

VOTE *Prime*

Minister and Cabinet

Prime Minister and Cabinet

Overview

Appropriations sought for Vote Prime Minister and Cabinet in 2006/07 total \$15.885 million. This is intended to be spent as follows:

- \$7.327 million (46.1% of the Vote) on the purchase of free and frank advice on policy issues; services to facilitate inter-departmental co-ordination of policy development and promote a more collective approach to performance across the state sector; and to co-ordinate central government activities aimed at protecting New Zealand's domestic and external security. From the Cabinet Office, central government constitutional advice, facilitation and secretariat services to Cabinet committees and the Executive Council will also be purchased.
- \$4.023 million (25.3% of the Vote) on support services to the Governor-General and maintenance of Government House New Zealand.
- \$3.097 million (19.5% of the Vote) for the provision of information and reports on events and trends overseas affecting New Zealand's interests.
- \$150,000 (0.9% of the Vote) on Government House capital investment, including an upgrade of the service areas at Government House Auckland.
- \$798,000 (5.0% of the Vote) under permanent legislative authority (Civil List Act 1979) for payments for the salary, personal allowance and travel expenses of the Governor-General.
- \$30,000 (0.2% of the Vote) under permanent legislative authority (NZSIS Amendment (No. 2) Act 1999) for payments to the Commissioner of Security Warrants.
- \$460,000 (2.9% of the Vote) for depreciation expenses on Crown assets (Government House New Zealand including contents).

Minister Portfolio Table

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Prime Minister

Prime Minister and Cabinet

VOTE MINISTER: Prime Minister

ADMINISTERING DEPARTMENT: Department of the Prime Minister and Cabinet

The Prime Minister is the Responsible Minister for the Department of the Prime Minister and Cabinet

Part A - Statement of Objectives and Trends

Part A1 - Objectives for Vote

The appropriations for Vote Prime Minister and Cabinet are directed towards the achievement of “good government with effective Public Service support”. The following outputs will be provided in pursuit of this outcome.

Policy Advice and Secretariat and Coordination Services

Objectives for Policy Advice and Secretariat and Coordination Services

The Prime Minister is well informed, through analytically rigorous and frank, independent and impartial advice provided by the department; and is enabled to lead and manage the public policy business of the Government.

The proper and effective operation of the key institutions of executive Government is facilitated through advice and support including advice on the evolving policies and practices of executive government functions under coalition and minority governments.

The Government’s collective interests are promoted and effectively pursued through robust policy advice from officials in the Cabinet decision-making process.

The implementation of the Government’s priorities: economic transformation, families-young and old, and national identity are well supported.

The proper operation of the Cabinet and Cabinet committee system is safeguarded and promoted.

The meetings of the Cabinet, Cabinet Committees and the Executive Council are well supported through secretariat services of a high standard.

Constitutional processes involving the Head of State are supported and appropriately facilitated including through the provision of timely and appropriate advice.

The New Zealand Honours system is effectively supported.

The Parliamentary Committee on Intelligence and Security is effectively supported.

Outcomes

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

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

The management of domestic and external security and other risks is well planned, informed and coordinated.

Support Services to the Governor-General and Maintenance of Government House New Zealand

Objective for Support Services to the Governor-General

Purchase services to support the public role of the Governor-General.

Outcomes

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

The Governor-General is well supported.

Objectives for Maintenance of Government House New Zealand

Services are maintained to preserve and enhance the buildings and grounds of Government House as an appropriate residence of the Head of State and as an historic place.

The capital value of the Crown’s assets in the buildings and grounds are protected through the development and implementation of ongoing capital and maintenance works programmes.

Outcome

The Governor-General is well supported.

