaigns. 'Prep Talk' has a Māori and Pacific focus, promoting emergency preparedness through community and whānau connectedness. The beginning of 2023 showed the importance of NEMA's public education campaigns including 'Get The Flood Out' and 'Deep Waters are Deep Trouble'.

Ten languages were added to the [getready.govt.nz](https://getready.govt.nz) website, which is now available in Māori, New Zealand Sign Language, Arabic, Simplified Chinese, Traditional Chinese, Cook Islands Māori, Hindi, Japanese, Niuean, Punjabi, Samoan, Spanish, Tagalog, and Tongan. NEMA also celebrated the tenth anniversary of ShakeOut, New Zealand's national earthquake drill, which had over 700,000 participants.

### We continue to improve our operational readiness for future emergencies

We continue to prioritise establishing a workforce for the Auckland-based Alternative National Crisis Management Centre. We have worked with more than 50 national agencies to build an alternative emergency workforce pool of over 400 people, have held the first two training programmes and scheduled monthly training.

We have also continued to professionalise the emergency management workforce, with 147 people achieving the new Knowledge of Coordinated Incident Management System (CIMS) unit standard and introducing a new National Controller development programme. National Level 4 CIMS courses are now available through Takatū (NEMA's online training platform) for Intelligence, Operations, and Planning functions, with more in development.

This year NEMA developed a work programme focused on advancing recovery preparedness to ensure Aotearoa New Zealand is ready and able to support communities' recovery following emergencies.

## Risk Reduction – Sendai Midterm Report

The Sendai Framework for Disaster Risk Reduction 2015-2030 is the globally agreed blueprint to prevent new, and reduce existing, disaster risk. All nations were asked by the United Nations General Assembly to contribute to a review of the framework at the midpoint of its implementation, to assess progress, and identify opportunities to accelerate the path towards achieving the global targets by 2030.

NEMA compiled Aotearoa New Zealand's Sendai Midterm Review, in consultation with government agencies delivering risk reduction measures. This was submitted to the United Nations for its final report, presented in New York in May 2023. The work of the New Zealand government to expand insurance coverage and enhance earthquake mitigation was subsequently highlighted as a global example of good practice in disaster risk reduction by the UN Office for Disaster Risk Reduction.

## We have deepened our relationships and partnerships

This year we signed a Memorandum of Cooperation with the United States Federal Emergency Management Agency and a Memorandum of Understanding with Australia's National Emergency Management Agency. These agreements and the resulting sharing of best practice and lessons learned, strengthen global emergency management capability, enhance disaster resilience, and reduce disaster risk in Aotearoa New Zealand.

In 2022 NEMA deployed to Kiribati, and Australia to help with responses to drought, and flooding, respectively. These deployments deepen our international partnerships, in turn supporting Aotearoa New Zealand build and maintain our relevance and connection with Pacific partner countries, minimise humanitarian impacts during and following a disaster, and reduce response costs in the Pacific for partner countries and Aotearoa New Zealand.

NEMA aims to reduce the impact of emergencies on Māori by recognising, valuing, and enabling Māori participation in all parts of the system. The 2023 North Island severe weather events saw the first ever activation of the Kaitohutohu Coordinated Incident Management System function. This national level Māori liaison function manages relationships and issues pertaining to iwi, hapū and whānau during a response.

## Building our organisational health and capability

NEMA shares DPMC's Te Reo Māori plan, supporting te reo Māori as a taonga in te ao Māori, and Whāinga Amorangi, an aspiration to grow our capability and knowledge of te Tiriti o Waitangi and Aotearoa history. NEMA's own te reo Māori me ona tikanga capability programme is underway, with tailored reo Māori training available to staff. Each NEMA staff member has an individual development plan, which includes planning for continuous development, modelling NEMA values and developing Māori capability.

Integrating diversity and inclusion is a key ingredient for our organisational success – it helps NEMA improve services to the government and people of Aotearoa New Zealand, and to attract and retain talented employees. In May, a NEMA Women's Network was established to support NEMA women reach their potential, to raise awareness of challenges and opportunities for women within emergency management and create a stronger agency through embracing and empowering diversity. Other staff-led networks include the shared DPMC and NEMA Rainbow Network and Women's Network.

NEMA has a gender pay gap action plan focused on what is required for NEMA to close its gender pay gap. Within the plan, the focus areas include staff progression; the attraction of female applicants into some parts of NEMA; addressing pay gaps in permanent appointments; and ensuring there is no bias or discrimination in remuneration systems and HR practices. Already we have seen a significant decrease in the gender pay gap from 16.2% in June 2021 to 4.3% in June 2023.

We share a health and safety policy with DPMC. However, due to the emergency related nature of NEMA's work we face some additional health and safety risks, so we have begun development of a NEMA specific health, safety, and wellbeing plan. For more information on progress related to shared DPMC and NEMA organisational health and capability objectives, refer to page 20 of the DPMC Annual Report.

# Carbon Neutral Government Programme



In response to the Government’s announcement of a Climate Emergency in 2020, NEMA has actively participated in the Carbon Neutral Government Programme (CNGP). The programme aims to accelerate emissions reductions across the public sector and offset remaining gross emissions from 2025 to achieve carbon neutrality.

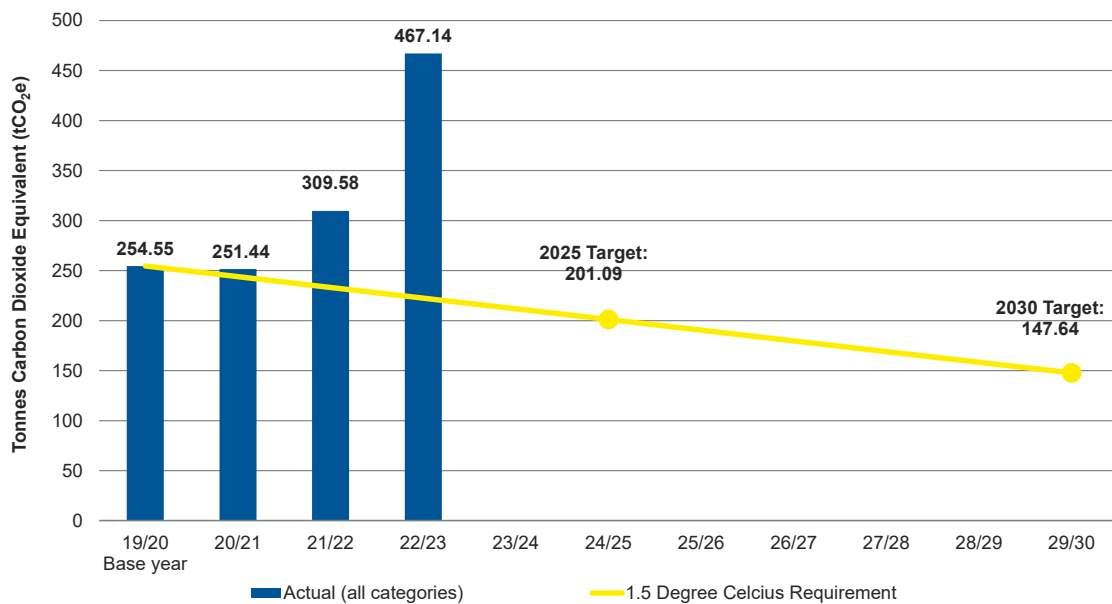
NEMA has made substantial progress in meeting our CNGP requirements. We worked with Toitū EnviroCare (Enviro Mark Solutions Limited) to ascertain our commitments and have measured and verified departmental emissions for each year from 1 July 2019 through to 30 June 2023.

## Independent verification

We are proud to have achieved Toitū Carbonreduce Certification in June 2023 and will continue to measure, manage, and reduce our carbon emission in line with ISO14064-1:2018.

We have restated previous annual emissions to reflect the change in emissions factors as issued by the Ministry for the Environment (MfE).

### Total annual emissions and their source<sup>10</sup>



In our base year, we emitted 254.55 tonnes of carbon dioxide equivalent (tCO<sub>2</sub>e). In the following years our operations were impacted by COVID-19 with 251.44 tCO<sub>2</sub>e emitted in 2020/21 and 309.58 tCO<sub>2</sub>e emitted in 2021/22. This year we emitted more than our previous years due to removal of international travel restrictions and higher demand for domestic travel as we responded to a number of complex emergencies.

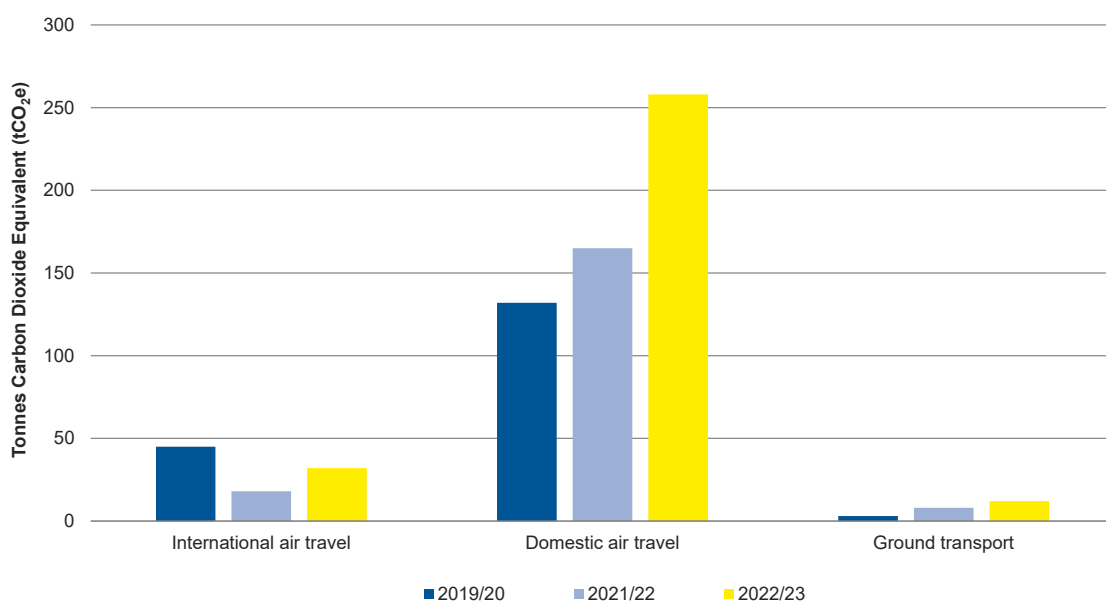
<sup>10</sup> In May 2023, the Ministry for the Environment (MfE) issued an update in the electricity transmission and distribution emissions factors. This was necessary to ensure that the CNGP remain aligned with leading science and is up to date with the latest information available. As required by the CNGP we updated previous years to reflect this change.

## Emissions profile broken down by category and total annual emissions

| Category  | 2019/20<br>(tCO <sub>2</sub> e) | 2021/22<br>(tCO <sub>2</sub> e) | 2022/23<br>(tCO <sub>2</sub> e) |
|---|---------------------------------|---------------------------------|---------------------------------|
| 1 Direct emissions<br>• Natural gas<br>• Transport fuels  | 36.66                           | 53.76                           | 70.38                           |
| 2 Indirect emissions from imported energy<br>• Electricity use  | 7.34                            | 19.60                           | 22.37                           |
| 3<br>• Indirect emissions from transportation<br>• Air Travel<br>• Rental vehicles use<br>• Taxis and rideshare<br>• Accommodation<br>• Staff working from home | 205.02                          | 216.20                          | 354.33                          |
| 4<br>• Indirect emissions from products and services used by organisation<br>• Transmission of energy<br>• Water supply and treatment<br>• Waste disposal       | 4.38                            | 17.19                           | 20.05                           |
| 5 Indirect emissions associated with the use of products and services from the organisation   | 0                               | 0                               | 0                               |
| 6 Indirect emissions from other sources   | 0                               | 0                               | 0                               |
| <b>TOTAL GROSS EMISSIONS (tCO<sub>2</sub>e)</b>   | <b>253.40</b>                   | <b>306.76</b>                   | <b>467.14</b>                   |
| Change in gross emissions from previous financial year  |                                 | 23.20%                          | 52.28%                          |
| Change in gross emissions since base year   |                                 | 21.05%                          | 84.34%                          |

The table above shows our greenhouse gas emissions profile broken down by the four CNGP Categories applicable to NEMA. Emissions from transportation (Category 3) are the largest contributor to greenhouse gas emissions, with air travel being the primary emissions source. Emissions from air travel have increased significantly beyond pre-COVID-19 levels due to the higher frequency of severe weather events including New Zealand's third ever National State of Emergency. We activated the National Coordination Centre and deployed staff across the nation to support this significant response.

### Total transportation emissions (tCO<sub>2</sub>e) 2021/22 to 2022/23<sup>11</sup>



<sup>11</sup> The terminology of 'categories' is used in ISO 14064-1:2018, to add further definition to the different 'scopes' that are used in the Greenhouse Gas Protocol. Scope 1 and 2 are the same as categories 1 and 2, respectively. Scope 3 includes categories 3, 4, 5 and 6.



## Emissions intensity by FTE and expenditure

Since the base year, our work programme and number of staff have increased. Despite this growth, we decreased our emissions intensity while continuing to deliver impactful work. While full-time equivalent staff members (FTE) increased by 1.6 times over two years, our emission intensity per FTE has decreased from 4.03 tCO<sub>2</sub>e to 2.78 tCO<sub>2</sub>e per as shown below.

### Full-time Equivalents and Expenditure for 2022/23

| KPI   | 2019/20 | 2021/22 | 2022/23 |
|---|---------|---------|---------|
| FTEs  | 63.10   | 149.90  | 167.87  |
| Expenditure (\$m) <sup>12</sup>   |         | 36.93   | 44.11   |
| <b>Emissions intensity</b>  |         |         |         |
| Total gross emissions per FTE (tCO <sub>2</sub> e)                            | 4.03    | 2.06    | 2.78    |
| Total gross emissions per million dollars of expenditure (tCO <sub>2</sub> e) |         | 8.38    | 10.59   |

## Reducing our emissions

In June 2022, we launched our Emissions Reduction Plan for the following three years. This sets out our intentions and an action-based pathway for reducing emissions in line with the Government's commitment to keep global warming to less than 1.5 degrees of warming. These actions include a focus on facilitating climate positive behaviours in our work.

As part of our obligations, we have committed to the following targets:

- **2025 target:** Gross emission (all Categories) to be no more than 201.09 tCO<sub>2</sub>e – a 21% reduction in gross emission compared to base year.
- **2030 target:** Gross emission (all Categories) to be no more than 147.64 tCO<sub>2</sub>e – a 42% reduction in gross emission compared to base year.

