

STATEMENT OF INTENT

2013–2017

DEPARTMENT
of the PRIME MINISTER
and CABINET



Presented to the House of Representatives
pursuant to section 39 of the Public Finance Act 1989

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STATEMENTS OF RESPONSIBILITY

MINISTERIAL STATEMENT OF RESPONSIBILITY

I am satisfied that the information on future operating intentions provided by the Department of the Prime Minister and Cabinet in this *Statement of Intent* and the *Information Supporting the Estimates* is in accordance with sections 38, 40 and 41 of the Public Finance Act 1989 and is consistent with the policies and performance expectations of the Government.

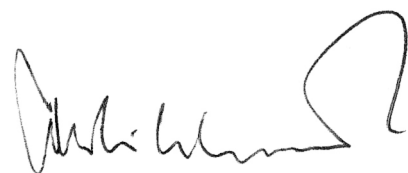


Rt Hon John Key
Prime Minister

May 2013

CHIEF EXECUTIVE STATEMENT OF RESPONSIBILITY

In signing this statement, I acknowledge that I am responsible for the information contained in the *Statement of Intent* for the Department of the Prime Minister and Cabinet. This information has been prepared in accordance with the Public Finance Act 1989. It is also consistent with the proposed appropriations set out in the Appropriations (2013/14 Estimates) Bill, as presented to the House of Representatives in accordance with section 13 of the Public Finance Act 1989, and with existing appropriations and financial authorities.



Andrew Kibblewhite
Chief Executive

May 2013



Sara Brownlie
Chief Financial Officer

May 2013

INTRODUCTION FROM THE CHIEF EXECUTIVE

The Department of the Prime Minister and Cabinet (DPMC) exists to support New Zealand's Governor-General and Prime Minister in the conduct of their responsibilities, and to ensure the effective conduct of executive government by the Prime Minister and members of the Cabinet. It provides a broad range of services including policy advice; national security and intelligence coordination; secretariat and coordination services to Cabinet, its committees and the Executive Council; support services to the Governor-General and maintenance of the official residences. DPMC is also part of the Corporate Centre (together with the Treasury and State Services Commission [SSC]) which provides leadership to agencies across the State sector.

There are many challenges facing New Zealand in the coming years. These include building a more productive and internationally competitive economy; returning the Government's budget to surplus and reducing its debt; rebuilding Christchurch; delivering better public services to New Zealanders; and ensuring that New Zealand, its people and its national interests are protected from harm.

The Prime Minister and Ministers have placed high expectations on the Department to rise to these challenges, to seek new and better ways to deliver services and to be focused on results that matter for New Zealanders. As Chief Executive, I, with my senior managers, will lead a team of highly skilled and dedicated staff who are open to change and innovation in how we operate, both internally and externally.

In Budget 2013 some new investment has been provided to DPMC, primarily to enhance our leadership and coordination of the national security sector. This is necessary to maintain effectiveness and build organisational resilience. As recent events have unfortunately shown (eg, the Canterbury earthquakes, Pike River mine disaster, Rena grounding), natural disasters and other unforeseen events and circumstances do occur. The current system is well placed to manage a single national emergency. But more depth is required to ensure the appropriate resilience is being developed, so that DPMC's staff and systems are able to respond effectively to multiple national emergencies or crises, in New Zealand or offshore.

Building a safer and more prosperous nation requires that New Zealand and its national interests are protected from harm. An increasing number of security issues do not respect national boundaries. In particular, the globalised world that brings New Zealand so many advantages also brings us harm in the form of electronic intrusions and cyber crime, potentially threatening our critical national infrastructure and the intellectual property of our businesses. The National Cyber Policy Office was established within DPMC last year to lead the development of cyber policy advice for government. The Department will be committing the appropriate resources to support the development and implementation of robust cyber

security strategies across government. Key objectives include equipping New Zealand's cyberspace effectively, so that it can respond to threats, achieving a greater understanding in both the public and private sectors of how they can contribute to cyber security and the enabling of economic activity and prosperity through a secure national infrastructure.

Over the next four years we will be increasing DPMC's policy capability on intelligence and security. Our focus will be on strengthening policy capability across the sector and mitigating risks on key issues. We will work in other agencies to rebuild trust in the intel community, make the work of the intel community more relevant to decision-makers and work more effectively together.

A changed way of working for the Cabinet system is underway with investment in a new electronic platform known as CabNet. This system will use technologies and processes allowing departments, Ministers' offices and the Cabinet Office to work together more effectively in supporting Cabinet and its committees. Implementation of CabNet will require us to work across the State sector on the new Cabinet processes, and to provide improved training to ensure the benefits are realised. These benefits are expected to include enhanced productivity, improved quality of submissions and enhanced security of Cabinet information.

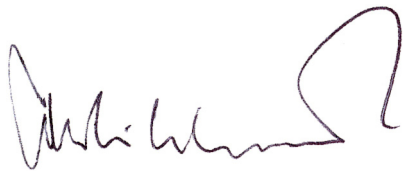
The last few years have witnessed some significant developments at Government House: the completion of a significant (and highly successful) renovation of Government House Wellington; the opening of a Visitor Centre there; and the investiture of a new Governor-General. A key area of focus in the next few years will be making information on the function, powers and duties of New Zealand's Governor-General and Head of State more readily accessible. The Visitor Centre will facilitate the visits of school pupils while also developing its capacity to handle public visits and investigating ways of broadening its appeal to special interest groups. We will be looking to further upgrade the Government House website, and consider how best we can provide more information on the international dimension of the Governor-General's activities.

As noted earlier, DPMC will work differently in the future. It will share, with the Treasury and SSC, a collective responsibility for the success of the State services. Within the Corporate Centre, DPMC will play a key leadership role in supporting the implementation of the Better Public Services programme. Better Public Services is fundamentally a different way of thinking about State sector performance. It is about how well the system as a whole is serving the needs of citizens (rather than a narrow focus on the performance of individual agencies) and reflects a commitment by the State sector to work much more collectively. Accordingly, we will work closely across other agencies to make sure the State sector is doing everything necessary to achieve the challenging Better Public Services targets Ministers have set (across critical areas such as supporting vulnerable children, boosting skills and employment and reducing crime).

The Central Agencies Shared Services (CASS) is also an example of Better Public Services in action, joining up effort across agencies to reduce the overall costs of back office functions. CASS has already benefited DPMS in providing a more resilient, comprehensive and robust delivery of core corporate services functions, which had gradually deteriorated over a number of years owing to reprioritisation to cover front line activities.