Intelligence Assessments on Developments Overseas

Objective

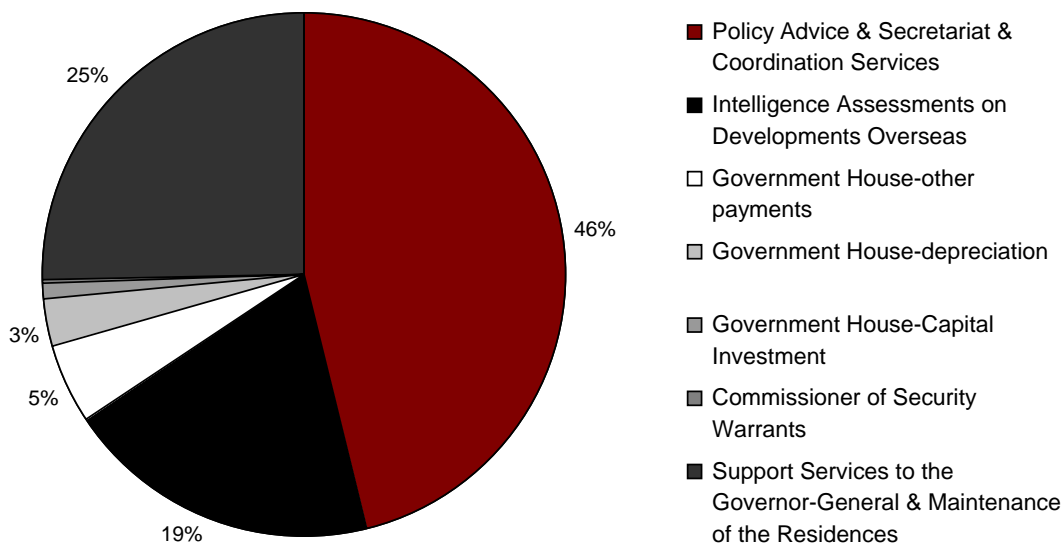
In a timeframe useful to policy makers, high quality reports are produced on overseas developments that are of policy relevance to New Zealand.

Outcome

The management of domestic and external security and other risks is well planned, informed and coordinated.

Part A2 - Trends in Vote

Figure 1 - Vote Structure (% of Total Appropriations 2006/07)



Source: Department of Prime Minister and Cabinet

Appropriation Trends: 2001/02 to 2006/07

The Government has in the past required the Department of the Prime Minister and Cabinet, in addition to its roles at the centre of government functions, to continue to manage particular projects such as the Climate Change Project, established in the department in 2001 and transferred to the Ministry for the Environment on 31 January 2003, and the Foreshore and Seabed project established in 2003, and which completed its tasks in early 2005.

Total appropriations for 2006/07 are 0.1% (\$5,000) higher than 2005/06 because an additional funding for a restoration project for Government House, Wellington.

Key Changes: 2001/02 to 2006/07

(Refer Figure 2.)

2001/02

Appropriations for departmental outputs were \$14.036 million. The increase from 2001/02 was for additional funding for Climate Change Project.

Other appropriations included \$149,000 for capital development at Government House, \$723,000 for Government House - other payments, \$15,000 for the Commissioner of Security Warrants and \$303,000 for depreciation on Crown assets.

2002/03

Appropriations for departmental outputs were \$12.907 million. The decrease from 2001/02 was due to the net effect of changes to the Climate Change Project, and included an additional appropriation of \$5,000 for constitutional functions transferred from the Department of Internal Affairs.

Other appropriations included \$150,000 for capital development at Government House, \$601,000 for Government House - other payments, \$8,000 for the Commissioner of Security Warrants and \$363,000 for depreciation on Crown assets.

2003/04

Appropriations for departmental outputs were \$14.474 million. The increase from 2002/03 was due to increased funding for the Foreshore and Seabed Project and the Sustainable Development Programme.

Other appropriations included \$700,000 for capital development at Government House Auckland, \$741,000 for Government House - other payments, \$20,000 for the Commissioner of Security Warrants and \$356,000 for depreciation on Crown assets.

2004/05

Appropriations for departmental outputs were \$15.145million. The 4.6% increase from 2003/04 was due to funding for the Foreshore and Seabed Project and enhancement of departmental capability to provide quality advice and services.