## Our reduction plan and future reporting

Our Emissions Reduction Plan will enable us to reduce emissions where possible through understanding and reviewing our operation and business travel behaviours. This Plan uses several behavioural and investment levers to achieve our emissions reduction commitments and CNGP offsetting requirements.

### Highlights

Significant progress on targets set out in our Emissions Reduction Plan has been made, including:

- amended travel policy in November 2022 to bring forward emissions consideration to reduce the volume and intensity of air travel;
- analysed group level travel profiles as part of our quarterly reporting;
- created framework with our travel provider for categorising reasons for travel at point of booking;
- Vehicle Fleet Optimisation and Transition plan approved in November 2021;
- committed to replacing our leased fleet of combustion engine vehicles with Hybrid Electric Vehicles (HEV);
- updated Motor Vehicle Policy embeds climate positive decision-making on business travel and fleet management;
- developed new codes with finance business partners to increase data quality; and
- obtained advice and support from DPMC for implementation of our Emissions Reduction Plan and CNGP commitments.

This Plan is complementary to the efforts of Tai Ora, our Climate Change and Sustainability staff-led network. Established in June 2022, Tai Ora is sponsored by a member of the Executive Leadership Team Board. Its mahi includes support for achieving our Emissions Reduction Plan, advocating for changes in behaviours and actions, and incorporating te ao Māori perspectives into our mahi.

### Improving our data

An important part of our Emissions Reduction Plan is a commitment to improving data quality and understanding how we can reduce emissions. Our current emissions reporting indicates a high concentration in air travel. This year we analysed our business-related travel and created necessary insights that will foster climate positive behaviours in our engagement with both domestic and international partners.

<sup>12</sup> Expenditure data is only available from 2021/22. We intend to continue reporting on emissions intensity.





# Our performance reporting

## Tā mātou pūrongo mahi

This section reports on what we achieved within each appropriation against the expectations set in the Vote Prime Minister and Cabinet Estimates and Supplementary Estimates of Appropriations for 2022/23.



# Service Performance Judgements and Assumptions

The service performance information on pages 4 to 19, 46 to 48 and 52 to 64 was prepared in accordance with PBE FRS 48. Performance measures deleted or expired through the Supplementary Estimates 2022/23 from the Main Estimates 2022/23 are explained on pages 52, 55, 59 to 60, 64.

## Disclosure of judgements

In preparing the service performance information for the 2022/23 year the Department has made a number of significant judgements about what information to present. These judgements are based on an assessment of the most appropriate and meaningful information for readers assessing performance against the Department's objectives and to fairly represent the diverse nature of the Department's activities. Decisions about the service performance information to present were made by Executive Leadership Team Board members in consultation with the relevant appropriation Ministers either when an appropriation was created, or as a response to having identified alternative measures that enhance the quality of performance information that can be presented and to meet PBE FRS 48 standards.

The judgements that had the most significant effect on the non-financial information presented related to the selection of information about the Department's Strategic Intentions and related activities during the period. For some activities there is no distinct numerical value that can be observed to reflect the effectiveness of that activity. Judgement is applied to identify how measures can be derived to provide readers of the Annual Report with relevant information.

Significant judgements are required in relation to the Department's policy and assessments quality and Ministerial satisfaction measures. How we make these judgements is described below.

### Materiality

In our reporting we provide an explanation where non-achievement of a target is material. Materiality is identified by the auditors as 8% or more. Where the target performance is 4 out of 5, this equates to a variance in scoring of 0.32 or more below the target. This means that a score of 3.68 or below will have an accompanying explanation as to why the target was not met. A score below 4 and above 3.68 is reported as not achieved without additional commentary.

### Quality of Policy Advice and Assessments

A key role of DPMC is the provision of policy advice and assessments to inform decision making. It is important that our policy advice and assessments are of high-quality, timely, and relevant. We use the Policy Quality Framework (PQF) to assess the quality of our policy advice and assessments. We have set targets related to the average quality of our advice and assessments, and additionally for policy advice, the distribution of policy quality scores so that we can provide an additional focus for our policy quality improvement efforts.

#### *Average scores*

The PQF sets a public service-wide target for policy quality of 3 out of 5 for an assessed sample of papers. DPMC sets a higher target of 4 out of 5.

We have used the following judgements when reporting these results:

- Not achieved – where the policy or assessment quality score is less than the target score.
- Achieved – where the policy or assessment quality score meets or exceeds the target score.

#### *Distribution measures*

The PQF does not set a public service-wide target for the distribution of policy quality scores across an assessed sample. DPMC has set the following targets:

- 70% of papers score 3 or higher;
- 30% of papers score 4 or higher;
- no more than 10% of papers score 2 or less.

We have used the following judgements when reporting these results:

- Not achieved – where fewer than two out of the three dimensions of the policy quality distribution score have been met.
- Partially achieved – where two out of the three dimensions of the policy quality distribution score have been met.
- Achieved – where all of the three dimensions of the policy quality distribution score have been met.

### Satisfaction Measures

Satisfaction with the advice and support provided by the Department enables Ministerial portfolio holders and key stakeholders to discharge their obligations and responsibilities and provides a fair reflection on the quality of these services. The PQF sets out a public service-wide methodology for assessing Ministerial and stakeholder satisfaction. The PQF does not set a public-service wide standard for this measure. All DPMC satisfaction measures have a target of 4 out of 5, reflecting the high level of ambition for a well-governed Aotearoa New Zealand.

#### Changes in responsibility

Satisfaction with advice and support services provided is assessed bi-annually for the Governor-General, and the Prime Minister for Cabinet Office services.

- In 2022/23, due to a change in Prime Minister, the Cabinet Office survey was completed by both Prime Ministers.

All other satisfaction surveys are conducted annually for the entire financial year. Where there has been a change in Minister or other stakeholder during the financial year, the Department encourages them to seek the view of their predecessor in completing the survey.

- In 2022/23, due to changes in Ministerial portfolios, the following Ministers completed the Ministerial Satisfaction survey at year end:
  - Prime Minister Rt Hon Chris Hipkins – Prime Minister and Minister for National Security and Intelligence
  - Hon Dr Ayesha Verrall – Minister for COVID-19 Response and Minister of Health
  - Hon Jan Tinetti – Minister for Child Poverty Reduction
  - Hon Ginny Andersen – Minister for the Digital Economy and Communications.

### Other appropriation measures

The selection of other activity measures and their methodology is explained under each appropriation performance report. Where whole numbers are to be reported, these have been rounded, where necessary, to the nearest whole number.

### Outcomes measures

The significant judgements and methodology relating to specific outcome measures are shown below.

| Indicator and trend   | Methodology   | Judgement  |
|---|---|--|
| <b>Outcome 1: The Government is enabled to deliver its priorities</b>   |   |  |
| Quality of Policy Advice and Assessments increases over baseline year (2019/20: 3.50)   | Three policy quality assessment measures are averaged to determine the trend. These are the DPMC and NEMA average scores for assessed policy papers and average score of a sample of intelligence assessments reviewed by an external reviewer (the latter survey was not included in the baseline year). | <p>Not on track – where the average of the policy or assessment quality scores is less than the baseline score</p> <p>On track – where the average of the policy or assessment quality scores exceeds the baseline score</p> <p>No change – where the average of the policy or assessment quality scores has not changed from the baseline score<br/>Materiality: 8% or 0.28 from baseline</p> |
| Prime Minister and Ministerial satisfaction with advice and servicing is maintained or increases over baseline year (2019/20: 4.80) | All portfolio satisfaction measures for the Prime Minister and Ministers are averaged to determine the trend. These will fluctuate each year depending on the number of portfolios and the number of measures within each.  | <p>Not on track – where the average of the satisfaction scores is less than the baseline score</p> <p>On track – where the average of the satisfaction scores meets or exceeds the baseline score</p> <p>Materiality: 8% or 0.38 from baseline</p>   |

| Indicator and trend  | Methodology   | Judgement   |
|--|---|---|
| <b>Outcome 2: Aotearoa New Zealand's systems and institutions of executive government are trusted, effective and enhance our nation's reputation</b>   |   |   |
| Trust and confidence in government increases over baseline year (2019/20):<br><br>1. 51<br>2. 63<br>3. 55 (first year of data 2021/22)<br>4. 111   | Four external surveys are assessed:<br><br>1. Trust in the Public Service brand, Kiwis Count, Te Kawa Mataaho Public Service Commission<br>2. Government at a Glance, Trust in Government, OECD<br>3. Trust and satisfaction with public services, NZ country notes, OECD<br>4. Public Sector Reputation Index, NEMA results, Kantar Public | Not on track – where the majority of surveys with available data shows a material decrease from those surveys' baseline score<br><br>No change – where the balance between surveys with available data is equally materially up and down from those surveys' baseline score<br><br>On track – where the majority of surveys with available data shows a material increase from those surveys' baseline score<br><br>Materiality: 8% from baseline or first available year of data<br><br>1. 4.08<br>2. 5.08<br>3. 4.40<br>4. 8.88 |
| Ministerial satisfaction with the systems and institutions of executive government is maintained or increases over baseline year (2019/20: 4.75)   | The Prime Minister, on behalf of all Ministers satisfaction survey response.  | Not on track – where the satisfaction score is less than the baseline score<br><br>On track – where the satisfaction score meets or exceeds the baseline score<br><br>Materiality: 8% or 0.38 from baseline   |
| Governor-General satisfaction with support provided is maintained or increases over baseline year (2019/20: 4.00)  | Two Governor-General satisfaction measures were averaged to determine the trend. These are satisfaction with advisory and constitutional services, and satisfaction with the programme and household services. This also provides an overall measure for the appropriation.   | Not on track – where the average of the satisfaction scores is less than the baseline score<br><br>On track – where the average of the satisfaction scores meets or exceeds the baseline score<br><br>Materiality: 8% or 0.32 from baseline   |
| <b>Outcome 3: People living in Aotearoa New Zealand are, and feel, resilient, safe and secure</b>  |   |   |
| Ministerial satisfaction with leadership of the National Security and Emergency Management Systems is maintained or increases over baseline year (2019/20: 4.53)   | Two Ministerial satisfaction survey responses were averaged to determine the trend.   | Not on track – where the average of the satisfaction scores is less than the baseline score<br><br>On track – where the average of the satisfaction scores meets or exceeds the baseline score<br><br>Materiality: 8% or 0.36 from baseline   |
| New Zealanders who have:<br><ul style="list-style-type: none"><li>taken action to prepare for an emergency in the last 12 months</li><li>know the correct action to take during an earthquake and during a long or strong earthquake near the coast</li><li>increases over baseline (2019/20: 68.66%).</li></ul> | NEMA's key priority is to ensure that people living in New Zealand are well-informed and able to respond to emergencies. Three NEMA community awareness and readiness surveys are averaged to determine the trend. This also provides an overall measure for the appropriation.   | Not on track – where the average of the survey scores is less than the baseline score<br><br>On track – where the average of the survey scores exceeds the baseline score<br><br>No change – where the average of the survey scores has not changed from the baseline score<br><br>Materiality: 8% or 5.49 from baseline  |

# Appropriation statements

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

for the year ended 30 June 2023

|  | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 | Where performance<br>information is reported                       |
|--|----------------------------|----------------------------|--|--|
| <b>DEPARTMENTAL OUTPUT EXPENSES</b>                                    |                            |                            |  |  |
| COVID-19 All of Government Response                                    | 15,103                     | 37,990                     | 18,325                                 | Our performance reporting section                                  |
| Cyber Security   | 3,451                      | 2,000                      | 3,725                                  | Our performance reporting section                                  |
| Extreme Weather Events All of Government Response                      | 1,754                      | -                          | 2,889                                  | Our performance reporting section                                  |
| Health and Disability System Reform                                    | 2,608                      | 10,434                     | 3,134                                  | Our performance reporting section                                  |
| <b>TOTAL DEPARTMENTAL OUTPUT EXPENSES</b>                              | <b>22,916</b>              | <b>50,424</b>              | <b>28,073</b>                          |  |
| <b>DEPARTMENTAL CAPITAL EXPENDITURE</b>                                |                            |                            |  |  |
| Department of the Prime Minister and Cabinet – Capital Expenditure PLA | 560                        | 308                        | 1,000                                  | Our performance reporting section                                  |
| <b>TOTAL DEPARTMENTAL CAPITAL EXPENDITURE</b>                          | <b>560</b>                 | <b>308</b>                 | <b>1,000</b>                           |  |
| <b>NON-DEPARTMENTAL OUTPUT EXPENSES</b>                                |                            |                            |  |  |
| Centre of Excellence for Preventing and Countering Violent Extremism   | 1,325                      | 1,325                      | 1,325                                  | Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989 |
| <b>TOTAL NON-DEPARTMENTAL OUTPUT EXPENSES</b>                          | <b>1,325</b>               | <b>1,325</b>               | <b>1,325</b>                           |  |
| <b>NON-DEPARTMENTAL OTHER EXPENSES</b>                                 |                            |                            |  |  |
| Extreme Weather Events – Regional and Local Support                    | -                          | -                          | 5,000                                  | Minister's Report appended to the DPMC Annual Report               |
| Governor-General's Programme PLA                                       | 1,870                      | 1,500                      | 1,650                                  | Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989 |
| Governor-General's Salary and Allowance PLA                            | 419                        | 500                        | 500                                    | Exempt under section 15D(2)(b)(ii) of the Public Finance Act 1989  |
| Governor-General's Travel Outside New Zealand PLA                      | 240                        | 407                        | 407                                    | Exempt under section 15D(2)(b)(iii) of the Public Finance Act 1989 |

|  | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 | Where performance<br>information is reported                             |
|--|----------------------------|----------------------------|--|--|
| Local Authority Emergency Expenses PLA   | 49,138                     | 5,000                      | 402,000                                | Minister's Report<br>appended to the DPMC<br>Annual Report               |
| Remuneration of Commissioners of Intelligence<br>Warrants PLA                        | 83                         | 174                        | 174                                    | Exempt under section<br>15D(2)(b)(ii) of the<br>Public Finance Act 1989  |
| <b>TOTAL NON-DEPARTMENTAL OTHER EXPENSES</b>   | <b>51,750</b>              | <b>7,581</b>               | <b>409,731</b>                         |  |
| <b>MULTI-CATEGORY EXPENSES AND CAPITAL<br/>EXPENDITURE</b>                           |                            |                            |  |  |
| <b>Advice and Support Services MCA</b>   |                            |                            |  |  |
| DEPARTMENTAL OUTPUT EXPENSES   |                            |                            |  |  |
| Advice and Support to Government and the<br>Governor- General                        | 46,156                     | 48,037                     | 56,309                                 | Our performance<br>reporting section                                     |
| NON-DEPARTMENTAL OTHER EXPENSES  |                            |                            |  |  |
| Depreciation and Maintenance of Government House<br>Buildings and Related Assets     | 2,328                      | 2,232                      | 2,762                                  | Exempt under section<br>15D(2)(b)(ii) of the<br>Public Finance Act 1989  |
| Support for Prime Minister's Chief Science Advisor                                   | 795                        | 795                        | 795                                    | Our performance<br>reporting section                                     |
| NON-DEPARTMENTAL CAPITAL EXPENDITURE   |                            |                            |  |  |
| Government House – Capital Expenditure   | 401                        | 550                        | 1,200                                  | Exempt under section<br>15D(2)(b)(iii) of the<br>Public Finance Act 1989 |
| <b>TOTAL ADVICE AND SUPPORT SERVICES MCA</b>   | <b>49,680</b>              | <b>51,614</b>              | <b>61,066</b>                          |  |
| <b>Emergency Management Leadership<br/>and Support MCA</b>                           |                            |                            |  |  |
| DEPARTMENTAL OUTPUT EXPENSES   |                            |                            |  |  |
| Advice and Support for Emergency Risk Reduction,<br>Readiness, Response and Recovery | 51,780                     | 36,218                     | 72,645                                 | Our performance<br>reporting section                                     |
| NON-DEPARTMENTAL OTHER EXPENSES  |                            |                            |  |  |
| Emergency Risk Reduction, Readiness, Response and<br>Recovery                        | 29,967                     | 3,566                      | 61,240                                 | Exempt under section<br>15D(2)(b)(ii) of the<br>Public Finance Act 1989  |
| <b>TOTAL EMERGENCY MANAGEMENT LEADERSHIP<br/>AND SUPPORT MCA</b>                     | <b>81,747</b>              | <b>39,784</b>              | <b>133,885</b>                         |  |
| <b>TOTAL MULTI-CATEGORY EXPENSES AND CAPITAL<br/>EXPENDITURE</b>                     | <b>131,427</b>             | <b>91,398</b>              | <b>194,951</b>                         |  |
| <b>TOTAL ANNUAL AND PERMANENT APPROPRIATIONS</b>                                     | <b>207,978</b>             | <b>151,036</b>             | <b>635,080</b>                         |  |

