

Accountability and performance monitoring of regulatory Crown entities

**Report on Structured Interviews with
Boards and Monitors**

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1 Background

1.1 Introduction

As part of its Inquiry into Regulatory Institutions and Practices, the Productivity Commission has produced a draft report that examines how the design and operation of regulatory regimes and their regulators can be improved. The draft report provides:

- a “high-level map” of regulatory regimes and regulators across central government, and a typology of how regimes and regulators might be classified or distinguished;
- guidance to inform the design and establishment of new regulatory regimes and regulators; and
- system-wide recommendations on how to improve the operation of regulatory regimes over time.

The Commission has also specifically considered how improvements can be made to the monitoring of regulator performance across central government; this is covered primarily in Chapter 14.

To provide additional material to inform this chapter for the final report, the Commission organised a series of 13 structured interviews with board chairs/members and monitoring departments. This report sets out the results of those interviews and highlights relevant insights to assist the Commission with finalising its findings and recommendations.

1.2 Context of the interviews

The Crown Entities Act 2004 outlines the collective and individual duties that board members of Crown entities owe to the minister responsible for the Crown entity.

The collective duties of a board are to ensure that the entity:	The individual duties of board members are to:
<ul style="list-style-type: none">• acts consistently with their objectives, functions, Statement of Intent, and Output Agreement;• performs its functions efficiently and effectively, consistently with the spirit of service to the public, and in collaboration with other public entities, where practicable;• operates in a financially responsible manner;• complies with the Crown Entities Act requirements relating to its subsidiaries and other interests.	<ul style="list-style-type: none">• comply with the Crown Entities Act and the entity’s enabling legislation;• act with honesty and integrity, in good faith and not at the expense of the entity’s functions as permitted or required by law;• exercise the care, diligence and skill that a reasonable person would exercise in the same circumstances, taking into account the nature of the entity and of the action, the position of the member and the nature of their responsibilities.

The portfolio department is responsible for monitoring the entity and providing advice to their Minister on the entity’s performance and strategic directions. This includes:

- engaging with the entity on draft SOIs, and advising their minister on the suitability of drafts (and on any changes required);
- advising Ministers, where relevant, on the content of any output agreements and/or Letters of Expectation;
- working with the entity, where relevant, to understand, assess and prepare requests for new funding from an upcoming Budget;
- monitoring upcoming Board vacancies, assessing skill and capability requirements, and advising the Minister on potential new Board members;
- monitoring the entity's progress against the objectives, outputs or targets laid out in their Statement of Intent, output agreement and Letter of Expectation, and advising the Minister on how well the entity is performing;
- monitoring how well the entity is maintaining its financial viability and capability to deliver in future;
- keeping an eye on broader developments in the sector, and advising the Minister on the need for reviews, legislation and policy change (SSC, 2006).

Both boards and monitors have a role overseeing the performance of Crown entity regulators. The duty of the board is more active – their task is to ensure that the entity performs its functions efficiently and effectively. The duty of the departmental monitor is to assess the entity's performance and advise ministers.

1.3 The interviews

To further investigate how current arrangements were working, structured interviews were conducted with a selection of entity boards and monitoring departments. The interviews aimed to:

- establish how board members and monitors understand their role, and each other's role
- describe the interactions between the monitor and the board (and the monitor and management of the entity)
- identify whether boards and monitors use similar or different standards in assessing the performance of the entity
- identify the extent to which boards and monitors seek to understand the capability of the entity
- identify whether the boards and monitors have different understanding/tolerance of risk;
- identify what factors contribute to effective oversight of the entity's performance;
- identify views on the effectiveness of current arrangements and alternative models.

In order to get a reasonably broad perspective, the interviews covered eight entities and the five departments that monitor them as listed below.