Other appropriations included \$2.546 million for capital development at Government House Auckland, \$816,000 for Government House - other payments, \$23,000 for the Commissioner of Security Warrants and \$379,000 for depreciation on Crown assets.

2005/06

Appropriations for departmental outputs were \$13.763 million. The 9.1% decrease compared with 2004/05 is mainly due to completion of the Foreshore and Seabed project in 2004/05.

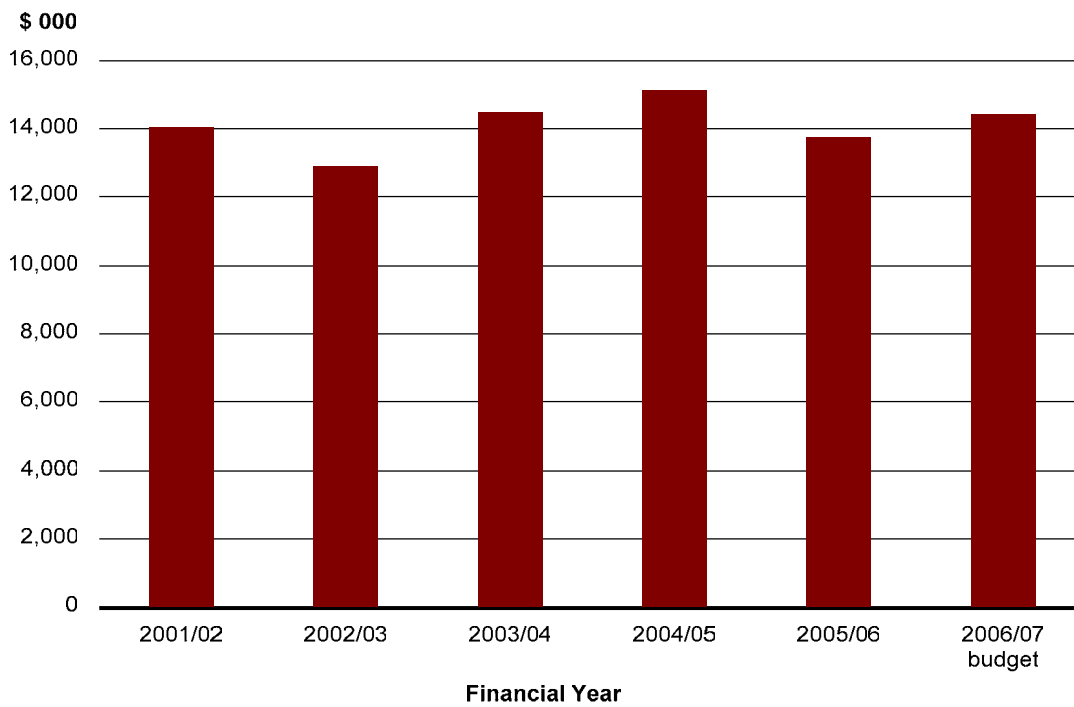
Other appropriations include \$844,000 for capital development at Government House, \$798,000 for Government House - other payments, and \$30,000 for the Commissioner of Security Warrants, and \$445,000 for depreciation on Crown assets.

2006/07

Appropriations for departmental outputs will be \$14.447million. The 5.0% increase compared with 2005/06 is for additional funding to enhance capability to provide quality advice and engage a suitably qualified building manager on a fixed term contract to develop the requirements for and lead preliminary assessments for a restoration programme for Government House, Wellington.

Other appropriations include \$150,000 for capital development at Government House, \$798,000 for Government House - other payments, and \$30,000 for the Commissioner of Security Warrants, and \$460,000 for depreciation on Crown assets.