Finally, we want to demonstrate DPMS's value proposition to our stakeholders and the State sector at large. Our Department is underpinned by the specialist expertise and strong performance of our individual business units and is united by a shared commitment to help the Governor-General and the Prime Minister carry out their responsibilities to the highest standard possible. To further improve upon this we will be looking to develop greater collaboration and innovation across the organisation, to support our shared purpose of advancing – to the very best of our ability – a confident, well-governed and secure New Zealand. This year's Performance Improvement Framework (PIF) review of the Department, and the development of an action plan in response to it, will also be important opportunities for us to further demonstrate improved performance.

This new focus on the way we work and how we measure achievement for ourselves and State sector agencies will help us continue to provide the highest standards of day-to-day advice and support to our stakeholders – the Governor-General, Prime Minister and Ministers – and ultimately the people of New Zealand.



Andrew Kibblewhite
Chief Executive

NATURE AND SCOPE OF FUNCTIONS

DPMC exists to support New Zealand's Governor-General and Head of State in the conduct of their responsibilities, and the effective conduct of executive government by the Prime Minister and members of the Cabinet. It provides a broad range of outputs including policy advice; national security and intelligence coordination; secretariat and coordination services to Cabinet, its committees and Executive Council; support services to the Governor-General; and maintenance of the official residences.

Underpinning this, DPMC plays a role in coordinating and leading the work of government departments and agencies, and other entities as appropriate, to ensure that decision-making takes account of all relevant viewpoints and that advice is as coherent and complete as possible. This ensures that executive decision-making is supported by high-quality advice that is timely, responsive to the directions set by the Government, forward-looking, cognisant of changing circumstances and emerging issues and gives assurance that policies are being delivered in an effective and coordinated manner. Critical to success is for DPMC to draw on close relationships with other departments and agencies, Crown entities, local government, business, iwi and the wider community.

Building on this leadership role, DPMC, the Treasury and SSC will work collectively as the Corporate Centre with the aim of delivering outstanding results for New Zealanders. This will be achieved by assisting government to develop an overall strategy for the State services, providing advice on how to improve the system and managing significant issues.

WHAT WE DO: ADVISE, LEAD, SUPPORT, COORDINATE

To provide its services, DPMC employs 112 full-time equivalent staff (FTEs) (130 staff in total) and structures its activities within seven business units: Cabinet Office; Government House; Policy Advisory Group (PAG); Security and Risk Group (SRG); Intelligence Coordination Group (ICG); National Assessments Bureau (NAB); and the Office of the Chief Executive. CASS provides finance, human resources, information technology and information management services. For further detail, see DPMC's website (www.dpmc.govt.nz). The table opposite summarises the key functions provided within each business unit.

Table 1: Organisational structure

CHIEF EXECUTIVE						
OFFICIAL SECRETARY GOVERNMENT HOUSE	SECRETARY OF THE CABINET/CLERK OF THE EXECUTIVE COUNCIL	POLICY ADVISORY GROUP	THE OFFICE OF THE CHIEF EXECUTIVE	NATIONAL ASSESSMENTS BUREAU	INTELLIGENCE COORDINATION GROUP AND NATIONAL CYBER POLICY OFFICE	SECURITY AND RISK GROUP
<ul style="list-style-type: none"> Manages the overall running of Government House to ensure effective support of the Governor-General, including planning and organising all official engagements and functions to ensure that the Governor-General is well supported in all settings. Overall responsibility for the management, control and maintenance of the buildings, grounds and assets of Government Houses in Wellington and Auckland. 	<ul style="list-style-type: none"> Provides impartial secretariat services to the Executive Council, Cabinet and Cabinet committees. Provides impartial advice to the Governor-General, Prime Minister and other Ministers on certain constitutional, policy and procedural issues, especially those contained in the <i>Cabinet Manual</i>. Assists in the coordination of the Government's legislative programme. Administers the New Zealand Royal Honours system, including Honours lists. Acts as a channel of communication between the Governor-General and the Government, and has overall responsibility for policy and administration of Government House. 	<ul style="list-style-type: none"> Provides coherent and impartial advice on issues of the day directly to the Prime Minister and, on occasion, to other Ministers. Leads ad hoc special projects of high priority for the Prime Minister. Contributes to policy development across the full range of government business, including coordinating the provision of advice across agencies. Leads DPMC's involvement on State sector performance, with the Treasury and SSC, operating as the Corporate Centre. 	<ul style="list-style-type: none"> Provides accountability, compliance and assurance reporting. Leads risk management and is responsible for departmental security. Manages DPMC's relationship with CASS. Overall responsibility for new project management. 	<ul style="list-style-type: none"> Makes objective assessments of events and developments that are relevant to New Zealand's national security and international environment. Exercises a coordination and leadership role in relation to certain parts of the New Zealand Intelligence Community (NZIC). Assures quality standards for assessment and produces reports to inform the members of inter-departmental watch groups that coordinate New Zealand's responses to external crises and threats to New Zealand. 	<ul style="list-style-type: none"> Provides impartial advice to the Prime Minister on intelligence matters. Leads and coordinates the agencies of NZIC in terms of requirements, priority setting, risk management and performance reporting. Coordinates NZIC's overall relationships with foreign partners. Leads the National Cyber Policy Office. Oversees, coordinates the development of, implements and reviews the national cyber security strategy and policies. 	<ul style="list-style-type: none"> Provides impartial advice to the Prime Minister on risk and security matters. Coordinates the National Security System, including preparing for and responding to security crises, emergencies and natural disasters. Deals with national security threats that affect New Zealand and its interests, both onshore and offshore.

SUPPORTING THE PRIME MINISTER AND CABINET

The Prime Minister is the political leader of the government and the country – and New Zealand’s main public “face”. The Prime Minister is also the Chair of the Cabinet, and is responsible for the effective operation of executive government. These roles combine political and executive responsibilities. DPMC provides the Prime Minister with advice and assistance in the following two categories:

- **Issues that are the direct responsibility of the Prime Minister**

The Cabinet Office provides free and frank advice and support on constitutional issues relating to the conduct of executive government – including during elections and transitions between administrations – and issues associated with the operation of the Cabinet system. The Department also provides a stream of assessments and advice to the Prime Minister to support his intelligence and security responsibilities.

