

Vote Prime Minister and Cabinet

Baseline Alignment Proposal

Version [1]

5 March 2010

Submitted by:

Hon John Key

Prime Minister

Section 1: Alignment to Government Priorities

The Department of the Prime Minister and Cabinet (DPMC) exists to support the effective conduct of executive government by the Prime Minister, my Ministers and His Excellency the Governor-General. The department's principal role is provision of advice, on a daily basis, to the Prime Minister and Cabinet Ministers on the wide range of issues that the Government deals with as it implements its policy priorities. The Prime Minister expects well-founded advice and judgement to support the often complex or pressing issues the government of the day has to manage. DPMC also provides impartial advice, through the Clerk of the Executive Council and Government House, to the Governor-General. It plays a role in coordinating and leading the work of government departments and agencies, and other entities to ensure that executive decision making takes account of all relevant viewpoints and that advice is as coherent and complete as possible.

The Prime Minister expects the department will provide leadership across the State sector to support the government's priority to deliver better quality public services to New Zealanders. It will also ensure that government responses in relation to the economy will be coordinated.

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

The Prime Minister and the Cabinet are the centre of executive government in New Zealand. By chairing the 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. DPMC, along with the wider public service, must support the Prime Minister and Ministers to the greatest extent it can by ensuring provision of high-quality information and advice that enables sound decision making.

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

At the heart of New Zealand's democratic and political system is stable executive government accountable to an elected House of Representatives. The executive branch of government comprises the Governor-General, the Prime Minister, other Ministers of the Crown and the public service. The department provides the administrative support for the ongoing business of executive government – including support necessary for the smooth transfer of power between successive administrations, Prime Ministers, Ministers, and Governors-General.

3. The Governor-General is appropriately advised and supported in undertaking his constitutional, ceremonial and community-leadership roles

The Governor-General of New Zealand is the personal representative of the Head of State, the Queen of New Zealand. The Governor-General is a symbol of unity and leadership, with the holder of this office fulfilling important constitutional, ceremonial, and community-leadership roles. In undertaking these roles the Governor-General is supported by: the Clerk of the Executive Council, who is responsible for liaison between the Governor-General and the Government of the day; the Official Secretary; and Government House staff.

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

The possible domestic and external risks to New Zealand's well-being encompass threats to national security (for example from international instability, transnational organised crime, or challenges to sovereignty); terrorist threats to New Zealand and to New Zealanders at home and abroad; disruption to the normal functioning of society; major accidents and natural disasters; the loss of essential infrastructure; and physical and biosecurity hazards such as pests, animal diseases, or a potential avian influenza epidemic. DPMC must ensure that such risks are assessed, prepared for, and monitored – and that any responses to actual incidents are coordinated in a timely and structured way.

5. State sector performance is improved

The central agencies will work together to lead the state services in improving the quality of services within existing baselines – building smarter, better public services for less cost. The Department of the Prime Minister and Cabinet (DPMC) guides the process of collective decision making; conveys Cabinet's decisions to the relevant Ministers and officials; and ensures that the Cabinet receives well-conceived and coordinated advice. DPMC also works to ensure that the state sector responds to the Government's priorities and conveys them to officials.

Section 2: Reprioritisation

DPMC is expected to achieve its priorities in relation to providing policy advice, support and coordination within its existing operating budget.

The most significant new element to the Vote is the re-organisation of the intelligence community. This will mean that DPMC's intelligence functions will relocate to a purpose built secure building in early 2011 and will be in a stronger position to provide more coordinated advice on the intelligence community and to ensure that assessment practices and standards across the sector are aligned.

Changes will be achieved within existing baselines but it will involve obtaining the support of a range of other agencies that form the intelligence community to assist DPMC to improve the efficiency and effectiveness of the intelligence system.

The department has undertaken to provide more responsive services to the Prime Minister including surge capacity to pursue the government's priorities. This will mean some reallocation of resources inside the department and current appropriations as well as assistance with resourcing from other agencies.

The Government House Conservation Project, (\$47.4 million capital expenditure) is scheduled for completion in July 2011. The project is slightly ahead of its programme and on budget.

No other changes are envisaged to the DPMC's responsibilities however this will be subject to further discussion with the Chief Executive in relation to budget and resources. Currently, with support from the other central agencies as appropriate the DPMC can continue to operate to the required standard within a constrained budget and achieve better government services and coordination.

There is no proposal to decrease or cease any current DPMC functions although the Chief Executive has initiated a performance improvement process to ensure that the department is able to live within its current budget. Departmental responsibilities in terms of contribution to government's overall priorities and relevance will be reviewed in the next few months.

Section 3: Summary of Financial Movements