

# The Treasury

## Disestablishment of the Productivity Commission Information Release

April 2024

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Key to sections of the Act under which information has been withheld:

- [23] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [35] 9(2)(g)(ii) - to maintain the effective conduct of public affairs through protecting ministers, members of government organisations, officers and employees from improper pressure or harassment;
- [36] 9(2)(h) - to maintain legal professional privilege
- [39] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage

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**Treasury Report:** Draft Cabinet paper: “Disestablishing the Productivity Commission”

<b>Date:</b>	13 December 2023	<b>Report No:</b>	T2023/2062
		<b>File Number:</b>	[SH-11-1-3-1-2-4]

**Action Sought**

	<b>Action Sought</b>	<b>Deadline</b>
<b>Minister of Finance</b> (Hon Nicola Willis)	<b>Provide feedback</b> , if any, on the attached Cabinet paper.	Wednesday, 13 December
<b>Minister for Regulation</b> (Hon David Seymour)	<b>Agree</b> to late lodge the Cabinet paper reflecting your preferred option, subject to any requested changes, on Thursday 14 December.	

**Contact for Telephone Discussion (if required)**

<b>Name</b>	<b>Position</b>	<b>Telephone</b>	<b>1st Contact</b>
Hilary Devine	Senior Analyst, Economic Strategy	[39]	[35]
Renee Philip	Manager, Economic Strategy		✓
Hannah Cameron	Deputy Commissioner (PSC)		

**Actions for the Minister’s Office Staff (if required)**

<p><b>Return</b> the signed report to Treasury. <b>Lodge the Cabinet paper with Cabinet office</b></p>
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Note any feedback on the quality of the report

**Enclosure:** Yes (attached)

## Treasury Report: Draft Cabinet paper: “Disestablishing the Productivity Commission”

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### Purpose of Report

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1. This report provides you with the draft Cabinet paper “Disestablishing the Productivity Commission”. The Cabinet paper seeks agreement to formally disestablish the Productivity Commission (the Commission) through repealing the New Zealand Productivity Commission Act 2010 (the Act).
2. In order to confirm the Government’s intention to disestablish the Commission, and request the Commission’s board to commence the winding up process before the end of this year, the paper will need to progress directly to Cabinet on Monday 18 December. This report seeks:
  - a. Your feedback on the attached draft Cabinet paper.
  - b. Agreement to late lodgement of the paper, subject to any requested changes, on Thursday 14 December, ahead of consideration by Cabinet on Monday 18 December.

### Background

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3. On Tuesday 5 December, the Treasury and the Public Service Commission provided you with initial advice on the Government’s commitment to disestablish the Productivity Commission.
4. This advice outlined a proposed approach to the disestablishment process, which would see the Commission begin winding up as soon as possible, ending no later than February 2024. The draft Cabinet paper reflects your preferred option to introduce the Bill under urgency in February in order to expedite the formal disestablishment of the Commission and the board.
5. Our 5 December advice recommended seeking approval to introduce the disestablishment Bill on Monday 5 February. This timeline has been amended to 12 February due to Waitangi Day. This change would not affect the timeline of the substantive wind up of the Commission.
6. The Cabinet paper is drafted to be taken jointly to Cabinet by the Minister of Finance as responsible Minister of the Productivity Commission with the Minister for Regulation given your joint interest in overseeing the disestablishment process.
7. The Cabinet paper currently includes paragraph 10 and recommendation 11, which indicate your intent to ask the Commission to complete the near finished inquiry into the resilience of the New Zealand economy to supply chain disruptions. If you do not wish to see the inquiry completed and published, the recommendation may need to be updated to cease the inquiry and seek agreement for the final report not be submitted to the House.
8. We propose the Minister of Finance send a letter to the Commission’s chair after the Cabinet decision on Monday confirming the Government’s intentions to pass a Bill repealing the Commission’s Act and disestablishing the Commission. This letter would outline your expectation that the Commission will organise its activities to facilitate the disestablishment and commence the wind up.

## Recommended Action

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We recommend that you:

- a **provide** feedback, if any, on the attached draft Cabinet paper “*Disestablishing the Productivity Commission*”

*Agree/disagree*

*Agree/disagree*

- b **agree** to lodge the paper for consideration by Cabinet on Monday 18 December

*Agree/disagree*

*Agree/disagree*

- c **note** the paper indicates your intent to ask the Commission to complete the near finished inquiry into the resilience of the New Zealand economy to supply chain disruptions before it is disestablished. If this is not the case the Cabinet paper will need to be updated to reflect this and we will provide advice on the changes needed.

- d **note** officials will draft a letter to be sent by the Minister of Finance to the Commission chair informing him of the decisions made by Cabinet.

Renee Philip  
**Manager, Economic Strategy**

Hannah Cameron  
**Deputy Commissioner, Strategy and Policy**

Hon Nicola Willis  
**Minister of Finance**

Hon David Seymour  
**Minister for Regulation**