

Treasury Report: New Zealand Productivity Commission - Second Tranche of Inquiries

Date:	8 September 2011	Report No:	T2011/2000
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Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Bill English)	<p>Agree to the recommendations.</p> <p>Sign the attached letters that seek inquiry topic nominations from the leaders of other Parliamentary parties.</p> <p>Sign the attached letters that seek inquiry topic nominations from your Ministerial colleagues.</p> <p>Refer a copy of this report to the Minister for Regulatory Reform for his information.</p>	14 September 2011

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
[Withheld under s.9(2)(a)]			
Audrey Sonerson	Manager, Economic Performance and Overview	[Withheld under s.9(2)(a)]	

Minister of Finance's Office Actions (if required)

Send the attached letters to intended recipients with copies to identified departmental Chief Executives.

Enclosure: Yes

Treasury Report: New Zealand Productivity Commission - Second Tranche of Inquiries

Executive Summary

This report seeks your agreement to the process for selecting the second tranche of New Zealand Productivity Commission inquiries as outlined in Appendix 1. Treasury recommends a similar process as was followed for selecting the first tranche of inquiries. In particular, the practice of seeking nominations from other parties in Parliament should be continued on the grounds that it is a concrete step that the Government can take to build broad political support for the Commission. Nominations will also be sought from your Ministerial colleagues and Government departments.

Once nominations have been received, it is proposed that they be prioritised based on the degree that they:

- are relatively uncontroversial given the desire to establish broad political support for the Commission
- utilise the Commission's unique position as an independent agency with high quality analytical ability and community engagement approaches
- support the establishment of the Commission by developing its capability, capacity and reputation, and
- have the potential to improve productivity and support the overall well-being of New Zealanders.

Treasury will provide advice on a shortlist of potential inquiry topics in January 2012. Following consultation with portfolio Ministers and the Commission, Cabinet agreement to the second tranche of inquiry topics will be sought in February 2012.

Recommended Action

We recommend that you:

- a **agree** to the inquiry selection process set out in Appendix 1

Agree/disagree

- b **agree** that Commission's second tranche of inquiries be selected on the degree that they:

- are relatively uncontroversial given the desire to establish broad political support for the Commission
- utilise the Commission's unique position as an independent agency with high quality analytical ability and community engagement approaches
- support the establishment of the Commission by developing its capability, capacity and reputation, and
- have the potential to improve productivity and support the overall well-being of New Zealanders.

Agree/disagree

- c **sign** the attached letters that seek inquiry topic nominations from the leaders of other Parliamentary parties

Yes/no

- d **sign** the attached letters that seek inquiry topic nominations from your Ministerial colleagues, and

Yes/no

- e **refer** a copy of this report to the Minister for Regulatory Reform for his information.

Agree/disagree

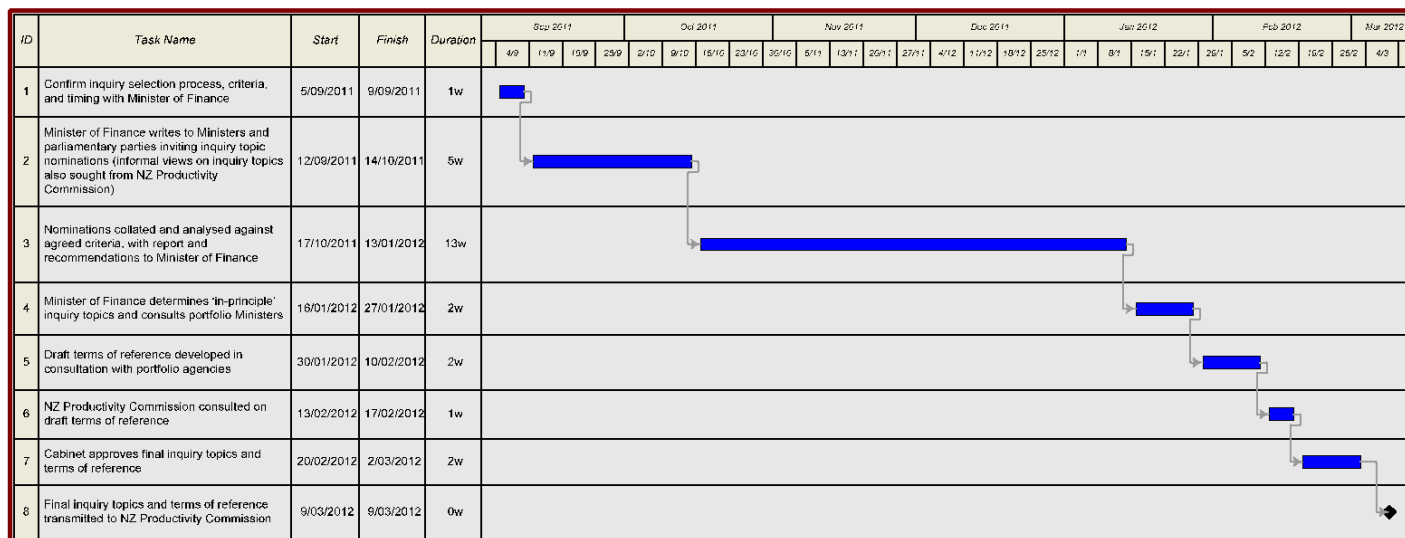
Audrey Sonerson

Manager, Economic Performance Coordination and Overview

Hon Bill English

Minister of Finance

Appendix 1 – Process and Timing for Second Tranche of New Zealand Productivity Commission Inquiry Topics





Office of Hon Bill English

MP for Clutha-Southland
Deputy Prime Minister

Minister of Finance
Minister for Infrastructure

Hon Georgina te Heuheu
Minister for Courts
Private Bag 18888
Parliament Buildings
WELLINGTON 6160

Dear Hon Georgina te Heuheu

NEW ZEALAND PRODUCTIVITY COMMISSION: SECOND TRANCHE OF INQUIRIES

As you are aware, the Government established the New Zealand Productivity Commission as an Independent Crown Entity (ICE) in April 2010. The Commission has a broad mandate to improve productivity in a way that supports the overall wellbeing of New Zealanders. On referral from the responsible Minister in conjunction with relevant portfolio Ministers, the Commission will hold inquiries and report on productivity related matters.

The Commission is currently undertaking inquiries into Housing Affordability and International Freight Transport Services. These inquiries are due to be reported back to Ministers on 16 March 2012 and 1 April 2012 respectively.

I now seek your views on potential inquiry topics that could be undertaken by the Commission between early 2012 and early 2013 following completion of the current inquiries. Depending on the size and complexity of the topics, our expectation is that the Commission will undertake 2 to 3 inquiries over this period.

Potential inquiry topics will be selected based on the degree to which they:

- have the potential to improve productivity and support the overall well-being of New Zealanders
- utilise the Commission's unique position as an independent agency with high quality analytical ability and community engagement approaches, and
- support the establishment of the Commission by developing its capability, capacity and reputation.

If you have potential inquiry topics that you believe meet these criteria, I encourage you to submit them to me together with relevant supporting information by Friday 14 October 2011.

Yours sincerely

Hon Bill English
Minister of Finance

cc: Mr Andrew Bridgman
Secretary for Justice, Ministry of Justice
DX: SX10088
WELLINGTON