

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

Action Sought

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

Contact for Telephone Discussion (if required)

Name	Position	Telep	hone	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

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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

С	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
е	refer a copy of this report to the Minister for Regulatory Reform for his information.
	Agree/disagree
	rey Sonerson
wan	ager, Economic Performance Coordination and Overview
Hon	Bill English
Wilni	ster of Finance

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

Γ,	Task Name	Start	Finish	Duration	Г	8cp 2611					Oci 2011		T		Nov:	2611			Dec 20			Dac 2511					Jun 2612			Fcb 2012			2	M	ar 2012
ı"	rask rvarre	34071	FIRSH	Duration		4/9	19/9	19/9	25/9	2/10	9/:	10 (6/	16 23/1	9 36/1	ro 5	VI 13	V91 20	97 27	79.1	4/12	17/12	18/12	25/12	1/1	8/1	15/1	22/1	29/1	5/2	12/2	19/2	25/2	4/3		
1	Confirm inquiry selection process, criteria, and timing with Minister of Finance	5/09/2011	9/09/2011	1w]																												
2	Minister of Finance writes to Ministers and parliamentary parties inviting inquiry topic nominations (informal views on inquiry topics also sought from NZ Productivity Commission)	12/09/2011	14/10/2011	5w		•	_	_	_	_	_	-																							
3	Nominations collated and analysed against agreed criteria, with report and recommendations to Minister of Finance	17/10/2011	13/01/2012	13w								—		_	_		_		_	_	_	_	_]									
4	Minister of Finance determines 'in-principle' inquiry topics and consults portfolio Ministers	16/01/2012	27/01/2012	2w																					Ļ										
5	Draft terms of reference developed in consultation with portfolio agencies	30/01/2012	10/02/2012	2w																							Ļ]					
ϵ	NZ Productivity Commission consulted on draft terms of reference	13/02/2012	17/02/2012	1w																									Ļ	-]				
7	Cabinet approves final inquiry topics and terms of reference	20/02/2012	2/03/2012	2w					·						•						•		·			•			·	ļ					
8	Final inquiry topics and terms of reference transmitted to NZ Productivity Commission	9/03/2012	9/03/2012	0w																													4		

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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 <u>Friday 14 October 2011</u>.

Yours sincerely

Hon Bill English
Minister of Finance

cc: Mr Andrew Bridgman

Secretary for Justice, Ministry of Justice

DX: SX10088 WELLINGTON