Entity	Form	Monitor
Maritime New Zealand (MNZ)	Crown agent	Ministry of Transport (MoT)
Civil Aviation Authority (CAA)	Crown agent	
Electricity Authority (EA)	ICE	Ministry of Business, Innovation and Employment (MBIE)
Energy Efficiency and Conservation Authority (EECA)	Crown agent	
New Zealand Qualifications Authority (NZQA)	Crown agent	Ministry of Education (MoE)
Office of Film and Literature Classification (OFLC)	ICE	Department of Internal Affairs (DIA)
NZ Fire Service	Crown agent	
Environmental Protection Authority (EPA)	Crown agent	Ministry for the Environment (MfE)

The questions asked in the interviews were developed by the Commission and are listed in Appendix 1. The individuals interviewed are listed in Appendix 2. Interviews were of about 45 minutes in length and conducted on a confidential basis.

To preserve confidentiality, the comments made by interviewees have not been attributed to particular entities or monitoring departments in this report. However one or two exceptions have been made where it was necessary to make the observations meaningful for the Commission, and where the comment or information was not sensitive.

Interviews with entities were held with the chair of the board in all but one case, where a board member was interviewed instead (NZ Fire Service). To preserve confidentiality for this board member, the following write-up of the interviews uses the term 'chair' or 'board' interchangeably to mean the person interviewed from the entity's board.

2 Interview Findings

2.1 How board members and monitors understand their role, and each other's role

What is the board's role in providing assurance to responsible ministers about the entity's performance?

Boards and monitors generally saw the role of the board in the same way. The most common answer to this question, from both boards and monitors, was:

"The board is directly accountable to the minister for the entity's performance".

In answering this question, both boards and monitors described the formal accountability arrangements, including preparation of a Statement of Intent, quarterly reporting, and sometimes other more regular reporting (eg weekly).

In addition to formal reporting, meetings with the minister were an important means of providing assurance. Discussions at these meetings were focused on both strategy and issues of the day. The frequency of meetings between chairs and their responsible ministers ranged from monthly to 6-monthly. For each entity the frequency of this engagement was subject to change according to the preferences of the particular minister (eg one board used to meet its minister monthly but meets its current minister only twice a year).

While the responsible minister's relationship is formally with the board, it was common for chairs to be accompanied by the CE and possibly other senior managers when meeting the minister. In some cases the minister had more regular contact with the entity's CE than with the chair. For example, in one case the minister met the entity CE monthly and the chair less often. In another case there was a weekly meeting between the minister and the monitoring department, attended also by the entity's CE, while the chair saw the minister only every 6-8 weeks.

In all but one case, the monitor was also represented at meetings between the entity and the minister. The monitor who was not included in these meetings commented this was a long-standing arrangement, believed to stem from the board's interpretation of its independence (in this case, a Crown agent).

Chairs frequently mentioned the need to avoid any 'surprises' for their minister, some saying they were able to pick up the phone to the minister as needed to ensure this.

What is the monitor's role in providing assurance to responsible ministers about the entity's performance?

Again there was consistency in the descriptions given by both boards and monitors of the monitor's role. Both described the monitor's role in formal terms, such as providing scrutiny of, and advice on, the accountability documents prepared by the Crown entity. Common descriptions used by **boards and monitors** in talking about the monitor's role were:

- "They provide an independent second opinion"
- "They are the minister's agent".

Monitors tended to provide a slightly fuller description of their role, mentioning the following functions:

- advising the minister on the entity's financial performance, operational performance, capability, and funding
- notifying the minister of topical issues and emerging risks and ensuring there were 'no surprises'
- supporting the minister's engagement with the entity

- advising the entity eg on the content of their formal reports
- if needed, advising the minister that the current structural arrangements aren't delivering and/or are no longer appropriate eg because of technological change in the sector
- providing advice and support to the minister with appointments to the board.

It was common for **chairs** to mention that their monitor was quite strongly focused on the entity's financial performance. This was a source of frustration for some chairs who felt that financial performance was given undue weight, at the expense of looking at the achievement of outcomes:

"The current focus is on dollars and widgets and not on the substance of what the regulator is there for. The challenge is to measure the impact of our activity and it may be necessary to wait a number of years to assess that."

While most of the monitors and chairs saw the board as being responsible for the entities' outcomes, two monitors talked about this responsibility being shared. One of these monitors said:

"The department is responsible for system outcomes and each Crown entity is part of that wider system. The board is accountable for entity performance but within the constraints of its resources and legislation. Ultimately ministers look to departments when things go wrong."