Figure 2 - Departmental Output Appropriations (\$000 exclusive)



Source: Department of Prime Minister and Cabinet

New Policy Initiatives by Appropriation

Initiative	Appropriation as shown in Part B	\$000 increase/(decrease)				
		2005/06	2006/07	2007/08	2008/09	2009/10
Funding for unexpected legal, inquiry and pandemic planning costs	Departmental Output Class - Policy Advice & Secretariat & Coordination Services	260				
Funding for urgent maintenance projects	Departmental Output Class - Support Services to the Governor-General and Maintenance of Government House New Zealand	59				
Government House Wellington-urgent capital works	Purchase or Development of Capital Assets by the Crown: Government House - Capital Investment	694				
Expansion of capability to improve whole-of-government performance	Departmental Output Class - Policy Advice & Secretariat & Coordination Services		450	450	450	450
Specialist assessments of structural and refurbishment requirements at Government House Wellington	Departmental Output Class - Support Services to the Governor-General and Maintenance of Government House New Zealand		686	155		
Total Initiatives		1013	1136	605	450	450

Part B - Statement of Appropriations

Summary of Financial Activity

	2001/02	2002/03	2003/04	2004/05	2005/06		2006/07 Appropriations to be Used				2007/08	2008/09	2009/10	
	Actual \$000	Actual \$000	Actual \$000	Actual \$000	Budget \$000	Estimated Actual \$000	By the Department Administering the Vote		For Non-Departmental Transactions		Total \$000	Estimated \$000	Estimated \$000	Estimated \$000
							Annual \$000	Other \$000	Annual \$000	Other \$000				
Appropriations														
Output Expenses	14,036	12,907	14,474	15,145	13,763	13,883	14,447	-	-	-	14,447	13,916	13,761	13,761
Benefits and Other Unrequited Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Borrowing Expenses	-	-	-	-	-	-	N/A	N/A	-	-	-	-	-	-
Other Expenses	1,041	972	1,117	810	1,273	1,273	-	-	460	828	1,288	1,303	1,318	1,318
Capital Expenditure	149	150	700	2,263	844	844	N/A	N/A	150	-	150	150	150	150
Intelligence and Security Department Expenses and Capital Expenditure	-	-	-	-	-	-	-	-	N/A	N/A	-	-	-	-
Total Appropriations	15,226	14,029	16,291	18,218	15,880	16,000	14,447	-	610	828	15,885	15,369	15,229	15,229
Crown Revenue and Receipts														
Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Non-Tax Revenue	-	-	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Capital Receipts	-	50	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-
Total Crown Revenue and Receipts	-	50	-	-	-	-	N/A	N/A	N/A	N/A	-	-	-	-

Part B1 - Details of Appropriations

Appropriations	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Departmental Output Expenses (General)							
Intelligence Assessments on Developments Overseas (M52)	3,097	-	3,097	-	3,097	-	Assessments on events and trends overseas affecting New Zealand's interests.
Policy Advice and Secretariat and Coordination Services (M52)	7,270	-	7,390	-	7,327	-	Strategic and issues-based policy advice of a frank and impartial nature to the Prime Minister and other Ministers; advice on constitutional policy and procedural issues for the Governor-General, and the Prime Minister and Cabinet; support for the coordination of the Government's legislation programme; secretariat services to the Executive Council, Cabinet and its committees; and administration of the New Zealand Honours system. Reason for Change: The change reflects additional funding for enhancement of departmental capability to provide quality advice.
Support Services to the Governor-General and Maintenance of Government House New Zealand (M52)	3,396	-	3,396	-	4,023	-	Financial, administrative, communications, travel and advisory services for the Governor-General; services to maintain the Governor-General's two residences including gardening, maintenance and security. The increase reflects additional funding for preliminary investigations for the Government House Wellington restoration project. Reason for Change: The increase reflects additional funding for preliminary investigations for the Government House Wellington restoration project.
Total Departmental Output Expenses (General)	13,763	-	13,883	-	14,447	-	
Other Expenses to be Incurred by the Crown							
Depreciation Expenses on Crown Assets (M52)	445	-	445	-	460	-	Depreciation expenses on Government Houses in Wellington and Auckland and their contents.
Fees for the Commissioner of Security Warrants (M52)	-	30	-	30	-	30	The appropriation under permanent legislative authority (the NZSIS Amendment (No. 2) Act 1999) will provide for payments to the Commissioner as an independent judicial officer for the authorisation of domestic security warrants.
Government House - Other Payments (M52)	-	798	-	798	-	798	The appropriation under permanent legislative authority (the Civil List Act 1979) provides for payment of the salary, personal allowance and travel expenses of the Governor-General.
Total Other Expenses to be Incurred by the Crown	445	828	445	828	460	828	