- **Issues that arise across the full range of government business**

DPMC provides a continuous flow of advice to the Prime Minister on major and daily issues, along with oversight of wider-government activity and access to information and assessments on national security issues. DPMC works with the Treasury and SSC to draw together departments in support of the Government’s priorities, to focus agencies on providing options for action, to ensure implementation of agreed programmes and policies, to drive for enhanced agency performance and to deal effectively with issues that affect the nation. DPMC also provides, through the Cabinet Office, the secretariat support for decision-making by the Cabinet and its committees.

Administrative support to the Prime Minister

A totally separate body outside of DPMC, the Office of the Prime Minister, advises the Prime Minister and is the primary point of responsibility for managing political issues and relationships with other political parties and for providing administrative and media support. It also prepares replies to parliamentary questions, and deals with Official Information Act 1982 requests and other correspondence.

SUPPORTING THE GOVERNOR-GENERAL

The Governor-General is a symbol of unity and leadership, with the holder of the position fulfilling important constitutional, ceremonial, community and international roles, all of which maintain national unity and foster national identity. The Governor-General is appointed on the recommendation of the Prime Minister of New Zealand to serve as the representative of the Head of State, Elizabeth II, Queen of New Zealand. This position is non-partisan and is not involved in the “business” of government, which is the responsibility of the Prime Minister and the Cabinet.

New Zealand is a constitutional democracy. Neither the Governor-General nor the Queen takes an active or initiating role in the executive functions of government. By convention, the Head of State acts on the advice of Ministers of the Crown, except on rare occasions such as when appointing a Prime Minister after an election.

At the request of the Prime Minister, the Governor-General represents New Zealand on the international stage, undertaking state visits to enhance relations between New Zealand and other countries, as well as attending important ceremonies overseas. The Governor-General also hosts formal State Welcome ceremonies for visiting Heads of State at Government House, as well as receiving the credentials of foreign ambassadors and high commissioners to New Zealand.

DPMC provides the Governor-General with advice and assistance in the following areas:

- **Office of the Governor-General**

DPMC provides support to the Governor-General in carrying out his constitutional and ceremonial obligations (including presiding over meetings of the Executive Council), representing New Zealand on the international stage and receiving the credentials of foreign ambassadors and high commissioners. Support includes administrative, communications, financial, travel and advisory services, as well as the provision of full briefings for each event in New Zealand and overseas.

- **Official functions, investitures and receptions at Government House**

DPMC works with the Governor-General to develop a long-term strategic programme. This includes official functions, speeches, investitures and receptions at Government House as well as patronage of community groups, attendance at and hosting of events, visits to specific interest groups throughout New Zealand and visits overseas. DPMC ensures that the programme is implemented through managing all events held at the Government Houses in Wellington and Auckland and providing full briefings and administrative support for all events and ceremonies.

- **Maintenance of official residences**

DPMC provides staff and services to maintain the buildings and grounds of both Government Houses as appropriate residences for the representative of the Head of State and as historic places. This includes managing the holdings of art and furniture, as well as any building improvement programmes. Services have been expanded with the opening of the Government House Visitor Centre in Wellington in November 2012.

STRATEGIC DIRECTION AND OPERATING INTENTIONS

SUPPORTING THE GOVERNMENT'S GOALS

DMPC's work is to support the government of the day and it does so by providing the functions of advising, leading, supporting and coordinating activities across the public sector, as well as specific advice and support to the Governor-General and Prime Minister.

The Government has set goals of 'greater prosperity, security and opportunities for all New Zealanders through building a more productive and competitive economy, returning to surplus and reducing debt, driving better results from public services and supporting the rebuilding of Christchurch'.

DMPC contributes to these government goals by providing continuity in constitutional and administrative services that support New Zealand's parliamentary democracy. It plays a role as both the "constitutional and institutional glue" that holds the system together and the "oil" that allows the free flow of information, advice and policy for government decision-making.

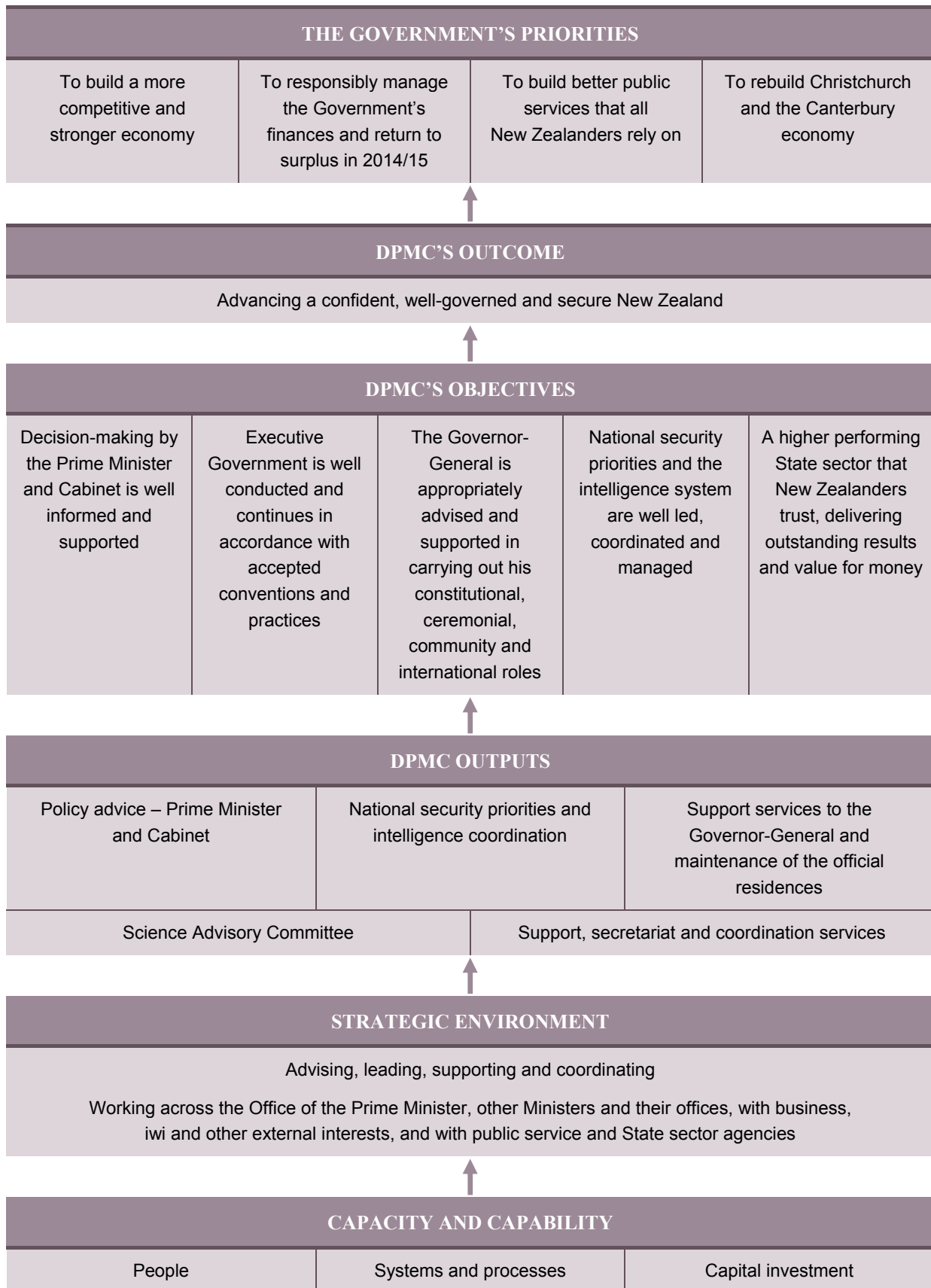
DMPC is the point of intersection where Ministers, agencies and advice streams come together at the Cabinet table – working to ensure that the final decisions of the Government are well informed and that these decisions are given effective public service support in implementation.