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

for the year ended 30 June 2023

The Department has not incurred any departmental or non-departmental expenses or capital expenditure without, or in excess of appropriation, or other authority (2022: Nil).



## Reconciliation between total appropriations for Departmental expenses and the Departmental Statement of Comprehensive Revenue and Expenses

| 2021/22<br>Actual<br>\$000 |  | 2022/23<br>Actual<br>\$000 |
|----------------------------|--|----------------------------|
| 195,838                    | Total expenses in Departmental Statement of Comprehensive Revenue and Expenses   | 120,883                    |
| (30,278)                   | Administration and Use of Ministry of Health appropriation: National Response to COVID-19 Across the Health Sector Multi-Class Appropriation | (31)                       |
| (33)                       | Remeasurements   | -                          |
| 165,527                    | <b>TOTAL APPROPRIATIONS FOR DEPARTMENTAL EXPENSES</b>  | <b>120,852</b>             |

## Reconciliation between total appropriations for Non-departmental expenses and the Schedule of Non-departmental Expenses

| 2021/22<br>Actual<br>\$000 |   | 2022/23<br>Actual<br>\$000 |
|----------------------------|---|----------------------------|
| 27,638                     | Total expenses in Schedule of Non-departmental Expenses   | 88,815                     |
| (4,624)                    | GST Input expense   | (2,650)                    |
| 23,014                     | <b>TOTAL APPROPRIATIONS FOR NON-DEPARTMENTAL EXPENSES</b> | <b>86,165</b>              |

## Reconciliation to Total Annual and Permanent Appropriations

| 2021/22<br>Actual<br>\$000 |  | 2022/23<br>Actual<br>\$000 |
|----------------------------|--|----------------------------|
| 165,527                    | Total Appropriations for Departmental Expenses     | 120,852                    |
| 23,014                     | Total Appropriations for Non-departmental Expenses | 86,165                     |
| 734                        | Total Departmental Capital Expenditure             | 560                        |
| 4,416                      | Total Non-departmental Capital Expenditure         | 401                        |
| 193,691                    | <b>TOTAL ANNUAL AND PERMANENT APPROPRIATIONS</b>   | <b>207,978</b>             |

## Statement of Capital Injections

for the year ended 30 June 2023

| 2021/22<br>Actual<br>\$000 |                   | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|-------------------|----------------------------|----------------------------|--|
| 1,151                      | Capital Injection | 208                        | 208                        | 208                                    |

## Statement of Capital Injections without, or in excess of, Authority

for the year ended 30 June 2023

DPMC has not received any capital injections during the year without, or in excess of, authority (2022: Nil).

# Reporting against our appropriations

## COVID-19 All of Government Response



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

### What we achieved

| Performance measure  | Target 2022/23 | Result 2021/22 | Result 2022/23     | Achieved |
|--|----------------|----------------|--------------------|----------|
| The responsible Minister is satisfied with the policy advice service (see Note 1)  | 4              | 4.14           | 4                  | ✓        |
| Average score for assessed policy papers (see Note 2)  | 4              | 3.5            | 3.46               | ✗        |
| Quality of policy advice papers – 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less (see Note 2) | Achieved       | Achieved       | Partially Achieved | ✗        |
| The COVID-19 Chief Executives Board is satisfied with the leadership within the system (see Note 1)                              | 4              | 5              | 5                  | ✓        |

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

Note 2 – A sample of the Department's policy advice 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 the Department of the Prime Minister and Cabinet.

### How satisfaction was measured

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 satisfaction in relation to other 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 we did not achieve our policy quality targets

We set two measures of policy quality, one an average score and one on the distribution of scores. This year, we did not achieve the average score measure and partially achieved the distribution measure. Overall, the results of the Policy Quality Review show that the quality of our policy advice achieves the minimum standard. This year we met two of the three components of the distribution measure: 100% of our papers scored 3 or higher, meeting the overall Policy Quality Framework standard, and we had no papers scoring 2 or below. While 24% scored 4 or above this is six percentage points below the target and shows that our work to improve our policy advice still has room to improve. We will continue to focus on implementing the recommendations of the review to help us further improve our advice and work towards achieving our ambitious targets.

### Changes in performance measurement

The following measures were expired in the Supplementary Estimates of Appropriations 2022/23 due to funding transfer from Vote Prime Minister and Cabinet to Vote Health:

- The responsible Minister is satisfied with the coordination of the COVID-19 response system;
- The National Response Leadership Team is satisfied that the National Resurgence Response Plan is used effectively in a resurgence, and/or remained up-to-date, robust and routinely tested;
- Percentage of New Zealanders who see relevance in the Unite Against COVID-19 campaign; and
- Percentage of New Zealanders who agree they are being told and/or have access to all the information they need about COVID-19.

## How much it cost

| 2021/22<br>Actual<br>\$000 |                       | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|-----------------------|----------------------------|----------------------------|--|
| 65,907                     | Revenue Crown         | 18,325                     | 37,990                     | 18,325                                 |
| 8,377                      | Revenue Other         | -                          | -                          | -                                      |
| <b>74,284</b>              | <b>TOTAL REVENUE</b>  | <b>18,325</b>              | <b>37,990</b>              | <b>18,325</b>                          |
| 61,166                     | Expenses              | 15,103                     | 37,990                     | 18,325                                 |
| 13,118                     | Net Surplus/(Deficit) | 3,222                      | -                          | -                                      |

Departmental expenditure was lower than original budget due to this function winding down during the year and being disestablished by 30 June 2023. Some functions, and related budget, were transferred to other agencies and some budget was reprioritised to support efforts to address misinformation and disinformation; to support the 2023 North Island extreme weather response; and to enable co-ordination and input to the Royal Commission of Inquiry into Lessons Learned from New Zealand's Response to COVID-19 for Future Pandemics. Departmental expenditure was lower than the Supplementary Estimates mainly due to the remaining costs being below the forecast.

## Cyber Security



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

### What we achieved

| Performance measure  | Target<br>2022/23 | Result<br>2021/22  | Result<br>2022/23  | Achieved |
|--|-------------------|--------------------|--------------------|----------|
| Delivery of the annual work programme as agreed by the Cyber Security Coordination Committee | Achieved          | Partially Achieved | Partially Achieved | ✘        |

### Why we did not achieve our target

While significant progress was made on the work programme, three of the 13 Cyber Security Coordination Committee projects were not on track. One project was not delivered within the specified timeframe due to the original supplier not producing the agreed outputs. Two projects were not delivered to the standard required and the outputs have required significant changes. Agencies are actively working with suppliers to ensure project completion.

## How much it cost

| 2021/22<br>Actual<br>\$000 |                       | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|-----------------------|----------------------------|----------------------------|--|
| 4,860                      | Revenue Crown         | 3,725                      | 2,000                      | 3,725                                  |
| -                          | Revenue Other         | -                          | -                          | -                                      |
| <b>4,860</b>               | <b>TOTAL REVENUE</b>  | <b>3,725</b>               | <b>2,000</b>               | <b>3,725</b>                           |
| 2,926                      | Expenses              | 3,451                      | 2,000                      | 3,725                                  |
| 1,934                      | Net Surplus/(Deficit) | 274                        | -                          | -                                      |

Departmental expenditure was higher than originally budgeted due to contributions to some Cyber Security Strategy projects being supported by funding carried forward from 2021/22. Budget for these items was included in baseline updates during the year. The main reason for the underspend against the Supplementary Estimates is due to the timing for some 2022/23 planned initiatives for approved Cyber Security Strategy projects now being expected to occur in 2023/24.

# Extreme Weather Events All of Government Response



This appropriation is intended to achieve effective leadership and co-ordination of the government's response to the sequence of 2023 extreme weather events that impacted the North Island.

## What we achieved

| Performance measure   | Target 2022/23 | Result 2021/22 | Result 2022/23 | Achieved |
|---|----------------|----------------|----------------|----------|
| The responsible Minister is satisfied with progress to establish the Cyclone Recovery Taskforce and Unit (see Note 1) | 4              | New Measure    | 3.75           | x        |

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

### Why this measure was chosen

This performance measure was selected as establishing the Cyclone Recovery Unit and Taskforce was a core deliverable of DPMC to lead, coordinate and monitor the severe weather recovery across government.

### How satisfaction was measured

Ministerial satisfaction in relation to advice and/or services is an average of overall satisfaction and the ratings for the following dimensions: advice meets needs, is timely and of a high quality.

### Changes in performance measurement

The measure was added in the Supplementary Estimates of Appropriations 2022/23 due to the establishment of the appropriation in 2022/23.

## How much it cost

| 2021/22 Actual \$000    | 2022/23 Actual \$000 | 2022/23 Budget \$000 | 2022/23 Supp. Estimates \$000 |
|-------------------------|----------------------|----------------------|-------------------------------|
| - Revenue Crown         | 2,889                | -                    | 2,889                         |
| - Revenue Other         | -                    | -                    | -                             |
| - <b>TOTAL REVENUE</b>  | <b>2,889</b>         | <b>-</b>             | <b>2,889</b>                  |
| - Expenses              | 1,754                | -                    | 2,889                         |
| - Net Surplus/(Deficit) | 1,135                | -                    | -                             |

Departmental expenditure for this new appropriation was lower than the Supplementary Estimates due to the full establishment of a new business unit to support this work taking longer than was initially anticipated.

# Health and Disability System Reform



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

## What we achieved

| Performance measure   | Target<br>2022/23 | Result<br>2021/22 | Result<br>2022/23 | Achieved |
|---|-------------------|-------------------|-------------------|----------|
| The Minister of Health is satisfied with the policy advice service (see Note 1) | 4                 | 5                 | 4                 | ✓        |

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

### Changes in performance measurement

The following measures were expired in the Supplementary Estimates of Appropriations 2022/23 due to funding transfer from Vote Prime Minister and Cabinet to Vote Health:

- Average score for assessed policy papers;
- Quality of policy advice papers – 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less;
- The Ministerial Oversight Group is satisfied with progress against delivery of the Health System Reform Implementation Plan agreed by Cabinet; and
- The Minister of Health is satisfied with progress against delivery of the Health System Reform Implementation Plan agreed by Cabinet.

## How much it cost

| 2021/22<br>Actual<br>\$000 |                       | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|-----------------------|----------------------------|----------------------------|--|
| 27,427                     | Revenue Crown         | 3,134                      | 10,434                     | 3,134                                  |
| 27,427                     | <b>TOTAL REVENUE</b>  | <b>3,134</b>               | <b>10,434</b>              | <b>3,134</b>                           |
| 21,467                     | Expenses              | 2,608                      | 10,434                     | 3,134                                  |
| 5,960                      | Net Surplus/(Deficit) | 526                        | -                          | -                                      |

Expenditure was lower than the original Budget and the Supplementary Estimates due to the earlier than anticipated transition of functions and activities to the Ministry of Health and the two new health agencies (interim Health New Zealand and interim Māori Health Authority).

## 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 2022/23, expenditure was in accordance with the Department's approved capital asset management plan.

### How much it cost

| 2021/22<br>Actual<br>\$000 |                               | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|-------------------------------|----------------------------|----------------------------|--|
| 734                        | Property, Plant and Equipment | 560                        | 258                        | 950                                    |
| -                          | Other                         | -                          | 50                         | 50                                     |
| 734                        | <b>TOTAL EXPENSES</b>         | <b>560</b>                 | <b>308</b>                 | <b>1,000</b>                           |

## Advice and Support Services



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

### What we achieved

| Performance measure   | Target<br>2022/23 | Result<br>2021/22 | Result<br>2022/23 | Achieved |
|---|-------------------|-------------------|-------------------|----------|
| The Prime Minister is satisfied with the services and support provided by the Department of the Prime Minister and Cabinet (see Note 1)   | 4                 | 4.7               | 4.50              | ✓        |
| The Governor-General is satisfied with the services and support provided by the Department of the Prime Minister and Cabinet (see Note 1) | 4                 | 4.6               | 4.46              | ✓        |

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

### How the overarching measures were calculated

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

### How much it cost

| 2021/22<br>Actual<br>\$000 |                                      | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|--------------------------------------|----------------------------|----------------------------|--|
| 44,110                     | Revenue Crown                        | 54,639                     | 47,957                     | 54,641                                 |
| 1,637                      | Revenue Dept                         | 1,105                      | 50                         | 1,529                                  |
| -                          | Revenue Other                        | 161                        | 30                         | 139                                    |
| 45,747                     | <b>TOTAL REVENUE</b>                 | <b>55,905</b>              | <b>48,037</b>              | <b>56,309</b>                          |
| 40,307                     | Departmental Expenses                | 46,156                     | 48,037                     | 56,309                                 |
| 5,440                      | Net Surplus/(Deficit)                | 9,749                      | -                          | -                                      |
| 2,550                      | Non-departmental Expenses            | 3,123                      | 3,027                      | 3,557                                  |
| 464                        | Non-departmental Capital Expenditure | 401                        | 550                        | 1,200                                  |

Departmental expenditure was lower than originally budgeted mainly due to lower than anticipated expenditure for the COVID-19 Service recognition project, partially offset by unbudgeted third party funded activity for the Policy Project and expenditure related to funding carried forward from 2021/22. Budget for these items was included in baseline updates during the year. The underspend against the Supplementary Estimates was mainly due to lower than anticipated expenditure for the COVID-19 Service recognition project, and for initiatives to respond to disinformation which are expected to be completed in 2023/24.

