

Hon Grant Robertson

MP for Wellington Central

Deputy Prime Minister

Minister of Finance

Minister for Infrastructure

Minister for Sport and Recreation

Minister for Racing



11 May 2021

Ganesh Nana
Chair
New Zealand Productivity Commission
PO Box 8036
WELLINGTON 6043

Tēnā koe Ganesh

Letter of Expectations

This letter sets out my expectations of the New Zealand Productivity Commission from the present date onward, building on discussion at our meeting on 27 January 2021. It replaces the Letter of Expectations I issued to the Commission on 15 August 2019.

I note that since our 27 January meeting, the Minister of Immigration and I have referred to you the terms of reference of an inquiry into *Immigration Settings for New Zealand's Long-Term Prosperity and Wellbeing*. I would like to repeat my thanks to you, Andrew, Gail and Bill for your constructive engagement with me and my officials in the lead-up to this milestone.

Giving effect to the full breadth of your legislative mandate

The New Zealand Productivity Commission Act 2010 states that “the principal purpose of the Commission is to provide advice to the Government on improving productivity in a way that is directed to supporting the overall well-being of New Zealanders, having regard to a wide range of communities of interest and population groups in New Zealand society.”

I look to you to bolster the Commission's efforts in the coming years to deliver on the full breadth of this mandate. I want to ensure that the Commission looks beyond traditional measures of economic success such as GDP, and has the wellbeing of current and future generations of New Zealanders front of mind as it generates new knowledge and advice.

This is in keeping with the Enduring Letter of Expectations that I and the Minister for the Public Service delivered to the Chairs of all statutory Crown entities in 2019. That letter asked Crown entities to consider three elements of a wellbeing approach as they undertake their work:

- Taking a whole of government approach – stepping out of the silos of agencies and working seamlessly together to assess, develop and implement plans to improve wellbeing.
- Looking at intergenerational outcomes – focussing on meeting the needs of present generations at the same time as thinking about the long-term impacts on future generations.
- Moving beyond narrow measures of success and considering impacts, both positive and negative, across a broader set of areas.

The first of these is less relevant to the Commission as an independent Crown entity providing advice to Ministers. The second and third, though, are highly relevant to the Commission as it delivers on its legislative mandate.

The Commission's outward orientation and public engagement

I want the Commission to inform and interact with a wider range of New Zealanders in the course of its work. As you know, I believe the Commission's influence and impact to date has been limited by the mode and products through which its analysis is presented to the public, policy advisors and Ministers, i.e. principally via lengthy inquiries and substantial written reports.

I would like to see the Commission facilitate and inform public debate on issues of productivity and wellbeing for communities that may not have engaged previously. This will enable the Commission to lift its influence and contribution to productivity and wellbeing.

I note the Commission has taken steps in this direction with its recent inquiries, including the production of multiple shorter reports and the use of blogs and videos to support public engagement. As I noted on 27 January 2021, I am keen for the Commission to use its current and future inquiries to further explore and demonstrate new ways of working.

In appointing you as Chair, my expectation is that your extensive networks and experience in working with diverse stakeholder groups will enable the Commission to continue to innovate and extend its public engagement and the impact of its work.

Continued analytical rigour and concluding remarks

I highly value the depth of analysis the Commission undertakes and the technical expertise it brings to its work. More emphasis on wellbeing and more public engagement must not come at the expense of depth or rigour; I expect the Commission to maintain its established high standard of quantitative and qualitative analysis in all its work.

The additional funding awarded to the Commission at Budget 2021 is in recognition of recent cost pressures and should enable the Commission to deliver on the full breadth of its legislative mandate and my expectations set out in this letter.

I look forward to seeing the Commission's new leadership giving full effect to my expectations.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'Grant Robertson', written in a cursive style.

Hon Grant Robertson
Minister of Finance