Underpinning all the Government's priorities is the need for effective national security. DMPC leads policy-making in this area as well as ensuring that all the government agencies with responsibilities for national security are well coordinated and able to respond to national security crises as they arise.

STRATEGIC DIRECTION, OBJECTIVES AND IMPACTS

DMPC's strategic focus is to provide for "advancing a confident, well-governed and secure New Zealand". Each of its objectives aims to have an impact that will maintain and improve the functions of government and the public service. In achieving this leadership and coordination role, the State services as a whole will be more effective in achieving the Government's goals.

STRATEGIC FRAMEWORK



OBJECTIVE ONE

Decision-making by the Prime Minister and Cabinet is well informed and supported

Impact to be achieved

The Prime Minister and Cabinet are confident that the advice, assessments and processes supporting their decision-making are world class.

Why is this important?

The Prime Minister and the Cabinet are the centre of executive government in New Zealand. By chairing Cabinet, the Prime Minister leads and coordinates government and oversees its general policy direction. Ministers work together as the Cabinet and in Cabinet committees to discuss issues, make decisions and exercise a critical national leadership function.

What we will do and how we will provide it

DMPC is structured in order to meet the expectation to provide varied and specialist advice, often in very short timeframes, as well as maintaining effective and efficient governance systems. Expertise and skills are provided through these functions:

- **Policy advice** – which is timely, high-quality and coordinated and enables the Government's business to be carried out in an effective manner.
- **Support, secretariat and coordination services** – which is impartial and timely so that the Cabinet and its committees can function efficiently and effectively.
- **Assessments of national security and foreign affairs** – which raise awareness and insights on national security and foreign affairs issues of policy relevance to inform government's decision-making.
- **Advice on cyber security** – leadership role over national cyber security strategies and policy across government.
- **Independent science advisory advice** – the Science Advisory Committee provides the Prime Minister with strategic and operational advice on science and science policy issues.

Policy advice

PAG and SRG advise the Prime Minister on a very broad range of policy matters. Both groups facilitate cross-government linkages across agencies working on related issues and seek to ensure that officials' advice takes account of broader government priorities. They also help remove bottlenecks in the flow of departmental policy advice.

Where possible, PAG and SRG seek to address issues strategically, with a medium- or longer-term perspective. They monitor emerging priorities and, in the case of SRG, national security risks. Both groups have a role in communicating across government, helping departments to understand Ministers' perspectives, assisting agencies to develop policy that supports government priorities and dealing with implementation issues.

The focus of work will be:

- maintaining close links with other agencies and Ministers' offices
- providing comment on draft Cabinet papers
- giving free and frank advice to the Prime Minister on all items of government business
- participating in a range of officials' committees and attending Cabinet committee meetings in an advisory and support capacity, and
- monitoring implementation and coordinating follow-up on policies and projects.

Support, secretariat and coordination services

The Cabinet Office's role is in facilitating and supporting the Cabinet decision-making process.

The focus of work will be:

- administering the Cabinet support system including distributing Cabinet and Cabinet committee papers and decisions accurately and promptly
- maintaining a record of all Cabinet decisions
- assisting in coordinating the Government's legislation programme
- supporting decision-making by the Prime Minister and Ministers in relation to appointments and honours, and
- working with Ministers' offices and departments to ensure that issues are presented to the Cabinet in a clear and robust way that supports good decision-making. It does this through quality control and monitoring, feedback, developing and promulgating guidance, education and training.

Assessments of national security and foreign affairs

NAB prepares assessments, which are distinct from policy advice, for the Prime Minister, certain other Ministers and senior officials on developments relating to national security and foreign affairs that could significantly affect New Zealand's interests. The objective is to provide them with *decision advantage* on the risks and opportunities they can apply to their decision-making.

The focus of work will be:

To ensure that reporting is closely tailored to the decision-making needs of Ministers and senior officials and implementing systems that reflect international best practice for assuring the quality of assessment reporting. NAB's work also contributes to Objective Four on page 20-21.

Cyber security

The National Cyber Policy Office takes the lead in providing advice on cyber security to inform issue resolution and decision-making for Ministers. The implementation of the National Cyber Security Strategy and strategic policy advice on cyber threats to New Zealand ensures that national security and economic interests are protected.

The focus of work will be:

- overseeing and coordinating the development, implementation and review of national cyber security strategies and policy across government
- coordinating longer-term development of policy and strategic direction to underpin relevant government agencies' activities
- leading international engagement on cyber security policy, and
- facilitating coordination with the private sector on cyber security issues.

Science Advisory Committee

The Science Advisory Committee was established 1 July 2009 to provide the Prime Minister with strategic and operational advice on science and science policy issues. In addition, the role of the Chief Science Advisor is to promote public understanding of, and engagement with, science and developing relationships with similar offices overseas. The committee's work is further explained on its website (www.pmcsa.org.nz).