Non-departmental expenditure was underspent against the Supplementary Estimates due to lower than anticipated spend for Government House planned maintenance and capital projects, some of which will continue into 2023/24.

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

This category is intended to provide policy advice to support decision-making by the Prime Minister and the Prime Minister and Cabinet and provide support services to the Prime Minister, Cabinet and its committees, the Executive Council and the Governor-General.

### What we achieved

| Performance measure   | Target 2022/23 | Result 2021/22 | Result 2022/23     | Achieved |
|---|----------------|----------------|--------------------|----------|
| <b>Advice to Government</b>   |                |                |                    |          |
| The Prime Minister is satisfied with the policy advice service (see Note 1)   | 4              | 4.8            | 5                  | ✓        |
| The Minister for Child Poverty Reduction is satisfied with the policy advice service (see Note 1)   | 4              | 4.9            | 4.76               | ✓        |
| The Minister for the Digital Economy and Communications is satisfied with the policy advice service (see Note 1)  | 4              | 3.4            | 3.67               | ✗        |
| The Minister for National Security and Intelligence is satisfied with the policy advice service (see Note 1)  | 4              | 4.6            | 4                  | ✓        |
| Average score for assessed policy papers (see Note 2)   | 4              | 3.5            | 3.46               | ✗        |
| Quality of policy advice papers – 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less (see Note 2)  | Achieved       | Achieved       | Partially Achieved | ✗        |
| The Minister for National Security and Intelligence is satisfied with the leadership, co-ordination and collaboration within the national security and intelligence system (see Note 1)   | 4              | 3.9            | 4                  | ✓        |
| The Prime Minister is satisfied with the provision of intelligence assessments that support national security priorities (see Note 1)   | 4              | 4              | 4                  | ✓        |
| Average score of a sample of intelligence assessments reviewed by an external reviewer (see Note 3)   | 4              | 4.1            | 4.02               | ✓        |
| The Lead Coordination Minister for the Government's Response to the Royal of Commission of Inquiry (RCOI) Report into the Terrorist Attack on the Christchurch Mosques is satisfied with the leadership, coordination and collaboration within the response to the RCOI's report (see Note 1) | 4              | 4.75           | 3.38               | ✗        |
| The Minister of Finance is satisfied with advice and support on priority government programmes and projects monitored by the Implementation Unit (see Note 1)   | 4              | 5              | 4                  | ✓        |

| Performance measure  | Target<br>2022/23 | Result<br>2021/22 | Result<br>2022/23 | Achieved |
|--|-------------------|-------------------|-------------------|----------|
| <b>Support to the Prime Minister, Cabinet and the Governor-General</b>   |                   |                   |                   |          |
| The Prime Minister is satisfied with the support, secretariat and coordination services provided (see Note 1)  | 4                 | 5                 | 4                 | ✓        |
| Cabinet and Cabinet committee minutes requiring subsequent amendment (excluding amendments made as the result of Cabinet decisions)  | 0.5%              | 0.5%              | 0.14%             | ✓        |
| Papers for Cabinet and Cabinet committee meetings will be published on CabNet by the close of business, two days before the meeting (subject to on-time lodgement in CabNet) | 90%               | 96%               | 93%               | ✓        |
| Cabinet minutes will be published on CabNet by the close of business, three days after the Cabinet meeting   | 95%               | 96%               | 98%               | ✓        |
| The Governor-General is satisfied with the advisory and constitutional services provided (see Note 1)  | 4                 | 4.5               | 4.33              | ✓        |
| The Governor-General is satisfied with the programme and household services provided (see Note 1)  | 4                 | 4.7               | 4.58              | ✓        |

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

Note 2 – A sample of the Department’s policy advice 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 the Department of the Prime Minister and Cabinet.

Note 3 – Intelligence assessments were assessed on a scale of 1 to 5, where 1 means unacceptable and 5 means outstanding.

#### Why these measures were chosen

The performance measures in the Advice and Support Services multi category appropriation were selected as they are core to DPMC supporting the Governor-General, Prime Minister and Ministers to undertake their roles effectively. These measures best reflect DPMC’s role of supporting well-connected government is delivered through the provision of high-quality advice and support, and that systems and institutions of executive government are trusted and effective.

#### How Ministerial satisfaction was measured

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 measures relating to satisfaction are standard within this appropriation and provides a comprehensive view of overall satisfaction with other advice and services based on an average of the ratings for the following dimensions: advice meets needs, is timely and of a high quality.

#### Why we did not achieve two of our Ministerial satisfaction targets

The Minister for Digital Economy and Communications rated 14 of the 19 questions 3 out of 5, and five questions 4 out of 5. The Minister rated trust in officials and confidence in the policy advice provided highly. More timely provision of the Briefing to the Incoming Minister was noted as an area of improvement. DPMC welcomes all feedback and is working to ensure that we are providing policy advice to a high standard.

The Lead Coordination Minister for the Government’s Response to the RCOI Report into the Terrorist Attack on the Christchurch Mosques rated one question 1 out of 5, five of the 11 questions 3 out of 5, three questions 4 out of 5, and two questions 5 out of 5. The Minister acknowledged the excellent support for and coordination of Kāpuia. The Minister noted coordination and implementation of relevant recommendations to the RCOI need to be more aligned with the mandate provided by Cabinet. DPMC welcomes all feedback and is working to ensure that we are providing advice and services to a high standard.

#### How the Governor-General’s satisfaction was measured

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



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

We set two measures of policy quality, one an average score and one on the distribution of scores. This year, we did not achieve the average score measure and partially achieved the distribution measure.

Overall, the results of the Policy Quality Review show that the quality of our policy advice achieves the minimum standard. This year we met two of the three components of the distribution measure: 100% of our papers scored 3 or higher, meeting the overall Policy Quality Framework standard, and we had no papers scoring 2 or below. While 24% scored 4 or above this is six percentage points below the target and shows that our work to improve our policy advice still has room to improve. We will continue to focus on implementing the recommendations of the review to help us further improve our advice and work towards achieving our ambitious targets.

### Changes in performance measurement

The following measure was revised in the Supplementary Estimates of Appropriations 2022/23 due to a change of Minister from Deputy Prime Minister to Minister of Finance:

- The Deputy Prime Minister is satisfied with advice and support on priority government programmes and projects monitored by the Implementation Unit.

### How much it cost

| 2021/22<br>Actual<br>\$000 |                       | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|-----------------------|----------------------------|----------------------------|--|
| 44,110                     | Revenue Crown         | 54,639                     | 47,957                     | 54,641                                 |
| 1,637                      | Revenue Dept          | 1,105                      | 50                         | 1,529                                  |
| -                          | Revenue Other         | 161                        | 30                         | 139                                    |
| <b>45,747</b>              | <b>TOTAL REVENUE</b>  | <b>55,905</b>              | <b>48,037</b>              | <b>56,309</b>                          |
| 40,307                     | Departmental Expenses | 46,156                     | 48,037                     | 56,309                                 |
| 5,440                      | Net Surplus/(Deficit) | 9,749                      | -                          | -                                      |

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

This category is intended to achieve the provision of high-quality scientific advice to the Prime Minister.

### What we achieved

| Performance measure  | Target<br>2022/23 | Result<br>2021/22 | Result<br>2022/23 | Achieved |
|--|-------------------|-------------------|-------------------|----------|
| The Prime Minister is satisfied with the scientific advice provided (see Note 1) | 4                 | 5                 | 5                 | ✓        |

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

### How much it cost

| 2021/22<br>Actual<br>\$000 |          | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|----------|----------------------------|----------------------------|--|
| 870                        | Expenses | 795                        | 795                        | 795                                    |

# Emergency Management Leadership and Support



This appropriation is intended to achieve an all-hazards, all-risks emergency management system that reduces risk, and is ready and able to, and assist recovery from, emergencies.

## What we achieved

| Performance measure   | Target 2022/23 | Result 2021/22 | Result 2022/23 | Achieved |
|---|----------------|----------------|----------------|----------|
| The National Emergency Management Agency maintains a positive public reputation index score (see Note 1)  | At least 100   | 111            | 110            | ✓        |
| Overall preparedness – New Zealanders are actively preparing for emergencies and know how to protect themselves against life safety risks posed by our most dangerous natural hazards | 66%            | 60%            | 61%            | ✗        |

Note 1 – The performance measure and standard has been adjusted to better reflect the methodology employed and to provide quantitative information on the level of performance.

### How positive reputation was measured and why the measure was revised

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

This performance measure was adjusted to align with PBE FRS 48 to better reflect the methodology employed and to provide quantitative information on the level of performance.

This year, Kantar Public changed its reporting to provide an average score. The change in reporting methodology from index to average score allows agencies to understand scores relative to other agencies and to track progress over time. NEMA's score was 69 above the average of 62. This is equivalent to 110 on the Public Sector Reputation Index score methodology used in previous surveys by Kantar Public. Agencies in the top 10 of the Public Sector Reputation Index have scored at least 100 using the index score methodology. Any score over 104 is considered 'high'.

### How preparedness was measured and why this target was not achieved

The overall preparedness measure is an average of the results contained in the Community Awareness and Readiness measures.

Preparedness is measured using the annual Disaster Preparedness Survey, administered by The Research Agency. This surveys people in New Zealand to assess disaster preparedness and the effectiveness of the public education programme.

While there were improvements in two areas from the previous year, research shows that the biggest motivator for preparedness is a significant emergency event, and the absence of these events mean preparedness actions tend to decline.

Work to promote preparedness is ongoing and remains a priority.

### Changes in performance measurement

The following measure was revised in the Supplementary Estimates of Appropriations 2022/23 to better reflect the methodology employed and to provide quantitative information on the level of performance:

- The National Emergency Management Agency maintains a positive public reputation with the public.

## How much it cost

| 2021/22<br>Actual<br>\$000 |                                   | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|-----------------------------------|----------------------------|----------------------------|--|
| 42,992                     | Revenue Crown                     | 71,382                     | 35,988                     | 71,382                                 |
| -                          | Revenue Dept                      | 796                        | 230                        | 1,113                                  |
| 982                        | Revenue Other                     | 68                         | -                          | 150                                    |
| <b>43,974</b>              | <b>TOTAL REVENUE</b>              | <b>72,246</b>              | <b>36,218</b>              | <b>72,645</b>                          |
| 37,833                     | Departmental Expenses             | 51,780                     | 36,218                     | 72,645                                 |
| 6,141                      | Net Surplus/(Deficit)             | 20,466                     | -                          | -                                      |
| 8,584                      | Non-departmental Expenses         | 29,967                     | 3,566                      | 61,240                                 |
| 3,952                      | Non-departmental Capital Expenses | -                          | -                          | -                                      |

Departmental expenditure was higher than originally budgeted due to expenditure related to funding carried forward from 2021/22, unbudgeted third party funded activity for the Ministry of Foreign Affairs and Trade Partnership Programme and unbudgeted expenditure relating to the 2023 North Island extreme weather events. Budget for these items was included in baseline updates during the year. The underspend against the Supplementary Estimates was mainly due to lower expenditure for Tsunami Monitoring and Detection Network maintenance and other initiatives such as National Crisis Management Centre Resilience and Emergency Mobile Alerting where some activities are to continue in 2023/24, and lower expenditure by the National Emergency Management Agency to support the 2023 North Island extreme weather events than was provided for in the new funding approved during the year for this purpose.

Non-departmental expenditure was higher than originally budgeted due to expenditure related to funding carried forward from 2021/22 for several emergency management initiatives and due to expenditure relating to support for communities impacted by the 2023 North Island extreme weather events. Budget for these items was included in baseline updates during the year. The underspend against the Supplementary Estimates is mainly due to lower expenditure to support emergency readiness and response activities, including the 2023 North Island extreme weather events. These activities are expected to continue in 2023/24.

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

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

### What we achieved

| Performance measure   | Target 2022/23 | Result 2021/22                   | Result 2022/23     | Achieved |
|---|----------------|----------------------------------|--------------------|----------|
| <b>Community Awareness and Readiness</b>  |                |                                  |                    |          |
| Percentage of New Zealanders who have taken action to prepare for an emergency in the last 12 months  | 50%            | 33%                              | 43%                | ✘        |
| Percentage of New Zealanders who know the correct action to take during an earthquake   | 67%            | 59%                              | 64%                | ✘        |
| Percentage of New Zealanders who know the correct action to take if they feel a long or strong earthquake near the coast  | 85%            | 87%                              | 75%                | ✘        |
| <b>Emergency Sector Support and Management</b>  |                |                                  |                    |          |
| Satisfaction is at least 6 out of 10 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              | 8.4                              | 7.4                | ✓        |
| • 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 2002 | 6              | 7.1                              | 7.1                | ✓        |
| Number of Tsunami Monitoring and Detection buoys maintained to minimum manufacturer's standard (see Note 3)   | 12             | Revised Measure                  | 12                 | ✓        |
| <b>Management of Emergencies</b>  |                |                                  |                    |          |
| Number of National Crisis Management Centre amalgamated corrective action plans reviewed (see Note 4)   | 4              | 4                                | 2                  | ✘        |
| <b>Policy Advice</b>  |                |                                  |                    |          |
| The responsible Minister is satisfied with the emergency management policy advice service (see Note 5)  | 4              | 4.8                              | 4.9                | ✓        |
| Average score for assessed policy papers (see Note 6)   | 4              | 3.35                             | 3.25               | ✘        |
| Quality of policy advice papers – 70% score 3 or higher, 30% score 4 or higher and no more than 10% score 2 or less (see Note 6)  | Achieved       | Partially Achieved <sup>13</sup> | Partially Achieved | ✘        |

Note 1 – Satisfaction with guidance and support to the CDEM sector is measured on a scale from 1-10, where 1 means has not met needs and 10 means exceeded needs.

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

Note 3 – This performance measure and standard have been adjusted to better reflect meaningful and quantitative information on the level of performance.

Note 4 – The National Emergency Management Agency Leadership team or an appropriate subcommittee reviews the amalgamated corrective actions plan at least four times during each financial year and ensures target dates are on track (or adjusts target dates when events outside the National Emergency Management Agency's control occur, such as natural disasters).

