

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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Reference: T2024/106

Date: 19 January 2024

To: Minister of Finance (Hon Nicola Willis)
Minister for Regulation (Hon David Seymour)

Deadline: 23 January 2024

Aide Memoire: Talking points for Cabinet paper: Productivity Commission Act Repeal Bill

Purpose

Attached are suggested speaking notes and Q&A ahead of Cabinet on Tuesday 23 January 2024.

Suggested talking points for Cabinet paper 'New Zealand Productivity Commission Act Repeal Bill: Approval for Introduction'

- This paper seeks approval for the introduction of the New Zealand Productivity Commission Act Repeal Bill (the Bill). The Bill will repeal the New Zealand Productivity Commission Act 2010 and disestablish the Productivity Commission (the Commission) as set out in the Government's 100-Day Plan.
- This paper follows the discussion at Cabinet on 18 December 2023, that sought agreement to initiate the necessary legislation required to repeal the Act and formally disestablish the Commission.
- In order that the Commission's substantive operations cease no later than the end of February 2024, the intention is to pass the repeal legislation through all stages under urgency.
- We note that the timeline has been brought forward by two weeks to accommodate the legislative timetable in the House. We are seeking Cabinet's approval to introduce the disestablishment Bill to the House, with the intent of progressing the Bill under urgency for all stages in the first sitting week of 2024, 30 or 31 January 2024, rather than in mid February.
- The final commencement date of the Act, once passed, will remain 29 February 2024. A Letter of Expectations sent to the Chair of the Commission in December 2024, stated that the Minister of Finance's expectations was that all substantive operations of the Commission would cease by the end of February and the Productivity Commission's wind down process is now being planned accordingly. This date has been communicated to staff.
- The Bill, as drafted, will disestablish the Commission; terminate positions of the existing board members/Commissioners; terminate any remaining employment positions; and transfer any remaining assets, liabilities and reporting obligations to the Treasury as monitoring department to complete the winding up process.

Q&A

- **Is there funding to cover cost to disestablish the Commission?**

The Commission has confirmed the anticipated costs associated with disestablishing the Commission by end of February, can be met through the existing cash reserves and that the financial position of the Commission will not be compromised. If there are residual expenses associated with disestablishment, these will need to be managed by the Treasury, which may require funding. If there are residual cash reserves after disestablishment and wind up process, these could be used to fund the new regulation Ministry.

- **Will the Productivity Commission finish work underway on the inquiry?**

In October 2022, Ministers requested that the Commission undertake an inquiry into the resilience of the New Zealand economy to supply chain disruptions. The inquiry will be finalised by 15 February.

The Commission has advised three further pieces of work will be finished and published online prior to the disestablishment at the end of February. These are:

- Future Pathways covering possible areas of work into productivity released on 13 February
- Impact Assessment, a review of past inquiries released on 23 February
- Business by the Numbers publication released on 27 February

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