How we will demonstrate success

DPMC will report on the three common policy advice performance indicators as agreed by Cabinet to be used by all government agencies. The indicators cover policy advice as it is provided across all business units within DPMC. It was established to enable consistent measurement of the cost per hour, technical robustness and ministerial satisfaction of policy advice functions across all policy agencies.

OBJECTIVE TWO

Executive Government is well conducted and continues in accordance with accepted conventions and practices

Impact to be achieved

Confidence in the integrity and effectiveness of New Zealand's system of government is maintained.

Why is this important?

At the heart of New Zealand's democratic, political and economic systems is stable executive government, accountable to an elected House of Representatives. The executive branch of government comprises of the Governor-General, Prime Minister, other Ministers of the Crown and the public service.

What we will do and how we will provide it

DPMC provides advice and administrative services to the Governor-General, Prime Minister and Ministers on the constitutional issues that have implications for executive government and constitutional procedures that support the conduct and continuity of executive government. This includes supporting necessary procedures for the smooth transfer of power between successive administrations, Governors-General, Prime Ministers and Ministers.

Cabinet Office

As the recognised source of expert knowledge on the systems of Cabinet and executive government, the Cabinet Office is the primary contributor to this objective. In carrying out its role, the Cabinet Office also works with the Crown Law Office, Parliamentary Counsel Office, Ministry of Justice, SSC and the Treasury. The trust of Ministers and other stakeholders and a reputation for discretion, integrity and judgement are vital to the effective operation of the Cabinet Office. It is rigorous in maintaining impartiality between administrations, agencies and individual Ministers.

The focus of work will be:

- providing advice to the Governor-General, Prime Minister and Ministers on the constitutional issues and procedures that support the conduct and continuity of executive government
- ensuring that constitutional procedures such as the appointment of Ministers are well managed and administered correctly
- providing policy advice on constitutional issues that have implications for executive government

- maintaining the *Cabinet Manual* as the authoritative guide to central government's decision-making, with successive governments using it as the basis on which to operate, and reviewing it to reflect changes in Cabinet procedures and constitutional developments
- implementing CabNet, a new electronic platform which will also require new processes to be embedded with departments and Ministers' offices
- administering the New Zealand Royal Honours system including Honours lists, and
- assisting in the coordination of the Government's legislative programme.

How we will demonstrate success

Success will be demonstrated through surveying the Governor-General and Prime Minister on their level of satisfaction with the advice, support and services provided. A rating of "meets expectations" or higher is targeted.

OBJECTIVE THREE

The Governor-General is appropriately advised and supported in carrying out his constitutional, ceremonial, community and international roles

Impact to be achieved

The office of the Governor-General is strengthened as a symbol of national unity and leadership.

Why is this important?

As the representative of the Head of State, the Governor-General of New Zealand fulfils important constitutional, ceremonial and international roles as well as a community leadership role. Being a key contributor to the New Zealand system of government, the Governor-General requires high-quality advice and support from the Clerk of the Executive Council (who is responsible for liaison between the Governor-General and the Government) and the Official Secretary and Government House staff.

What we will do and how we will provide it

DPMC supports the office of the Governor-General in two primary ways:

Clerk of the Executive Council

The Clerk of the Executive Council is responsible for liaison between the Governor-General and the Government.

The focus of work will be:

- supporting the Governor-General in undertaking a number of important constitutional functions, including appointing the Prime Minister, and making regulations
- providing impartial secretariat services to the Executive Council, and
- providing impartial advice to the Governor-General on certain constitutional, policy and procedural issues.

Government House

Government House is managed by the Official Secretary, who reports to the Clerk of the Executive Council and supports the Governor-General in fulfilling his role through a programme of speeches, patronage of community groups, attendance at and hosting of events, visits to specific interest groups throughout New Zealand and visits overseas. The ceremonial and international roles of the Governor-General encompass national and local events, hosting international dignitaries, ambassadors and high commissioners and the promotion of New Zealand's interests overseas.

The focus of work will be:

- in conjunction with the Clerk of the Executive Council and the Official Secretary, working closely with other agencies to ensure that the Governor-General's ceremonial role is well conceived and supported
- maintaining and supporting a domestic and international programme of engagements, which is regularly reviewed in consultation with Their Excellencies to ensure it is relevant and well balanced
- operating the Government House Visitor Centre in Wellington and facilitating visits by the public and special interest groups
- promoting to the public the role of the Governor-General in New Zealand and internationally through an upgraded website, and
- maintaining the buildings and grounds of the Government Houses in Wellington and Auckland.

How we will demonstrate success

Success will be demonstrated through surveying Their Excellencies, which will review:

- whether high-quality advice and support provided met the expectations that enabled the Governor-General to undertake his constitutional, ceremonial, community and international functions effectively, and
- that all programme requirements for the Governor-General were fully met.

A rating of "meeting expectations" or higher is targeted.

OBJECTIVE FOUR

National security priorities and the intelligence system are well-led, coordinated and managed

Impact to be achieved

New Zealand has world class processes in place to deal with national security events and emergencies and to build national resilience.

Why is this important?

DPMC contributes to the national security outcomes of:

Preserving sovereignty and territorial integrity and strengthening international order.

Sustaining economic prosperity and protecting the natural environment.

Maintaining democratic institutions and national values and ensuring public safety.

In achieving these outcomes, DPMC's work is focused on building national preparedness and resilience and assessing the key risks and opportunities affecting New Zealand's national security interests.

National security

DPMC's role is to ensure that potential national security risks to New Zealand's wellbeing are assessed, an adequate level of preparedness for security is tested and maintained, responses to incidents and the consequent information provided to the Government are timely and coordinated and that national resilience is further strengthened.

Foreign affairs

In respect of foreign affairs, DPMC provides assessments to inform Ministers and senior officials on risks and opportunities relating to New Zealand's interests.

What we will do and how we will provide it

DPMC will ensure that there are effective vehicles for managing national security risks and providing coordinated advice to Ministers.