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

Note 6 – A sample of NEMA'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.

13 This result was incorrectly reported as Not Achieved. In 2021/22 two out of the three distribution target dimensions were met.

### **Why these measures were chosen**

The performance measures in the Emergency Management Leadership and Support appropriation were selected as they are core to NEMA's work in positively changing public behaviours to emergency preparedness. The measures also reflect NEMA's role in providing an effective and integrated response to, and recovery from, emergencies.

### **How Ministerial satisfaction was measured**

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

### **How preparedness was measured and why three targets were not achieved**

Preparedness is measured using the annual Disaster Preparedness Survey, administered by The Research Agency. This surveys people in New Zealand to assess disaster preparedness and the effectiveness of the public education programme.

This year, positive improvement in two of the three measures occurred, although not to the level desired. These were *the percentage of New Zealanders who have taken action to prepare for an emergency in the last 12 months, and those who know the correct action to take during an earthquake*. A successful ShakeOut campaign with over 700,000 participants, the launch of a Preparedness Campaign and response to the North Island Severe Weather events positively contributed to these measures.

*The percentage of New Zealanders who know the correct action to take during an earthquake* was assessed using a different question in the 2022/23 annual Disaster Preparedness Survey. A judgement was made to use participation in an earthquake drill, which is also surveyed, due to the original question not being asked. Based on previous responses to this question, the Department believes this to be an appropriate approximation for this measure.

The decline in the percentage of New Zealanders who know the correct action to take if they feel a long or strong earthquake near the coast can be attributed to no tsunami safety campaign being undertaken this year.

Research shows that the biggest motivator for preparedness is a significant emergency event, and the absence of these events mean preparedness actions tend to decline.

Work to promote preparedness is ongoing and remains a priority.

### **Why the Tsunami Monitoring and Detection Network measure was revised and how it was assessed**

The performance measure was adjusted to better reflect meaningful and quantitative information on the use and purpose of funding Tsunami Monitoring and Detection Network buoys. As a responsible steward of these public assets, NEMA has a responsibility to ensure the deployed equipment is maintained to the manufacturer's minimum standard to ensure an effective network is in place.

All deployed buoys must be maintained to the sole licensed manufacturer's minimum standard every two years to ensure they are operational. This performance measure is assessed through maintenance records provided by the National Institute of Water and Atmospheric Research who undertake physical maintenance work.

### **How the Number of National Crisis Management Centre amalgamated corrective action plans reviewed measure is assessed and why we did not achieve it**

This performance measure is a count of the number of action plans reviewed.

We did not achieve this performance measure due to the inability to review action plans during the response to the North Island Severe Weather events in early 2023. NEMA's shift towards an internal Lessons Management Framework has strengthened procedures for identifying, designing and deciding on improvement actions to address lessons identified, as well as tracking progress.

A new leadership and governance structure has been established following the North Island Severe Weather events, dedicated to the after-action review and lessons management processes, outlining the roles and responsibilities of action owners, as well as senior and executive leadership.

The frequency of reviewing and monitoring of action plans is expected to increase in the 2023/24 year.

### **Why we did not achieve the policy quality targets**

This year, NEMA did not achieve the average score measure and partially achieved the distribution measure. Policy advice was provided to Ministers on the response to the North Island Severe Weather Events under extraordinary time pressure. This impacted the overall quality of our policy. This year we met two of the three components of the distribution measure: 100% of our papers scored 3 or higher, meeting the overall Policy Quality Framework standard, and we had no papers scoring 2 or below. While 10% scored 4 or above (same as 10% in 2021/22), this shows that our work to improve our policy advice still has room to improve. We will continue to focus on implementing the recommendations of the review to help us further improve our advice and work towards achieving our ambitious targets.

### Changes in performance measurement

The following measure was revised in the Supplementary Estimates of Appropriations 2022/23 to better reflect the use and purpose of funding:

- Percentage of the Tsunami Monitoring and Detection buoys returning data.

The following measure was expired in the Supplementary Estimates of Appropriations 2022/23 as this has not proven to be a meaningful measure of performance:

- An initial National Warning is issued within 20 minutes of the Duty Manager's decision to issue a National Warning.

### How much it cost

| 2021/22<br>Actual<br>\$000 |                       | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|-----------------------|----------------------------|----------------------------|--|
| 42,992                     | Revenue Crown         | 71,382                     | 35,988                     | 71,382                                 |
| -                          | Revenue Dept          | 796                        | 230                        | 1,113                                  |
| 982                        | Revenue Other         | 68                         | -                          | 150                                    |
| <b>43,974</b>              | <b>TOTAL REVENUE</b>  | <b>72,246</b>              | <b>36,218</b>              | <b>72,645</b>                          |
| 37,833                     | Departmental Expenses | 51,780                     | 36,218                     | 72,645                                 |
| 6,141                      | Net Surplus/(Deficit) | 20,466                     | -                          | -                                      |



# Our financials | Tauāki pūtea

This section contains our financial statements for 2022/23 which report on the financial resources used by DPMC to deliver the goods and services purchased by our Ministers, as well as financial statements, notes and other explanatory information.



# Statement of responsibility

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

- the preparation of the Department's Financial Statements, and Statements of Expenses and Capital Expenditure, and for the judgements expressed in them;
- having in place a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting;
- ensuring that end-of-year performance information on each appropriation administered by the Department is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this Annual Report; and
- the accuracy of any end-of-year performance information prepared by the Department, whether or not that information is included in the Annual Report.

In my opinion:

- the annual report fairly reflects the operations, progress, and the organisational health and capability of the Department;
- the Financial Statements fairly reflect the financial position of the Department as at 30 June 2023 and its operations for the year ended on that date; and
- the Forecast Financial Statements fairly reflect the forecast financial position of the Department as at 30 June 2024 and its operations for the year ending on that date.



Rebecca Kitteridge CVO

**Te Tumu Whakarae mō Te Tari o te Pirimia me te Komiti Matua**  
**Secretary of the Department of the Prime Minister and Cabinet, and Chief Executive**

Date: 29 September 2023



# 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 2023

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 72 to 86, that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2023, 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 for the appropriations administered by the Department for the year ended 30 June 2023 on pages 4 to 19, 46 to 48 and 52 to 64;
- the statements of expenses and capital expenditure of the Department for the year ended 30 June 2023 on pages 49 to 51; and
- the schedules of non-departmental activities which are managed by the Department on behalf of the Crown on pages 87 to 92 that comprise:
  - the schedules of assets; liabilities; commitments; and contingent liabilities and assets as at 30 June 2023;
  - the schedules of expenses; and revenue for the year ended 30 June 2023;
  - the statement of trust monies for the year ended 30 June 2023; and
  - the notes to the schedules that include accounting policies and other explanatory information.

## Opinion

In our opinion:

- the financial statements of the Department:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2023; 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 for the appropriations administered by the Department for the year ended 30 June 2023:
  - presents fairly, in all material respects:
    - what has been achieved with the appropriation; and
    - the actual expenses or capital expenditure incurred as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
  - complies with generally accepted accounting practice in New Zealand.
- the statements of expenses and capital expenditure of the Department are presented, 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 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 2023;
  - expenses; and revenue for the year ended 30 June 2023; and
  - the statement of trust monies for the year ended 30 June 2023.

Our audit was completed on 29 September 2023. This is the date at which our opinion is expressed.

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

### **Basis for our opinion**

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

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

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

## **Responsibilities of the Chief Executive for the information to be audited**

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

- financial statements that present fairly the Department's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand;
- performance information that presents fairly what has been achieved with each appropriation, the expenditure incurred as compared with expenditure expected to be incurred, and that complies with generally accepted accounting practice in New Zealand;
- statements of expenses and capital expenditure of the Department, that are presented fairly, in accordance with the requirements of the Public Finance Act 1989; and
- 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 Department's Strategic Intentions 2020/21 to 2023/24,

Estimates and Supplementary Estimates of Appropriations 2022/23 and the 2022/23 forecast financial figures included in the Department's 2021/22 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 for the appropriations administered by the Department.
- 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 2, 20 to 43, 66 and 94 to 97 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 for Cyclone Recovery and the Minister for Emergency Management 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 (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board.

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



S B Lucy  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

# Departmental financial statements

## Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2023

| 2021/22<br>Actual<br>\$000 |   | Note | 2022/23<br>Actual<br>\$000 | 2022/23<br>Unaudited<br>Budget<br>\$000 | 2023/24<br>Unaudited<br>Forecast<br>\$000 |
|----------------------------|---|------|----------------------------|---|---|
| <b>REVENUE</b>             |   |      |                            |   |   |
| 187,648                    | Revenue Crown                                   |      | 154,095                    | 134,369                                 | 111,923                                   |
| 41,416                     | Other Revenue                                   | 2    | 2,161                      | 310                                     | 310                                       |
| 229,064                    | <b>TOTAL REVENUE</b>                            |      | <b>156,256</b>             | <b>134,679</b>                          | <b>112,233</b>                            |
| <b>EXPENSES</b>            |   |      |                            |   |   |
| 72,774                     | Personnel Costs                                 | 3    | 66,549                     | 69,586                                  | 66,653                                    |
| 481                        | Depreciation and Amortisation Expense           | 6    | 405                        | 801                                     | 1,424                                     |
| 555                        | Capital Charge                                  | 4    | 582                        | 524                                     | 612                                       |
| 122,028                    | Other Operating Expenses                        | 5    | 53,347                     | 63,768                                  | 43,544                                    |
| 195,838                    | <b>TOTAL EXPENDITURE</b>                        |      | <b>120,883</b>             | <b>134,679</b>                          | <b>112,233</b>                            |
| 33,226                     | <b>NET SURPLUS/(DEFICIT)</b>                    |      | <b>35,373</b>              | <b>-</b>                                | <b>-</b>                                  |
| -                          | Other Comprehensive Revenue and Expenses        |      | -                          | -                                       | -   |
| 33,226                     | <b>TOTAL COMPREHENSIVE REVENUE AND EXPENSES</b> |      | <b>35,373</b>              | <b>-</b>                                | <b>-</b>                                  |

## Statement of Changes in Equity

for the year ended 30 June 2023

| 2021/22<br>Actual<br>\$000 |  |  | 2022/23<br>Actual<br>\$000 | 2022/23<br>Unaudited<br>Budget<br>\$000 | 2023/24<br>Unaudited<br>Forecast<br>\$000 |
|----------------------------|--|--|----------------------------|---|---|
| 11,092                     | Balance at 1 July                        |  | 11,640                     | 11,640                                  | 11,848                                    |
| 33,226                     | Surplus for the Year                     |  | 35,373                     | -                                       | -   |
| 1,151                      | Capital Injection                        |  | 208                        | 208                                     | 2,860                                     |
| (603)                      | Capital Withdrawal                       |  | -                          | -                                       | -   |
| (33,226)                   | Return of Operating Surplus to the Crown |  | (35,373)                   | -                                       | -   |
| 11,640                     | <b>BALANCE AT 30 JUNE</b>                |  | <b>11,848</b>              | <b>11,848</b>                           | <b>14,708</b>                             |

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

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

# Statement of Financial Position

as at 30 June 2023

| 2021/22<br>Actual<br>\$000     |                                      | Note | 2022/23<br>Actual<br>\$000 | 2022/23<br>Unaudited<br>Budget<br>\$000 | 2023/24<br>Unaudited<br>Forecast<br>\$000 |
|--------------------------------|--------------------------------------|------|----------------------------|---|---|
| <b>ASSETS</b>                  |                                      |      |                            |   |   |
| <b>CURRENT ASSETS</b>          |                                      |      |                            |   |   |
| 18,102                         | Cash and Cash Equivalents            |      | 5,958                      | 14,858                                  | 19,155                                    |
| 387                            | Other Financial Assets               |      | -                          | -                                       | -   |
| 35,556                         | Debtor Crown                         |      | 63,719                     | 12,214                                  | 9,055                                     |
| 10,645                         | Debtors and Other Receivables        |      | 550                        | 500                                     | 500                                       |
| 48                             | Prepayments                          |      | 154                        | -                                       | -   |
| 289                            | Inventory                            |      | 307                        | 199                                     | 199                                       |
| <b>65,027</b>                  | <b>TOTAL CURRENT ASSETS</b>          |      | <b>70,688</b>              | <b>27,771</b>                           | <b>28,909</b>                             |
| <b>NON-CURRENT ASSETS</b>      |                                      |      |                            |   |   |
| 48                             | Intangible Assets                    | 6    | 29                         | -                                       | 14  |
| 1,401                          | Property, Plant and Equipment        | 6    | 1,504                      | 1,515                                   | 3,223                                     |
| <b>1,449</b>                   | <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>1,533</b>               | <b>1,515</b>                            | <b>3,237</b>                              |
| <b>66,476</b>                  | <b>TOTAL ASSETS</b>                  |      | <b>72,221</b>              | <b>29,286</b>                           | <b>32,146</b>                             |
| <b>LIABILITIES</b>             |                                      |      |                            |   |   |
| <b>CURRENT LIABILITIES</b>     |                                      |      |                            |   |   |
| 16,699                         | Creditors and Other Payables         | 7    | 18,903                     | 14,506                                  | 14,506                                    |
| 33,226                         | Provision for Repayment of Surplus   |      | 35,373                     | -                                       | -   |
| 4,568                          | Employee Entitlements                | 8    | 5,715                      | 2,632                                   | 2,632                                     |
| <b>54,493</b>                  | <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>59,991</b>              | <b>17,138</b>                           | <b>17,138</b>                             |
| <b>NON-CURRENT LIABILITIES</b> |                                      |      |                            |   |   |
| 343                            | Employee Entitlements                | 8    | 382                        | 300                                     | 300                                       |
| <b>343</b>                     | <b>TOTAL NON-CURRENT LIABILITIES</b> |      | <b>382</b>                 | <b>300</b>                              | <b>300</b>                                |
| <b>54,836</b>                  | <b>TOTAL LIABILITIES</b>             |      | <b>60,373</b>              | <b>17,438</b>                           | <b>17,438</b>                             |
| <b>11,640</b>                  | <b>NET ASSETS</b>                    |      | <b>11,848</b>              | <b>11,848</b>                           | <b>14,708</b>                             |
| <b>EQUITY</b>                  |                                      |      |                            |   |   |
| 11,640                         | Taxpayers' Funds                     |      | 11,848                     | 11,848                                  | 14,708                                    |
| <b>11,640</b>                  | <b>TOTAL EQUITY</b>                  |      | <b>11,848</b>              | <b>11,848</b>                           | <b>14,708</b>                             |

