

The Treasury

Disestablishment of the Productivity Commission Information Release

April 2024

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Cabinet Document Details

Title: **Cabinet Paper: CBC-24-SUB-0006: New Zealand Productivity Commission Act Repeal Bill: Approval for Introduction**

Date: **12 January 2024**

Creator: Office of the Minister of Finance and Office of the Minister for Regulation

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Office of the Minister of Finance

Office of the Minister for Regulation

Cabinet Business Committee

New Zealand Productivity Commission Act Repeal Bill: Approval for Introduction

Proposal

1. This paper seeks approval for the introduction of the New Zealand Productivity Commission Act Repeal Bill (the Bill).

Policy

2. We have committed to starting work to improve the quality of regulation within our first 100 days in Government. Government's 100-day plan includes a report back on the approach to establish a new regulation agency and disestablish the Productivity Commission, which will provide a source of funding to the new agency [CAB-23-MIN-0468].
3. On 18 December 2023, Cabinet discussed introducing the necessary legislation required to repeal the Act and formally disestablish the Commission, with the intention that the Commission's substantive operations cease no later than the end of February 2024 [CAB-23-SUB-0495]. Our intention is to pass the repeal legislation through all stages under urgency in February.
4. The Cabinet decision [CAB-23-MIN-0495] noted the Minister of Finance and the Minister for Regulation's intention to return to Cabinet for approval to introduce the Bill on 12 February 2024. Since the 18 December Cabinet, the timeline has been brought forward by two weeks to accommodate the legislative timetable in the House.

Impact analysis

5. Cabinet has decided to suspend the requirement for Regulatory Impact Statements for 100-day Plan initiatives that involve solely the repeal of legislation [CAB-23-MIN-0468 refers].

Compliance

6. The proposed legislation complies with:
 - 6.1 the principles of the Treaty of Waitangi;

- 6.2 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
- 6.3 the disclosure statement requirements (a disclosure statement has been prepared and is attached to this paper as Appendix 1)
- 6.4 the principles and guidelines set out in the Privacy Act 2020;
- 6.5 relevant international standards and obligations; and
- 6.6 the Legislation Guidelines (2021 edition), which are maintained by the Legislation Design and Advisory Committee.

Consultation

7. The Public Service Commission has been consulted on the disestablishment and policy decisions. The Department of Prime Minister and Cabinet has been informed.

Binding on the Crown

8. As the New Zealand Productivity Commission Act 2010 binds the Crown, so too will this Bill.

Creating new agencies or amending law relating to existing agencies.

9. The legislation does not create any new agency.

Allocation of decision-making powers

10. The Bill does not affect the allocation of decision-making powers between the executive, the courts and tribunals.

Associated regulations

11. Regulations will not be needed to bring the Bill into operation.

Other instruments

12. The Bill does not include any new provision empowering the making of other instruments that are deemed to be legislative instruments or disallowable instruments (or both).

Definition of Minister/department

13. The Bill does not contain a definition of a Minister, or chief executive of a department (or equivalent position).
14. Ministry is defined and means the department of State that, with the authority of the Prime Minister, is for the time being responsible for the administration of this Act.

Commencement of legislation

15. The Bill will come into force on 29 February 2024.

Parliamentary stages

16. On Monday 18 December, we indicated that the Bill should be introduced and passed in mid February.
17. I seek agreement for this Bill to be introduced in the week of 29 January 2024 (i.e. introduced on 30 or 31 January), and for the Bill to progress through its first reading, second reading, Committee of the Whole House, and third reading stage as soon as possible on available sitting days in January and February 2024 on or after its introduction.
18. I intend for the Bill to be accorded urgency, and not be referred to a select committee.

Proactive Release

19. This Cabinet paper will be proactively released within 30 business days following its consideration, subject to any redactions that may be required, and which are consistent with the Official Information Act 1982.

Recommendations

I recommend that Cabinet:

- 1 **note** that Cabinet noted on 18 December 2023 its intention to pass the New Zealand Productivity Commission Act Repeal Bill (the Bill) in 2024 [CAB-23-SUB-0495];
- 2 **agree** that the Minister of Finance and Minister for Regulation are authorised to further clarify and develop policy matters relating to the proposals in this Cabinet paper in a manner not inconsistent with Cabinet's policy decisions up until the Bill is introduced;
- 3 **agree** that Parliamentary Counsel Office can continue to make minor changes to the Bill to settle technical matters in line with Cabinet's policy decisions and incorporate feedback from PCO proofreading and quality control processes up until the Bill is printed for introduction;
- 4 **approve** the inclusion of the Bill in the 2024 Legislation Programme, with a priority of category 2 (must be passed by the end of 2024);
- 5 **approve** the New Zealand Productivity Commission Act Repeal Bill for introduction, subject to the final approval of the Government caucus and sufficient support in the House of Representatives;
- 6 **note** that the Bill will be introduced on 30 or 31 January 2024;

- 7 **note** that Cabinet agreed on 18 December 2023 that the Bill be accorded urgency in the House so that it may be enacted by end February [CAB-23-SUB-0495];
- 8 **agree** that the Government proposes that the Bill be passed through all stages in the week of 29 January 2024 (i.e. introduced on 30 or 31 January), without reference to a select committee; and
- 9 **agree** that the Bill will come into force on 29 February 2024.

Authorised for lodgement

Hon Nicola Willis
Minister of Finance

Hon David Seymour
Minister for Regulation