SRG's focus of work will be:

- managing risk in respect of a number of major upcoming events in New Zealand, including the U20 FIFA World Cup and the Cricket World Cup (co-hosted with Australia), and overseas such as the centenary commemoration of the ANZAC landings in Gallipoli and the Rugby World Cup to be held in the United Kingdom in 2015
- overseeing the preparation of overarching national security strategies

- reviewing and managing an annual National Security Plan that informs the work of agencies and will incorporate the context of significant decisions by Cabinet on security-related matters
- identifying clear priorities for the national security system in which New Zealand's diverse national security issues can be managed more effectively
- leading/promoting a whole-of-government preparedness for national security risks and development of whole-of-government responses through effective use of the Domestic and External Security Coordination (DESC) system, and
- chairing the Officials' Domestic and External Security Committee (ODESC) supporting the DESC system.

NAB's focus of work will be:

To provide national assessments for Ministers and senior officials on the risks and opportunities affecting New Zealand's national security interests and the international environment for New Zealand's foreign policy.

Impact to be achieved

The New Zealand Intelligence Community (NZIC) is viewed as trusted, integrated, customer-oriented and crucial to building national resilience.

Why is this important?

DPMC's leadership of NZIC, in collaboration with its agencies, will result in a sector being seen to work seamlessly as a whole, sharing resources, collaborating and eliminating duplication, to provide significantly improved results. DPMC will coordinate NZIC, which includes:

- setting priorities
- recommending the allocation of resources
- ensuring cost effectiveness
- leading engagement on intelligence matters with other countries, and
- providing timely, coordinated intelligence advice relating to the Government's national security priorities.

This coordinated approach will be critical as DPMC leads the development of robust policies for cyber security while preserving the significant economic and social opportunities that modern communications provide. New Zealand's cyberspace will be equipped effectively to respond to threats. New Zealanders – including both the public and private sectors – will understand their contribution to cyber security. Economic activity will be further enabled by a secure infrastructure.

What we will do and how we will provide it

DPMC's leadership role will continue across NZIC. It will ensure that compliance and oversight mechanisms of NZIC are updated and strengthened. NZIC aims to move towards joint-customer outreach, so that Ministers and organisations that interact with NZIC can do so in a more coherent and managed way. NZIC will develop new tools for setting intelligence priorities and measuring the impact of agencies in delivery, to ensure the focus is on intelligence that enhances decision-making.

ICG's focus of work will be:

- providing advice to the Prime Minister on intelligence matters
- leading and coordinating the agencies of NZIC in terms of requirements, priority setting, risk management and performance reporting
- coordinating NZIC's overall relationships with foreign partners, and
- working closely with key customers to understand their needs, measure the impact of its deliverables and thereby improving the prioritisation of NZIC resources.

NAB's focus of work will be:

- providing assessments that include unique insights available only from intelligence to Ministers and senior officials on issues affecting New Zealand interests and in a way that is timely, useful and relevant
- leading and coordinating a national assessments programme that draws on insights from other parts of NZIC, and
- tailoring the content and manner of its reporting more responsively to the requirements of Ministers and senior officials.

The National Cyber Policy Office

A secure cyberspace is an important national security priority, requiring a coordinated response. Cyber security issues affect not only the integrity of the Government's information systems, but also those of critical national infrastructure, the intellectual property of businesses and the privacy of individuals. The National Cyber Policy Office's role is to lead and coordinate cyber security policy for government.

The National Cyber Policy Office's focus of work will be:

- overseeing and coordinating the development, implementation and review of national cyber security strategies and policy across government, to ensure that national security and economic interests are protected, and
- leading in providing advice to inform issue resolution and decision-making for Ministers, as well as the longer-term development of policy and strategic direction to underpin relevant government agencies' activities, leading international engagement on cyber security policy and facilitating coordination with the private sector on cyber security issues.

How we will demonstrate success

Success across both impacts will be demonstrated through surveying key stakeholders to review:

- confidence that assessments provided were of high-quality and of policy relevance to New Zealand
- increased understanding among key stakeholders and the public of the value NZIC delivered to New Zealand in helping identify national security challenges, set priorities and being prepared for contingencies, and
- that national security and events were effectively coordinated and managed.

A rating of "meeting expectations" or higher is targeted.

In addition, not less than 95% of assessments to inform Ministers and senior officials of risks and opportunities relating to New Zealand interests are accurate and succinct.

OBJECTIVE FIVE

A higher performing State sector that New Zealanders trust, delivering outstanding results and value for money

Impact to be achieved

The Corporate Centre is providing collective leadership to achieve outstanding results for New Zealanders.

Why is this important?

New Zealand's State sector faces challenges from the difficult international economic environment to changing public expectations of service design and delivery to complex social issues. All need to be addressed within a constrained budget as the Government works to return the financial position to surplus by 2014/15. To meet these challenges, the State sector needs to find new ways of working in terms of business design, culture and how agencies interact with each other on a day-to-day basis.

Collectively the Treasury, SSC and DPMC form the Corporate Centre to lead the State sector in understanding how well the system as a whole is serving the needs of New Zealanders. It is committed to shifting the public services to work much more cohesively. The Corporate Centre is responsible for enabling performance improvements in the State sector, albeit with each agency having distinct roles and perspectives. It will assist State sector agencies to meet New Zealanders' expectations of better services to be delivered in more immediate and flexible ways, to gain better traction on the results that matter most and to increase the efficiency and effectiveness of the State sector to deliver more with less.

The goal is to achieve a fundamental shift in the way the State sector operates in order to meet New Zealand's future challenges.

The leadership role the Corporate Centre undertakes is to in effect "own" the performance of the agencies and sectors, including taking early action in cases of underperformance. DPMC will apply its close understanding of the Government's collective ambitions, preferences and priorities to add significant value to the Corporate Centre as it works to deliver the Prime Minister's Better Public Services results for New Zealand.

What we will do and how we will provide it

To create a coordinated approach to leadership, the Corporate Centre will act in a coordinated way to improve performance and share the accountability for delivering results. This includes sharing information and tools for evaluating the management and performance of State sector agencies.

In driving improved State sector performance, the Corporate Centre's work programmes must also be focused on increasing the effectiveness of the Corporate Centre itself.

Corporate Centre's focus of work will be:

The four-year programme of the Corporate Centre will focus on good management and governance with the Better Public Service results; coordination of performance information; coherent investment decision-making; lifting functional leadership roles in information and communications technology (ICT), procurement and property; lifting public service leadership capability; and developing strategy for improving Crown entity performance.