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

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

# Statement of Cash Flows

for the year ended 30 June 2023

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

| 2021/22<br>Actual<br>\$000                  |  | 2022/23<br>Actual<br>\$000 | 2022/23<br>Unaudited<br>Budget<br>\$000 | 2023/24<br>Unaudited<br>Forecast<br>\$000 |
|---|--|----------------------------|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b> |  |                            |   |   |
| 188,091                                     | Receipts from the Crown                              | 125,932                    | 134,369                                 | 111,923                                   |
| 42,260                                      | Receipts from Other Revenue                          | 10,969                     | 310                                     | 310                                       |
| (118,336)                                   | Payments to Suppliers                                | (57,192)                   | (63,986)                                | (43,626)                                  |
| (72,333)                                    | Payments to Employees                                | (65,323)                   | (69,368)                                | (66,571)                                  |
| (555)                                       | Payments for Capital Charge                          | (582)                      | (524)                                   | (612)                                     |
| (4,998)                                     | Goods and Services Tax (net)                         | 7,624                      | -                                       | -   |
| <b>34,129</b>                               | <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>      | <b>21,428</b>              | <b>801</b>                              | <b>1,424</b>                              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b> |  |                            |   |   |
| 295   | Receipts from Sale of Property, Plant, and Equipment | 6                          | -                                       | -   |
| (734)                                       | Purchase of Property, Plant and Equipment            | (560)                      | (308)                                   | (2,960)                                   |
| -   | Purchase of Intangible Assets                        | -                          | -                                       | -   |
| <b>(439)</b>                                | <b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>      | <b>(554)</b>               | <b>(308)</b>                            | <b>(2,960)</b>                            |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b> |  |                            |   |   |
| (29,929)                                    | Repayment of Net Surplus to the Crown                | (33,226)                   | -                                       | -   |
| 1,151                                       | Capital Contribution                                 | 208                        | 208                                     | 2,860                                     |
| (603)                                       | Capital Withdrawal                                   | -                          | -                                       | -   |
| <b>(29,381)</b>                             | <b>NET CASH FROM FINANCING ACTIVITIES</b>            | <b>(33,018)</b>            | <b>208</b>                              | <b>2,860</b>                              |
| 4,309                                       | Net Increase/(Decrease) in Cash and Cash Equivalent  | (12,144)                   | 701                                     | 1,324                                     |
| 13,793                                      | Cash and Bank Balances at the Beginning of the Year  | 18,102                     | 14,157                                  | 17,831                                    |
| <b>18,102</b>                               | <b>CASH AND BANK BALANCES AT YEAR END</b>            | <b>5,958</b>               | <b>14,858</b>                           | <b>19,155</b>                             |

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

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



## Statement of Commitments

as at 30 June 2023

### Capital commitment

At 30 June 2023, the Department has no capital commitments (2022: nil).

### Non-cancellable operating lease commitments

The Department leases premises in Wellington, Auckland and Christchurch. These non-cancellable operating leases have varying terms, escalation clauses and renewal rights. In Wellington, the Department leases several floors in the TSB building. In Auckland, office space is leased from another government agency for Auckland-based NEMA staff. In Christchurch, office space is leased within the Christchurch Justice and Emergency Services Precinct. The amounts disclosed below as future commitments are based on the current rental rates.

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

| 2021/22<br>Actual<br>\$000 |  | 2022/23<br>Actual<br>\$000 |
|----------------------------|--|----------------------------|
|                            | <b>OPERATING COMMITMENTS</b>                             |                            |
|                            | <b>NON-CANCELLABLE OPERATING LEASE COMMITMENTS</b>       |                            |
| 1,643                      | No later than one year                                   | 698                        |
| 649                        | Later than one year and not later than 5 years           | 172                        |
| 425                        | Later than five years                                    | 391                        |
| 2,717                      | <b>TOTAL NON-CANCELLABLE OPERATING LEASE COMMITMENTS</b> | <b>1,261</b>               |

## Statement of Contingent Liabilities and Contingent Assets

as at 30 June 2023

### Contingent liabilities

At 30 June 2023 there were two legal matters, one of which is pending decisions by the Court, which could give rise to liabilities to DPMC. These amounts are unquantifiable at 30 June 2023, and no provision has been made (2022: Three).

### Contingent assets

At 30 June 2023, the Department has no contingent assets (2022: Nil).

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

# Notes to the departmental financial statements

for the year ended 30 June 2023

## 1. Statement of Accounting Policies

### Reporting entity

The Department of the Prime Minister and Cabinet ('the Department') is a New Zealand government department defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Department's operations includes the Public Finance Act 1989 (PFA) and the Public Service Act 2020. The Department's ultimate parent is the New Zealand Crown.

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

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

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

The financial statements of the Department are for the year ended 30 June 2023 and were approved for issue by the Chief Executive on 29 September 2023.

### Basis of preparation

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

### Statement of compliance

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

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

### Measurement base

The Departmental Financial Statements and Non-departmental Schedules have been prepared on a 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 applied for the first-time certain standards and amendments which were effective for the year ending 30 June 2023. The following amendments or accounting policy changes occurred during 2023:

### *New or amended standards adopted*

- PBE IPSAS 41 *Financial Instruments*

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 *Financial Instruments*, which supersedes both PBE IFRS 9 *Financial Instruments* and PBE IPSAS 29 *Financial Instruments: Recognition and Measurement*. The Department has adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard because the requirements are similar to those contained in PBE IFRS 9.

- PBE FRS 48 *Service Performance Reporting*

This Standard establishes new requirements for the selection and presentation of service performance information. The Department has adopted PBE FRS 48. The main change between PBE FRS 48 and PBE IPSAS 1 *Presentation of Financial Statements* is that PBE FRS 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation, and presentation of service performance information. This is disclosed in Section 2 of the Annual Report.

### *Other changes in accounting policies*

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

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

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

### *2022 Omnibus Amendment to PBE Standards*

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 17 *Property, Plant and Equipment*: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised; and
- PBE IPSAS 19 *Provisions, Contingent Liabilities and Contingent Assets*: The amendments clarify the costs of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

## Critical accounting estimates and assumptions

In preparing these Financial Statements, estimates and assumptions have been made concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of the Non-departmental assets and liabilities within the next reporting period are in respect of estimating the fair value of land and buildings (see Note 13 Property, Plant and Equipment) and the Non-departmental provisions for emergencies (see Note 14 Provisions). For Departmental assets and liabilities, this is the measurement of long service and retirement leave (see Note 8).

## Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined overleaf.

## **Revenue Crown – departmental**

Revenue from the Crown is measured based on the Department's funding entitlement for the reporting period. The funding entitlement is established by Parliament when it passes the Appropriation Bills for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Bill for the year and certain other unconditional funding adjustments formally approved prior to balance date.

There are no conditions attached to the funding from the Crown. However, the Department can incur expenses only within the scope and limits of its appropriations.

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

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

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

## **Financial instruments**

### *Financial assets*

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

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

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

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

## **Goods and services tax**

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

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

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

## **Income tax**

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

## **Financial liabilities**

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

## **Commitments**

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

## **Budget and forecast figures**

The 2023 budget figures are consistent with the Department's best estimate financial forecast information submitted to the Treasury for the 2022 Budget Economic and Fiscal Update (BEFU) for the year ending 30 June 2023.

The 2024 forecast figures are for the year ending 30 June 2024, which are consistent with the best estimate financial forecast information submitted to the Treasury for the 2023 BEFU for the year ending 30 June 2024.

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

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

The 30 June 2024 forecast figures have been prepared in accordance with and comply with PBE FRS 42 *Prospective Financial Statements*.

### Prospective Financial Statements

The forecast financial statements were approved for issue by the Chief Executive on 5 April 2023.

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

Although the Department regularly updates its forecasts, updated forecast financial statements for the year ending 30 June 2024 will not be published.

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

The forecast figures contained in these financial statements reflect the Department's purpose and activities and are based on a number of assumptions on what might occur during the 2023/24 year. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions which were adopted as at 5 April 2023 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; and
- operating costs were based on historical experience and other factors that are believed to be reasonable in the circumstances and are the best estimate of future costs that will be incurred.

The actual financial results achieved for 30 June 2024 are likely to vary from the forecast information presented, and the variations might be material. Additional factors that could lead to material differences between the Forecast Financial Statements and the 2023/24 Actual Financial Statements include changes to the baseline budget through new initiatives, transfer of funding across financial years or technical adjustments.

### Comparatives

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

### Statement of cost accounting policies for Department Financial Statements

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

- direct costs are expenses incurred from activities in producing outputs. These costs are charged directly to the related appropriations; and
- indirect costs are expenses incurred 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

| 2021/22<br>Actual<br>\$000 |  | 2022/23<br>Actual<br>\$000 |
|----------------------------|--|----------------------------|
| 40,994                     | Revenue Department – Other Government Agencies <sup>14</sup> | 1,929                      |
| 422                        | Third Party – Other Revenue                                  | 232                        |
| <b>41,416</b>              | <b>TOTAL OTHER REVENUE AND GAINS</b>                         | <b>2,161</b>               |

<sup>14</sup> The majority of the revenue was from other departments that contributed towards the Policy Project and MFAT's contribution towards the Pacific Partnership Programme.

### 3. Personnel Costs

#### Salaries and wages

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

#### Superannuation schemes

##### *Defined contribution schemes*

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

##### *Defined benefit scheme*

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

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

| 2021/22<br>Actual<br>\$000 |  | 2022/23<br>Actual<br>\$000 |
|----------------------------|--|----------------------------|
| 67,898                     | Salaries and Wages                                   | 62,261                     |
| 1,732                      | Employer Contributions to Defined-Contribution Plans | 1,766                      |
| 956                        | Increase/(Decrease) in Employee Entitlements         | 998                        |
| 2,188                      | Other <sup>15</sup>                                  | 1,524                      |
| <b>72,774</b>              | <b>TOTAL PERSONNEL COSTS</b>                         | <b>66,549</b>              |

### 4. Capital Charge

DPMC pays a capital charge to the Crown based on its equity as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2023 was 5% (2022: 5%).

<sup>15</sup> Other includes recruitment, staff training and attendance at conferences and seminars.

## 5. Other Operating Expenses

| 2021/22<br>Actual<br>\$000 |   | 2022/23<br>Actual<br>\$000 | 2022/23<br>Unaudited<br>Budget<br>\$000 | 2023/24<br>Unaudited<br>Forecast<br>\$000 |
|----------------------------|---|----------------------------|---|---|
| 11,287                     | Shared Services                                       | 12,445                     | 11,287                                  | 11,251                                    |
| 21,116                     | Consultancy   | 8,418                      | 4,549                                   | 3,305                                     |
| -                          | Tsunami Monitoring and Detection Network Maintenance  | 6,306                      | 4,269                                   | 6,050                                     |
| 2,032                      | Grants & Sponsorship                                  | 5,561                      | 711                                     | 3,518                                     |
| 69,179                     | COVID-19 Advertising Costs                            | 5,401                      | 12,120                                  | -   |
| 4,264                      | Premises Rental                                       | 3,894                      | 5,784                                   | 3,930                                     |
| 1,252                      | Travel Costs  | 3,128                      | 2,506                                   | 2,959                                     |
| 2,024                      | IT-related Costs                                      | 2,035                      | 1,490                                   | 713                                       |
| 2,149                      | Promotion and Publicity Costs                         | 977                        | 706                                     | 1,033                                     |
| 671                        | Building and Ground Maintenance Costs                 | 672                        | 650                                     | 645                                       |
| 382                        | Cell Phone and Telephone                              | 453                        | 284                                     | 292                                       |
| 298                        | Facilities Costs                                      | 346                        | 264                                     | 338                                       |
| 790                        | Photocopying and Printing Costs                       | 327                        | 724                                     | 233                                       |
| 122                        | Audit Fees for Audit of Financial Statements          | 123                        | 111                                     | 128                                       |
| -                          | Net loss on Disposal of Property, Plant and Equipment | 43                         | -                                       | -   |
| 6,462                      | Other Operating Expenses                              | 3,218                      | 18,313                                  | 9,149                                     |
| 122,028                    | <b>TOTAL OTHER OPERATING COSTS</b>                    | <b>53,347</b>              | <b>63,768</b>                           | <b>43,544</b>                             |

## 6. Property, Plant, Equipment and Intangibles

### Accounting policy

#### *Property, plant and equipment*

Property, plant and equipment is initially recognised at cost, plus incidental costs directly attributable to acquisition if it is probable that future economic benefits or service potential associated with the item will flow to the Crown.

Where an asset is acquired at no or a nominal cost, it is recognised at fair value at the date of acquisition.

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

| Type of Asset       | Estimated Life (years) |
|---------------------|------------------------|
| Fixtures            | 10 years               |
| Furniture           | 5 years                |
| Plant and Equipment | 3 to 5 years           |
| Motor Vehicles      | 4 years                |

#### *De-recognition*

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

#### *Intangible assets*

Software is capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Software as a Service and associated costs are expensed unless control of the code transfers to DPMC.