	2005/06				2006/07		Scope of 2006/07 Appropriations
	Budget		Estimated Actual		Vote		
	Annual \$000	Other \$000	Annual \$000	Other \$000	Annual \$000	Other \$000	
Appropriations							
Capital Expenditure							
Government House - Capital Investment (M52)	844	-	844	-	150	-	In addition to the routine or extraordinary maintenance of the two Government Houses and grounds, purchases of and investment in capital items to maintain or increase the overall value of the Crown's asset holding. Reason for Change: The reduction is because the alterations and improvements to both Government Houses including a kitchen upgrade in Wellington have been completed.
Total Capital Expenditure	844	-	844	-	150	-	
Total Appropriations	15,052	828	15,172	828	15,057	828	

Part C - Explanation of Appropriations for Output Expenses

Part C1 - Departmental Output Expenses

Policy Advice and Secretariat and Coordination Services

This class of outputs involves immediate, medium, and long-term policy advice of an impartial nature, which will be delivered freely and frankly, in such areas as education, employment, health, social and economic development, economic, social and fiscal policy, Treaty of Waitangi, justice, foreign affairs, environment, sustainable development, state sector performance and machinery of government. At the Prime Minister's direction, this advice may be provided to other Ministers. It includes impartial and effective secretariat support for the decision-making processes of the Executive Council, Cabinet and Cabinet committees.

The Prime Minister is advised from time to time on the central processes of executive government, including constitutional, policy, legislation related and honours issues, as is the Governor-General and other Ministers and government departments.

In 2006/07 this will include preparation for the change of Governor-General.

The Department of the Prime Minister and Cabinet is expected to promote and facilitate interdepartmental coordination of policy development and the management of issues.

A more collaborative approach to certain key issues is being promoted across the state sector, through the formulation and implementation of the Government's policy themes.

Advice is provided on domestic and external security issues, such as emergency management, counter-terrorism, intelligence and overseas developments. It also involves the provision of support to the Intelligence and Security Committee of Parliament.

Support Services to the Governor-General and Maintenance of Government House New Zealand

This class of outputs involves the provision of domestic and personal services to the Governor-General, the conduct of a range of official functions, investitures and receptions at Government House, the hosting of State occasions and visits by distinguished persons, and the provision of the financial, communications, administrative and advisory services which support the Office of the Governor-General.

In 2006/07 arrangements for the change of Governor-General will be undertaken.

The appropriation includes the general upkeep of the two Government Houses in Wellington and Auckland, the maintenance and security of the buildings, and the landscaping, development and maintenance of the gardens and grounds.

In 2006/07 investigations will be undertaken to determine the restorative works, historic requirements and the likely costs for the refurbishment of Government House Wellington.

Intelligence Assessments on Developments Overseas

This class of outputs involves information and reports on events and trends overseas affecting New Zealand's interests provided to the Prime Minister and other Ministers. Assessments may cover political, economic, environmental, strategic, military, scientific and biographical topics. Preparation for present and future assessments requires the collection, collation and classification of information on overseas developments from a wide variety of sources.

Assessments and related inputs will be provided in support of informed decision-making in respect of New Zealand's foreign relations and external interests.

Part E - Explanation of Capital Flows

Part E1 - Explanation of Movements in Departmental Net Asset Schedules

Details of Net Asset Schedule for Department of the Prime Minister and Cabinet	Estimated Actual 2005/06 \$000	Projected 2006/07 \$000	Explanation of Projected Movements in 2006/07
Opening Balance	840	748	
Capital Injections	-	-	
Capital Withdrawals	-	-	
Surplus to be Retained (Deficit Incurred)	(92)	-	
Other Movements	-	92	This is a non cash movement to cover the forecast output deficits.
Closing Balance	748	840	