DPMC's focus of work will be:

DPMC will continue to work proactively with a broad range of lead agencies responsible for specific policy outcomes, to ensure their work is on track and their advice is consistent with broader government priorities. More specifically, within the context of the Corporate Centre's accountabilities, DPMC's focus will be:

- **Government's 10 Better Public Services targets** – work on achieving greater momentum in the drive to deliver on the programme's 10 public service result areas.
- **Provide leadership to the intelligence sector** – NZIC has worked as a more integrated sector over the past two years. This is reflected in a joint work programme, workforce planning and budgeting. This sector-based approach to the way the intelligence agencies are working contributes to the Better Public Services programme of being well-coordinated and delivering value for money.
- **Support functional leadership to achieve results** – the PAG director is the sponsor for the Corporate Centre with the Performance Hub team providing specific support to agencies that have been given responsibility for State sector-wide functional leadership for ICT (Department of Internal Affairs), procurement (Ministry of Business, Innovation and Employment) and property (Ministry of Social Development). Actions will be to:
 - strengthen relationships
 - identify capability gaps and work with agencies to identify ways to fill these gaps, and
 - link agencies in order to break down barriers to success.

How we will demonstrate success

The Government wants to see long-term sustained change which results in greater efficiency and effectiveness in the delivery of public services. Therefore, the measures chosen to demonstrate success need to provide trending data and information. This is critical in order for the Corporate Centre to be able to monitor progress and adjust its priorities accordingly where achievement is not being met, or not within the timeframes expected.

PIF results across participating agencies have already indicated that there is real scope for improvement in leadership and strategic capability. Further analysis of collective PIF results can provide critical benchmarks on which to measure improvements.

Kiwis Count is a survey of New Zealanders' perceptions and experiences of services delivered by public service agencies. This survey captures whether the public feels they have received joined-up services in an efficient and effective manner and if they believe they received value for money. Analysis of the questions and score received will provide benchmark data for the Corporate Centre on where it can support individual agencies. In addition, agencies delivering "like services" can analyse data in an effort to determine best practice and then share systems and processes accordingly, rather than reinventing the wheel.

MANAGING IN A CHANGEABLE OPERATING ENVIRONMENT

DPMC balances priorities that are constant – such as supporting the effective conduct of executive government and the constitutional arrangements that underpin it – and those that are more changeable – such as the policy priorities of the Prime Minister and the government of the day. DPMC must be prepared accordingly to adjust its work programmes to reflect all these particular needs.

In preparing this document, a number of environmental factors that can shape, influence and change the priorities of the government in power have been identified. Understanding these factors allows for DPMC's senior leadership to structure the work programme to be flexible enough to respond quickly if and when required. In addition, DPMC must be able to adapt its work programme within its resources.

BETTER PUBLIC SERVICES PROGRAMME

Implementation of the Better Public Services programme will be led by the Corporate Centre with the involvement and support of other chief executives and agencies and a number of external parties. Achieving the goals of the Better Public Services programme will require much stronger collaboration across the public sector, improved sector leadership, a focus on results, better use of technology and improved services and value for money. Further work in this area has been covered under Objective Five.

The Better Public Services programme is outlined at www.dpmc.govt.nz/better-public-services.

REDUCED EXPENDITURE IN THE PUBLIC SERVICE

Providing greater efficiencies within the public service remains a top priority for government. DPMC, the Treasury and SSC will drive enhanced internal performance through CASS which now delivers joint corporate services functions (finance, human resources, information technology and information management) to the Corporate Centre. The implementation of CASS has resulted in an overall reduction in the standard running costs of these services for the Corporate Centre, but has resulted in an added cost pressure for DPMC.

NATIONAL SECURITY

For the Government to build a safer and more prosperous New Zealand, it must ensure that New Zealand and its national interests are protected from harm. The term “national security” has increasingly been used in recent years to cover both domestic and external security. This reflects an appreciation that an increasing number of security issues do not respect national boundaries. Events that can cause us harm at home may have their origins beyond the national border – and vice versa.

The globalised world that brings New Zealand many advantages is created on inter-connected electronic networks – the internet or cyberspace. With this great opportunity comes threat through electronic intrusions and cyber crime. The cyber threat to national prosperity is real and continues to grow in sophistication and impact. A priority for DPMC will be coordinating the development of robust policies to strengthen New Zealand’s cyber security and equip it effectively to respond to these threats.

A key aim of New Zealand’s counter terrorism effort is that New Zealand is neither the victim nor the source of an act of terrorism. While the risk of a terrorist attack – at home or abroad – may be considered to be low, the consequences could be severe. In 2015, New Zealand will host the U20 FIFA World Cup and co-host the Cricket World Cup, the centenary of the ANZAC landings in Gallipoli will be commemorated and the Rugby World Cup will be held in the United Kingdom. DPMC will need to ensure that sufficient resources are devoted to (inter alia) managing the security and risk elements of these events effectively.

New Zealand is also not immune from the geopolitical shocks of events far away: the civil war in Syria, the tension over nuclear weapons in North Korea or potentially in Iran. In our region, the number of people seeking to migrate to more developed countries vastly exceeds the demand for legal migration and people smuggling is an industry growing in size and reach. DPMC will continue to place a high priority on assessing national security risks and developing appropriate responses, supported by a well-coordinated intelligence community.

The additional funding in Budget 2013 is new investment to enhance DPMC’s leadership and coordination of the national security sector. The key objective will be to build further depth and resilience in the national security system. While the current system is well placed to manage a single national emergency, more depth is required to ensure the appropriate resilience is being developed.

NATURAL DISASTERS AND UNFORESEEN EVENTS

As events over the past two years have unfortunately shown (eg, the Canterbury earthquakes, Pike River mine disaster, Rena grounding), natural disasters and other unforeseen events and circumstances do occur and affect DPMC’s operating environment. They often require DPMC to urgently reprioritise its focus and resources to provide the appropriate level of leadership, coordination and support. The resilience of DPMC’s staff and systems will be challenged in the event of having to respond to multiple national emergencies or crises (in New Zealand or offshore).

CABINET SUPPORT SYSTEMS – CABNET

The current Cabinet support system is business critical, providing support for Cabinet processes and ministerial decision-making. Although structured around largely paper-based processes, it still ensures reliable, timely and secure distribution of material. The system has,

however, fallen well behind what people expect of modern processes, practices and technologies.

CabNet is a secure, shared electronic platform to support Cabinet decision-making processes. CabNet will use technologies and processes allowing departments, Ministers' offices and the Cabinet Office to work together more effectively in supporting the Cabinet system. At the heart of CabNet will be a repository of Cabinet submissions and decisions, accessible to authorised users.