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<br>\$000 | Motor Vehicles<br>\$000 | Work in Progress<br>\$000 | Plant and Equipment<br>\$000 | Total PPE<br>\$000 | Intangible Assets<br>\$000 |
|---|---------------------------------|-------------------------|---------------------------|------------------------------|--------------------|----------------------------|
| <b>COST</b>   |                                 |                         |                           |                              |                    |                            |
| Balance at 1 July 2021                                | 1,033                           | 29                      | 183                       | 2,220                        | 3,465              | 4,839                      |
| Additions   | 266                             | -                       | -                         | 468                          | 734                | -                          |
| Disposals   | -                               | -                       | -                         | (536)                        | (536)              | -                          |
| Transfers   | -                               | -                       | (127)                     | 253                          | 126                | (126)                      |
| Other Movements                                       | -                               | -                       | -                         | -                            | -                  | -                          |
| <b>BALANCE AT 30 JUNE 2022</b>                        | <b>1,299</b>                    | <b>29</b>               | <b>56</b>                 | <b>2,405</b>                 | <b>3,789</b>       | <b>4,713</b>               |
| Additions   | 110                             | 44                      | 490                       | 136                          | 780                | -                          |
| Disposals   | (443)                           | (29)                    | -                         | (429)                        | (901)              | -                          |
| Transfers   | 9                               | -                       | (333)                     | 324                          | -                  | -                          |
| Other Movements                                       | -                               | -                       | -                         | 20                           | 20                 | -                          |
| <b>BALANCE AT 30 JUNE 2023</b>                        | <b>975</b>                      | <b>44</b>               | <b>213</b>                | <b>2,456</b>                 | <b>3,688</b>       | <b>4,713</b>               |
| <b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b> |                                 |                         |                           |                              |                    |                            |
| Balance at 1 July 2021                                | 704                             | 8                       | -                         | 1,478                        | 2,190              | 4,623                      |
| Depreciation Expense                                  | 86                              | 8                       | -                         | 345                          | 439                | 42                         |
| Disposals   | -                               | -                       | -                         | (241)                        | (241)              | -                          |
| <b>BALANCE AT 30 JUNE 2022</b>                        | <b>790</b>                      | <b>16</b>               | <b>-</b>                  | <b>1,582</b>                 | <b>2,388</b>       | <b>4,665</b>               |
| Depreciation Expense                                  | 104                             | 10                      | -                         | 272                          | 386                | 19                         |
| Disposals   | (394)                           | (29)                    | -                         | (418)                        | (841)              | -                          |
| Other Movements                                       | -                               | 6                       | -                         | 245                          | 251                | -                          |
| <b>BALANCE AT 30 JUNE 2023</b>                        | <b>500</b>                      | <b>3</b>                | <b>-</b>                  | <b>1,681</b>                 | <b>2,184</b>       | <b>4,684</b>               |
| <b>CARRYING VALUE</b>                                 |                                 |                         |                           |                              |                    |                            |
| At 1 July 2021  | 329                             | 21                      | 183                       | 742                          | 1,275              | 216                        |
| At 30 June 2022                                       | 509                             | 13                      | 56                        | 823                          | 1,401              | 48                         |
| At 30 June 2023                                       | 475                             | 41                      | 213                       | 775                          | 1,504              | 29                         |



## 7. Creditors and Other Payables

| 2021/22<br>Actual<br>\$000 |   | 2022/23<br>Actual<br>\$000 |
|----------------------------|---|----------------------------|
| 11,290                     | Accrued Expenses                          | 10,114                     |
| 5,409                      | Payables                                  | 2,367                      |
| -                          | GST Payable to Inland Revenue             | 6,422                      |
| 16,699                     | <b>TOTAL CREDITORS AND OTHER PAYABLES</b> | <b>18,903</b>              |

## 8. Employee Entitlements

### Presentation of employee entitlements

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

| 2021/22<br>Actual<br>\$000               |                                      | 2022/23<br>Actual<br>\$000 |
|--|--------------------------------------|----------------------------|
| <b>CURRENT EMPLOYEE ENTITLEMENTS</b>     |                                      |                            |
| 3,094                                    | Annual Leave                         | 4,003                      |
| 1,135                                    | Salary Accrual                       | 1,323                      |
| 134                                      | Long Service Leave                   | 160                        |
| 99                                       | Other Employee Benefits              | 99                         |
| 95                                       | Sick Leave                           | 118                        |
| 11                                       | Retirement Leave                     | 12                         |
| 4,568                                    | <b>TOTAL CURRENT LIABILITIES</b>     | <b>5,715</b>               |
| <b>NON-CURRENT EMPLOYEE ENTITLEMENTS</b> |                                      |                            |
| 243                                      | Long Service Leave                   | 277                        |
| 100                                      | Retirement Leave                     | 105                        |
| 343                                      | <b>TOTAL NON-CURRENT LIABILITIES</b> | <b>382</b>                 |
| 4,911                                    | <b>TOTAL EMPLOYEE ENTITLEMENTS</b>   | <b>6,097</b>               |

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

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

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

| 2021/22<br>Actual<br>\$000 |   | 2022/23<br>Actual<br>\$000 |
|----------------------------|---|----------------------------|
| 33,226                     | <b>NET SURPLUS (DEFICIT)</b>  | 35,373                     |
|                            | <b>ADD/(LESS) NON-CASH ITEMS</b>  |                            |
| 481                        | Depreciation and Amortisation   | 405                        |
| 481                        | <b>TOTAL NON-CASH ITEMS</b>   | 405                        |
|                            | <b>ADD/(LESS) WORKING CAPITAL MOVEMENT</b>                              |                            |
| 1,569                      | (Increase)/Decrease in Receivables and Prepayments                      | (19,352)                   |
| 22                         | (Increase)/Decrease in Inventories                                      | (18)                       |
| 3,281                      | Increase/(Decrease) in Creditors and Other Payables                     | (4,180)                    |
| (4,998)                    | Increase/(Decrease) in GST  | 7,606                      |
| (21)                       | Increase/(Decrease) in Provisions                                       | -                          |
| 1,067                      | Increase/(Decrease) in Employee Entitlements                            | 1,125                      |
| 920                        | <b>TOTAL NET MOVEMENT IN WORKING CAPITAL ITEMS</b>                      | (14,819)                   |
| (111)                      | Add/(Less) Movements in Non-current Liabilities                         | 39                         |
|                            | <b>ADD/(LESS) ITEMS CLASSIFIED AS INVESTING OR FINANCING ACTIVITIES</b> |                            |
| -                          | (Gain)/losses on disposal of property, plant, and equipment             | 43                         |
| (33)                       | Foreign Exchange (Gain)/losses on asset                                 | -                          |
| (354)                      | Other Financial Asset   | 387                        |
| 34,129                     | <b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>                         | 21,428                     |

## 10. Related-party Transactions

### Accounting policy

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

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

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

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

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

| 2021/22<br>Actual<br>\$000 |                            | 2022/23<br>Actual<br>\$000 |
|----------------------------|----------------------------|----------------------------|
| 2,742                      | Remuneration               | 3,203                      |
| 7                          | Full-time Equivalent Staff | 8                          |

The above key management personnel compensation excludes the remuneration and other benefits for the Prime Minister and other Cabinet Ministers. The Ministers' remuneration and other benefits are set by the Remuneration Authority under the Members of Parliament (Remuneration and Services) Act 2013 and are paid under Permanent Legislative Authority, not 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 (2022: Nil).

## 11. Explanations of Major Variances Against Budget

Explanations for major variances between the Department's original 2022/23 budget figures and the 2022/23 year actuals are as follows:

### Revenue

Revenue was higher than budgeted by \$21.577 million due to decisions made since the 2022/23 Budget.

These mainly relate to:

- increased funding due to transfers from the prior year for DART Buoys Maintenance, COVID-19 All of Government Response, several Emergency Management initiatives, Child and Youth Wellbeing and Cyber Security (\$13.688 million);
- new Crown funding approved for 2023 North Island Extreme Weather Events, Alternative National Crisis Management Centre, Christchurch Call, Public Sector Pay Adjustment and Prime Minister's Special Envoy (\$18.631 million); and
- contributions from other departments including contributions to the Policy Project (\$1.376 million).

This was offset by transfers to Vote Health for COVID-19 response functions and activities associated with the health and disability system reforms (\$11.158 million).

### Expenditure

Expenditure was lower than budgeted by \$13.796 million mostly due to:

- underspends in COVID-19 All of Government Response, and Health and Disability System Reform functions due to these being wound down and disestablished during the year, with some functions transferred to other agencies (\$29.482 million); and
- lower spend for the COVID-19 Service recognition award (\$2.939 million).

Offsetting the lower expenditure was higher expenditure relating to funding approved since Budget 2022, including:

- advisory, security, disinformation, third-party funded activities and other costs (\$8.239 million);
- response to the 2023 North Island extreme weather events (\$6.867 million); and
- support and maintenance of the Tsunami monitoring and detection network (\$3.372 million).

### **Balance sheet**

Total assets exceeded the 2022/23 Budget by \$42.935 million mainly due to a larger debtor Crown balance than expected as operating expenditure was lower than anticipated in the 2022/23 Supplementary Estimates and higher amounts received from debtors than assumed in the 2022/23 Supplementary Estimates resulted in lower cash drawn from the Crown and a higher year end Crown revenue receivable. Mostly offsetting this, total liabilities exceeded 2022/23 budget by \$42.935 million reflecting provision for repayment of the 2022/23 operating surplus (\$35.373 million) and higher accounts payable and employee entitlements provision than assumed in the initial budget (\$7.562 million).

### **Cash flow**

Receipts from other departments exceeded budget by \$10.659 million due to a higher level of receivables at the end of the previous financial year than anticipated, net GST recovered exceeded budget by \$7.624 million and payments to suppliers and employees were lower than budget by \$10.839 million.

This was offset by repayment of the previous year surplus (\$33.226 million) while the budget assumed no surplus.

## **12. Events After the Balance Date**

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

# Non-departmental financial schedules

## Schedule of Non-departmental Expenses

for the year ended 30 June 2023

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

| 2021/22<br>Actual<br>\$000 |   | 2022/23<br>Actual<br>\$000 | 2022/23<br>Unaudited<br>Budget<br>\$000 |
|----------------------------|---|----------------------------|---|
| 14,751                     | Grants and Contributions                    | 34,486                     | 8,509                                   |
| 2,628                      | Increase to Provisions for emergency events | 44,707                     | -                                       |
| 2,903                      | Depreciation                                | 3,121                      | 3,489                                   |
| 2,732                      | Other Operating Costs                       | 3,851                      | 3,501                                   |
| 4,624                      | Goods and Services Tax                      | 2,650                      | 1,989                                   |
| 27,638                     | <b>TOTAL NON-DEPARTMENTAL EXPENSES</b>      | <b>88,815</b>              | <b>17,488</b>                           |

## Schedule of Non-departmental Revenue and Receipts

for the year ended 30 June 2023

| 2021/22<br>Actual<br>\$000 |  | 2022/23<br>Actual<br>\$000 | 2022/23<br>Unaudited<br>Budget<br>\$000 |
|----------------------------|--|----------------------------|---|
| 5,216                      | Other Revenue                                      | 8,371                      | 3,873                                   |
| 46                         | Gain on sale of non-financial assets               | -                          | -                                       |
| 5,262                      | <b>TOTAL NON-DEPARTMENTAL REVENUE AND RECEIPTS</b> | <b>8,371</b>               | <b>3,873</b>                            |

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

## Schedule of Non-departmental Assets and Liabilities

as at 30 June 2023

| 2021/22<br>Actual<br>\$000  |                                      | Note | 2022/23<br>Actual<br>\$000 | 2022/23<br>Unaudited<br>Budget<br>\$000 |
|-----------------------------|--------------------------------------|------|----------------------------|---|
| <b>ASSETS</b>               |                                      |      |                            |   |
| <b>CURRENT ASSETS</b>       |                                      |      |                            |   |
| 24,337                      | Cash in Bank                         |      | 8,971                      | 24,556                                  |
| 155                         | Debtors and Other Receivables        |      | 11                         | 3,370                                   |
| -                           | Other Financial Assets               |      | -                          | -                                       |
| <b>24,492</b>               | <b>TOTAL CURRENT ASSETS</b>          |      | <b>8,982</b>               | <b>27,926</b>                           |
| <b>NON-CURRENT ASSETS</b>   |                                      |      |                            |   |
| 189,270                     | Land, Property, Plant and Equipment  | 13   | 167,395                    | 181,829                                 |
| <b>189,270</b>              | <b>TOTAL NON-CURRENT ASSETS</b>      |      | <b>167,395</b>             | <b>181,829</b>                          |
| <b>213,762</b>              | <b>TOTAL NON-DEPARTMENTAL ASSETS</b> |      | <b>176,377</b>             | <b>209,755</b>                          |
| <b>LIABILITIES</b>          |                                      |      |                            |   |
| <b>CURRENT LIABILITIES</b>  |                                      |      |                            |   |
| 1,788                       | Creditors and Other Payables         |      | 15,317                     | 10,642                                  |
| 19,246                      | Provision – Emergency Expenses       | 14   | 59,591                     | 500                                     |
| <b>21,034</b>               | <b>TOTAL CURRENT LIABILITIES</b>     |      | <b>74,908</b>              | <b>11,142</b>                           |
| <b>REVALUATION RESERVES</b> |                                      |      |                            |   |
| 105,809                     | Property Revaluation Reserves        |      | 86,652                     | 105,809                                 |
| <b>105,809</b>              | <b>TOTAL REVALUATION RESERVES</b>    |      | <b>86,652</b>              | <b>105,809</b>                          |

## Schedule of Non-departmental Commitments

as at 30 June 2023

As at 30 June 2023, there are no operating commitments in Vote Prime Minister and Cabinet (2022: Nil).

As at 30 June 2023, there are no capital commitments in Vote Prime Minister and Cabinet (2022: Nil).

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

# Schedule of Non-departmental Contingent Liabilities and Contingent Assets

as at 30 June 2023

## **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 2023.

### **Contingent liabilities – quantifiable**

As at 30 June 2023, there are no quantifiable contingent liabilities (2022: Nil).

### **Contingent assets – quantifiable**

As at 30 June 2023, there are no quantifiable contingent assets (2022: 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 2023, there were 9 events (2022: 12) from which we expect to receive claims for reimbursement from local authorities for welfare, response and recovery costs. The most significant emergency events for which a contingent liability exists are the 2021 and 2022 flooding events that impacted the West Coast and Nelson/Marlborough and the January – March 2023 North Island extreme weather events.

A provision of \$59.591 million has been made for costs that have been quantified for these and other emergency events (see Note 14) (2022: \$19.246 million).

#### *Contingent assets – unquantifiable*

As at 30 June 2023, there are no unquantifiable contingent assets (2022: Nil).

## **Statement of Trust Monies**

for the year ended 30 June 2023

For the year ended 30 June 2023, DPMC did not operate any trust account under section 66 of the PFA.

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.

## 13. Property, Plant and Equipment

|   | Land<br>\$000 | Buildings<br>\$000 | Antiques and<br>Artworks<br>\$000 | Plant and<br>Equipment<br>\$000 | Work in<br>Progress<br>\$000 | Other<br>Assets<br>\$000 | Total<br>\$000 |
|---|---------------|--------------------|-----------------------------------|---------------------------------|------------------------------|--------------------------|----------------|
| <b>COST</b>   |               |                    |                                   |                                 |                              |                          |                |
| <b>BALANCE AT 1 JULY 2021</b>                         | 108,078       | 58,593             | 4,308                             | 14,820                          | 3,469                        | 2,164                    | 191,432        |
| Additions   | -             | 11                 | 75                                | 3,739                           | -                            | 202                      | 4,027          |
| Disposals   | -             | -                  | -                                 | -                               | -                            | (48)                     | (48)           |
| Transfers   | -             | -                  | 16                                | 3,080                           | (3,096)                      | -                        | -              |
| Other Movements                                       | -             | 389                | -                                 | -                               | -                            | -                        | 389            |
| Revaluation   | -             | -                  | -                                 | -                               | -                            | -                        | -              |
| <b>BALANCE AT 30 JUNE 2022</b>                        | 108,078       | 58,993             | 4,399                             | 21,639                          | 373                          | 2,318                    | 195,800        |
| Additions   | -             | 1                  | 76                                | 13                              | 283                          | 32                       | 405            |
| Disposals   | -             | -                  | -                                 | -                               | -                            | (109)                    | (109)          |
| Transfers   | -             | 6                  | 10                                | 270                             | (345)                        | 59                       | -              |
| Other Movements                                       | -             | -                  | (41)                              | (5)                             | -                            | (360)                    | (406)          |
| Revaluation   | (26,530)      | 5,971              | -                                 | -                               | -                            | -                        | (20,559)       |
| <b>BALANCE AT 30 JUNE 2023</b>                        | 81,548        | 64,971             | 4,444                             | 21,917                          | 311                          | 1,940                    | 175,131        |
| <b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b> |               |                    |                                   |                                 |                              |                          |                |
| <b>BALANCE AT 1 JULY 2021</b>                         | -             | -                  | -                                 | 2,065                           | -                            | 1,610                    | 3,675          |
| Depreciation Expense                                  | -             | 778                | -                                 | 2,008                           | -                            | 117                      | 2,903          |
| Disposals   | -             | -                  | -                                 | -                               | -                            | (48)                     | (48)           |
| <b>BALANCE AT 30 JUNE 2022</b>                        | -             | 778                | -                                 | 4,073                           | -                            | 1,679                    | 6,530          |
| Depreciation Expense                                  | -             | 786                | -                                 | 2,219                           | -                            | 116                      | 3,121          |
| Disposals   | -             | -                  | -                                 | -                               | -                            | (109)                    | (109)          |
| Other Movements                                       | -             | -                  | -                                 | -                               | -                            | (242)                    | (242)          |
| Revaluation write back                                | -             | (1,564)            | -                                 | -                               | -                            | -                        | (1,564)        |
| <b>BALANCE AT 30 JUNE 2023</b>                        | -             | -                  | -                                 | 6,292                           | -                            | 1,444                    | 7,736          |
| <b>CARRYING VALUE</b>                                 |               |                    |                                   |                                 |                              |                          |                |
| At 1 July 2021  | 108,078       | 58,593             | 4,308                             | 12,755                          | 3,469                        | 554                      | 187,757        |
| At 30 June 2022                                       | 108,078       | 58,215             | 4,399                             | 17,566                          | 373                          | 639                      | 189,270        |
| At 30 June 2023                                       | 81,548        | 64,971             | 4,444                             | 15,625                          | 311                          | 496                      | 167,395        |



## Depreciation

Depreciation is provided on a straight-line basis to allocate cost or revalued amounts, net of any estimated residual value, over the estimated useful life. Antiques and artworks are not depreciated. The useful lives of other major classes of assets have been estimated as follows:

| Type of Asset    | Estimated Life (years) |
|------------------|------------------------|
| Buildings        | 50-120 years           |
| All Other Assets | 4-10 years             |

## Revaluations

Government House land and buildings in Auckland and Wellington were revalued to fair values as at 30 June 2023 by independent registered valuers, William Liew and David Cornford of Quotable Value Limited. The collection of antiques and artwork was revalued as at 30 June 2021 by an independent registered valuer, James Parkinson of Dunbar Sloane Limited.

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

Restrictions on land titles include:

- within the Wellington property (12.428 hectares), 11.3 hectares is zoned as Open Space B which provides for areas to be used for recreation and does not allow buildings and structures; and
- within the Auckland property, 2.25 hectares is marked as Natural Resources Significant Ecological Areas which restricts how this area is used.

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

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

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

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

## 14. Provisions

|   | Emergency Expenses<br>\$000 |
|---|-----------------------------|
| Balance at 1 July 2022                                    | 19,246                      |
| Additional Provision Recognised – New events              | 37,467                      |
| Payments Made During the Year/Provision Used for the Year | (4,362)                     |
| Changes to Provision – Previous events                    | 7,240                       |
| Balance at 30 June 2023                                   | 59,591                      |
| Current Portion of the Provision                          | 59,591                      |

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 wastewater, storm-water and potable water infrastructure is typically 60% of the total cost for valid and eligible work.

## Emergency Expenses provision

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

The Emergency Expenses provision comprises:

- \$20.414 million for Marlborough/Nelson Flooding in August 2022
- \$17.053 million for the North Island Severe Weather Events in January/February 2023
- \$6.962 million for Marlborough flooding in July 2021
- \$5.198 million for the cost of the Crown's contribution to support the Buller District Council in repairs associated with flooding events of July 2021 and February 2022
- \$3.550 million for Ashburton/Canterbury flooding in May/June 2021
- \$2.484 million for estimated costs associated with cyclones Debbie and Cook in the Bay of Plenty region in April 2017
- \$2.403 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
- \$0.934 million for Southland Flooding in February 2020
- \$0.399 million for Whanganui flooding in June 2015, and
- \$0.194 million for West Coast flooding in February 2022.

These estimates are based on information provided from the relevant local authorities.

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

## 15. Events after the Balance Date

There are no events after the balance date of 30 June 2023 (2022: Nil).

## 16. Impact of COVID-19

The COVID-19 All-of-Government Response Group established in DPMC in July 2020 transferred most functions to health agencies during 2022/23 and was disestablished by 30 June 2023. A new unit was established in DPMC during 2023 to enable all-of-government coordination and DPMC input to the Royal Commission into Lessons Learned from Aotearoa New Zealand's Response to COVID-19 that should be Applied in Preparation for any Future Pandemic.



# Appendices | Ngā āpitihanga

This section includes:

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



# Cabinet Office statistics

for the year ended 30 June 2023

|  | 2022/23<br>Actual | 2021/22<br>Actual | 2020/21<br>Actual |
|--|-------------------|-------------------|-------------------|
| <b>MEETINGS</b>  |                   |                   |                   |
| Executive Council  | 45                | 45                | 33                |
| Cabinet  | 45                | 50 <sup>16</sup>  | 52 <sup>16</sup>  |
| Cabinet committees   | 185               | 176               | 115               |
| <b>SUBMISSIONS</b>   |                   |                   |                   |
| Summary cover sheets to Cabinet and Cabinet committee papers   | 1,735             | 1,556             | 1,083             |
| Submissions lodged by Ministers' offices by the Cabinet Office deadline  | 81%               | 73%               | 61%               |
| Papers published by the close of business, two days before the meeting   | 93%               | 96%               | 96%               |
| <b>CABINET AND CABINET COMMITTEE MINUTES</b>   |                   |                   |                   |
| Cabinet and Cabinet committee minutes <sup>16</sup>  | 2,096             | 1,964             | 1,520             |
| Cabinet and Cabinet committee minutes requiring an amendment by the Cabinet Office <sup>17</sup>                         | 3                 | 10                | 2                 |
| Cabinet minutes published by the close of business, three days after the Cabinet meeting                                 | 98%               | 96%               | 99%               |
| <b>OTHER SERVICES</b>  |                   |                   |                   |
| Cabinet Office circulars   | 7                 | 2                 | 9                 |
| Briefing seminars to departments, Ministers' offices and other interested parties on the Cabinet decision-making process | 33                | 20                | 20                |
| Enquiries and requests from Ministers' offices and departments about Cabinet papers and related information              | 119               | 86                | 141               |

<sup>16</sup> The higher number of Cabinet meetings than usual reflects additional meetings held to consider urgent COVID-19 issues.

<sup>17</sup> 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 2023

|  | Number of Meetings | Number of Agenda Items | Average Number of Items per Meeting |
|--|--------------------|------------------------|-------------------------------------|
| Executive Council  | 45 <sup>18</sup>   | 301                    | 7                                   |
| Cabinet  | 45                 | 388                    | 9                                   |
| <b>CABINET COMMITTEE MEETINGS</b>                                  |                    |                        |                                     |
| Cabinet Appointments and Honours Committee                         | 27                 | 359                    | 13                                  |
| Cabinet Business Committee   | 8                  | 29                     | 4                                   |
| Cabinet Economic Development Committee                             | 28                 | 267                    | 9                                   |
| Cabinet Environment, Energy and Climate Committee                  | 13                 | 72                     | 5                                   |
| Cabinet External Relations and Security Committee                  | 14                 | 81                     | 6                                   |
| Cabinet Extreme Weather Recovery Committee <sup>19</sup>           | 10                 | 46                     | 5                                   |
| Cabinet Government Administration and Expenditure Review Committee | 10                 | 55                     | 5                                   |
| Cabinet Legislation Committee                                      | 28                 | 228                    | 8                                   |
| Cabinet Māori Crown Relations: Te Arawhiti Committee               | 9                  | 32                     | 3                                   |
| Cabinet Priorities Committee                                       | 10                 | 36                     | 4                                   |
| Cabinet Social Wellbeing Committee                                 | 28                 | 205                    | 7                                   |
| <b>TOTAL CABINET COMMITTEE MEETINGS</b>                            | <b>185</b>         | <b>1,410</b>           | <b>8</b>                            |

18 An additional Executive Council meeting was held on 11 September 2023 to confirm the Proclamation of Accession of King Charles III of New Zealand; and three additional Executive Council meetings were held to swear in Ministers in February, April and May 2023.

19 The Cabinet Extreme Weather Recovery Committee was established in February 2023 to co-ordinate and direct the Government response to recovery from the severe weather events that occurred in the upper and eastern North Island in January and February 2023, and related matters.

# New Zealand Royal Honours

for the year ended 30 June 2023

## THE ORDER OF NEW ZEALAND

|                   |   |
|-------------------|---|
| Additional Member | 1 |
|-------------------|---|

## THE NEW ZEALAND ORDER OF MERIT

|                      |     |
|----------------------|-----|
| Dame Grand Companion | 1   |
| Dame Companion       | 6   |
| Knight Companion     | 6   |
| Companion            | 27  |
| Officer              | 78  |
| Member               | 132 |
| Honorary Officer     | 2   |
| Honorary Member      | 2   |

## THE QUEEN'S SERVICE ORDER

|                                |    |
|--------------------------------|----|
| Companion                      | 4  |
| The Queen's Service Medal      | 95 |
| Honorary Queen's Service Medal | 4  |

## NEW ZEALAND BRAVERY AWARDS

|                                    |   |
|------------------------------------|---|
| The New Zealand Bravery Star       | 1 |
| The New Zealand Bravery Decoration | 6 |
| The New Zealand Bravery Medal      | 1 |

## THE NEW ZEALAND ANTARCTIC MEDAL

|                                 |   |
|---------------------------------|---|
| The New Zealand Antarctic Medal | 1 |
|---------------------------------|---|

## THE NEW ZEALAND DISTINGUISHED SERVICE DECORATION

|  |            |
|--|------------|
| The New Zealand Distinguished Service Decoration | 6          |
| <b>TOTAL</b>                                     | <b>373</b> |

## OTHER HONOURS AND APPOINTMENTS

|  |            |
|--|------------|
| Grant of the title "The Right Honourable" for life | 2          |
| Grant of the title "The Honourable" for life       | 11         |
| <b>TOTAL</b>                                       | <b>386</b> |

## Areas of contribution for the New Year and the King's Birthday and Coronation 2023 Honours Lists recipients

| Area of contribution                    | Female     | Male       | Total      |
|---|------------|------------|------------|
| Arts and Media                          | 30         | 16         | 46         |
| Business and the Economy                | 7          | 12         | 19         |
| Community, Voluntary and Local Services | 62         | 71         | 133        |
| Education                               | 21         | 16         | 37         |
| Health                                  | 32         | 24         | 56         |
| Science and Technology                  | 3          | 11         | 14         |
| Services to the State                   | 8          | 12         | 20         |
| Sport and Recreation                    | 19         | 21         | 40         |
| <b>TOTAL</b>                            | <b>182</b> | <b>183</b> | <b>365</b> |

## Ethnicity of the New Year and the King's Birthday and Coronation 2023 Honours Lists recipients

| Ethnicity                                | Female     | Male       | Total      | % of Lists |
|--|------------|------------|------------|------------|
| New Zealand European / European          | 95         | 100        | 195        | 53%        |
| Māori                                    | 35         | 32         | 67         | 18%        |
| Pacific Peoples                          | 23         | 18         | 41         | 11%        |
| Asian                                    | 7          | 9          | 16         | 4%         |
| Middle Eastern / Latin America / African | 3          | 1          | 4          | 1%         |
| Unspecified                              | 19         | 23         | 42         | 12%        |
| <b>TOTAL</b>                             | <b>182</b> | <b>183</b> | <b>365</b> |            |





## **Report by the Minister for Cyclone Recovery on a Non-departmental Appropriation (B.14)**

This report meets the requirement, set in the Vote Prime Minister and Cabinet Supplementary Estimates of Appropriations for 2022/23, for information on a Non-departmental Appropriation to be reported by the Minister for Cyclone Recovery.

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 2022/23.

## Extreme Weather – Regional and Local Support

This appropriation is intended to provide funding to be administered by Regional and Local Recovery Structures to support recovery from the sequence of 2023 North Island weather events.

### What we achieved

| Performance measure  | Target<br>2022/23 | Result<br>2021/22 | Result<br>2022/23                                    | Achieved |
|--|-------------------|-------------------|--|----------|
| Payments to support recovery efforts are made in accordance with criteria (see Note 1) | 100%              | New Measure       | Not Applicable<br>– No payments were made in 2022/23 | -        |

Note 1 – This is a new appropriation. This performance measure was selected based on similar measures of performance used in other appropriations administered by the Department for similar bodies and provides sufficient and quantifiable information on the level of performance.

### How much it cost

| 2021/22<br>Actual<br>\$000 | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|----------------------------|----------------------------|--|
| - Expenses                 | -                          | -                          | 5,000                                  |

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

This report meets the requirement, set in the Vote Prime Minister and Cabinet Estimates of Appropriations and Supplementary Estimates of Appropriations for 2022/23, for information on a Non-departmental Appropriation to be reported by the Minister for Emergency Management.

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

Although presented in the same document, this report does not form part of the Department of the Prime Minister and Cabinet's Annual Report 2022/23.

## Local Authority Emergency Expenses PLA

This appropriation is intended to achieve reimbursement of local authorities for the purposes of reimbursing, or meeting, expenses incurred by them in connection with an emergency as authorised by section 115A of the Civil Defence Emergency Management Act 2002.

### What we achieved

| Performance measure   | Target<br>2022/23 | Result<br>2021/22 | Result<br>2022/23 | Achieved |
|---|-------------------|-------------------|-------------------|----------|
| Percentage of claims received are assessed in conjunction with approved criteria as set out in section 33 of the Guide to the National Civil Defence Emergency Management Plan 2015 | 100%              | 100%              | 100%              | ✓        |

### How much it cost

| 2021/22<br>Actual<br>\$000 |          | 2022/23<br>Actual<br>\$000 | 2022/23<br>Budget<br>\$000 | 2022/23<br>Supp.<br>Estimates<br>\$000 |
|----------------------------|----------|----------------------------|----------------------------|--|
| 8,808                      | Expenses | 49,138                     | 5,000                      | 402,000                                |