The three most significant benefits accruing to the State sector from CabNet will be:

- enhanced productivity in the public sector (significantly faster flow of information through the system)
- improved quality of submissions to Cabinet (enabling officials to better collaborate and consult on draft submissions), and
- enhanced security of Cabinet information (more secure means of sharing Cabinet information and inherent audit trails and tracking mechanisms).

LEGISLATION

Changes in the Government's priorities would naturally mean changes in DPMC's priorities and the strategic results expected of the State sector. DPMC must be prepared accordingly to adjust its work programmes to reflect the particular (and often changing) needs of the Prime Minister as the leader of the Government. The wide-ranging amendments in 2013 to the Public Finance, State Sector and Crown Entities Acts will require DPMC to be more mindful of the longer-term needs of the Department, the State sector and indeed the country as a whole.

GOVERNMENT HOUSE

Government House Wellington was officially reopened on 24 March 2011 after a major conservation project designed to strengthen and refurbish the heritage building and highlight its historic and cultural significance to New Zealand. A Visitor Centre, opened on 14 November 2012 by Their Royal Highnesses, the Prince of Wales and Duchess of Cornwall, has been established in existing out-buildings at Government House. The centre is a key focus of an educational and visitor programme designed to enhance New Zealanders' understanding of the role of Governor-General and Government House in New Zealand's constitution and government. Managing this educational aspect has required additional skills and experience to be attained by Government House staff.

MANAGING RISK AND COST EFFECTIVENESS

RISK MANAGEMENT FRAMEWORK

DPMC's strategy for managing risks is to:

- mitigate risk, where this can be done reliably and cost effectively
- coherently manage risks, including the risk of fraud
- work to enhance system resilience
- apply an adaptive management response to risk events, and
- externally review risk mitigation through the Audit and Risk Committee (which includes external appointees).

DPMC maintains a risk management framework that it reviews regularly, identifying those risks that could prevent the achievement of key outcomes. Changes in the DPMC risk profile can arise when there are changes in operational activities, in senior management and key personnel, in customer and stakeholder demands and expectations and when there are significant risk events. DPMC's Audit and Risk Committee builds its annual work programme around the risk management framework.

COST EFFECTIVENESS

DPMC continues to operate where possible within its current budget, and has realised savings over the years to ensure that this remains so, without limiting overall efficiency and effectiveness. In Budget 2012 and Budget 2013, increases were made to the departmental appropriation to enable DPMC to build greater capability, especially in respect of its work on national security.

DPMC continuously seeks and receives feedback from the Governor-General and Prime Minister on whether and how well it is "hitting the mark" with services it delivers. This feedback allows judgements to be made on DPMC's effectiveness and helps identify opportunities for improvement.

ORGANISATIONAL CAPABILITY AND PERFORMANCE

OUR PEOPLE

Our aim: to continue attracting talented staff (including secondees from across the public service and the private sector) who see DPMC as employer of choice.

Our people are our most important asset. We take pride in the high calibre of our workforce, and continue to aim to be an employer of choice in recruiting staff and being a good employer for our current staff.

We seek to maintain a working culture at DPMC that is considered by staff to be challenging and satisfying, and that makes them proud to be working for the Department. We have a strong performance culture within DPMC and will continue to develop ways to attract, recruit, develop, engage and reward our people.

We will achieve this by:

- promoting a working culture where the whole (all of DPMC) is greater than the sum of the parts (DPMC's business units). This culture change has started with the senior leadership team working more cohesively on issues that confront individual business units as well as the whole department. The senior team will continue to promote this culture across and down the organisation with direction setting and defining new ways of working together
- actively managing the performance management system, which rates individual performance and behaviours against role expectations and maintains a line-of-sight between individual performance, DPMC's objectives, outcomes, impacts and government priorities
- providing for training and mentoring to develop leaders within DPMC, and
- building our links with DPMC alumni and enhance our recruitment strategy, so that we are recruiting the right mix of skills and work experiences.

OUR SYSTEMS AND PROCESSES

Our aim: to ensure that our systems and processes are efficient, effective, support our culture of collaboration and meet the high expectations of the Governor-General, Prime Minister, Cabinet and Ministers.

In addition to DPMC's internal systems and processes, as a partner in the Corporate Centre, DPMC is committed to the CASS team located within the Treasury. The purpose of CASS is to achieve greater efficiency and effectiveness by providing joined-up corporate and support services for DPMC, SSC and the Treasury for less cost, while ensuring such services meet the three agencies' business needs for the future.

We will achieve this by:

- leveraging efficiencies through CASS, by reviewing and refining existing systems and information flows within DPMC business units, and
- implementing CabNet and embedding new processes for public sector agencies and Ministers' offices with regard to Cabinet, Cabinet committees and ministerial decision-making (also refer to page 28).

How we will demonstrate success

DPMC wants to ensure that actions are contributing towards improvement in terms of efficiency, cost and perceptions. In addition to the measurements below, the senior leadership team will review the findings from the recently completed PIF review and identify areas of focus in the future.

To demonstrate success with attracting talented staff and maintaining staff, managers will complete performance planning and appraisals by the timeframes set by the chief executive.

A two-yearly climate survey will be conducted to assess how staff feel about working in the Department. The target is to maintain or improve upon our upper-quartile result for staff engagement.

CAPITAL INTENTIONS

Our aim: to ensure that our asset base is well maintained, and supports our systems and processes and enhances the working environment for our staff and stakeholders who interact with us.

We will achieve this by:

- reviewing annually the five-year capital plan with the Treasury and SSC to ensure alignment of procurement and the strategic focus of the Corporate Centre, and
- reviewing annually the Crown asset requirements to maintain the buildings, furniture and art collection of the Government Houses in Wellington and Auckland.

Departmental capital expenditure	Budget 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000
FIXED ASSETS	100	120	100	100	100
INTANGIBLES	2,600	-	-	-	-
TOTAL	2,700	120	100	100	100

Non-departmental capital expenditure	Budget 2012/13 \$000	Forecast 2013/14 \$000	Forecast 2014/15 \$000	Forecast 2015/16 \$000	Forecast 2016/17 \$000
FIXED ASSETS	1,052	150	150	150	150
INTANGIBLES	-	-	-	-	-
TOTAL	1,052	150	150	150	150

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