The other monitor who spoke of shared responsibilities referred to the department's role in ensuring sound policy and legislation, with the entity giving effect to these. They saw it as critical to maintain close contact and collaborate.

What do you think the Minister wants to know about entity performance?

Boards and monitors had a fairly consistent view of what the responsible minister wanted to know about an entity's performance, although there were some differences in emphasis.

Chairs had a range of ways of describing what their responsible minister(s) wanted:

- "To be able to sleep at night."
- "No surprises and no incidents."
- "To stay off the front page."
- "Prior awareness of risks and to know the entity is working in a transparent way to manage risk."
- "That we are following best practice."
- "That we are delivering a robust regulatory system."
- "To know that our decision-making is consistent."

One chair talked about ministers operating on several levels:

- they want to be sure that the organisation is run well (financially, capability etc).
- they want to know about progress on our key initiatives (eg progress on Better Public Services targets).
- and they want to know about strategic objectives and risk.

Ministers seemed to be focused on: financial sustainability, emerging issues and the entity's response to those, the entity's strategy, political risk, and possible incidents (such as fatalities).

As a rule, ministers did not spend time at meetings with the entity discussing its quarterly reports.

One chair commented that their responsible minister was very interested, very well-informed, future-focused, and a font of ideas. At the other extreme, some noted an apparent lack of interest from their minister, answering the question with:

- “As little as possible. The Minister wants to have a quick conversation and move on”; or
- “Not much.”

It became clear that the level of engagement of ministers varied significantly depending on both the entity and the individual minister. Some chairs noted that a previous minister had shown much more/less interest than the current one. Even where ministers did not seem to their chairs to be particularly engaged, chairs acknowledged their minister’s support with decisions and funding.

Monitors also used a range of phrases to describe what ministers wanted to know about an entity’s performance:

- That things are under control
- That the policy intentions are being advanced
- The quality and legitimacy of the entity’s decision-making
- That the sector in question was not being over-regulated
- That costs charged to businesses by the regulator are reasonable

One monitor agreed with comments from several chairs that the minister was focused on headline news and emerging issues and did not seem that interested in specific performance measures.

What do you think the Minister should know?

Despite the variable level of interest shown by responsible ministers, neither boards nor monitors had any major concerns or noted any significant gaps as a result. Some commented that their ministers stayed at the strategic level and did not get involved in operational detail – an approach that they considered both entirely appropriate and important.

Some **boards** said there was probably too much reporting now and they were unsure whether the minister read their reports. Other comments made by chairs included:

- “The main driver for the detail in our reports is the monitor”
- “Our documents include a set of ‘waste of time’ measures which are only there because the bureaucrats want them”
- “The Sol and annual report are useful but the quarterly report is over-reporting. There is way more reporting in the public sector than in the private sector”
- “It all takes too much time”
- “We could move to reporting on an exceptions basis.”

One chair had agreed with the responsible Minister that they would report 6-monthly rather than quarterly.

Monitors generally held the view that ministers knew everything they needed to know. However two possible gaps mentioned by individual monitors were:

- Ministers need to know when a regulatory regime may be out-dated or otherwise ineffective
- Ministers need to know how to select a board. They are not necessarily hard-wired with the right skills for this.

2.2 The interactions between the monitor and the entity's board and management

Who do you deal with in the Crown entity/monitoring department?

How regularly do you meet the board/monitor?

How regularly do you meet the chief executive or other senior management?

These interview questions have been grouped together because it proved difficult to disentangle the interactions between the board of an entity and its monitor, and between the management of an entity and its monitor. This was because:

- typically chairs brought their CE (and possibly one or two other senior managers) with them when meeting the monitor
- as noted above, meetings between the chair and the minister nearly always included the entity's CE (and possibly one or two other senior managers) as well as the monitor.

Most chairs interviewed could name the key person in the monitoring department responsible for their entity, although some had infrequent contact with that person and knew them by their first or second name only.

Boards and monitors reported a wide variety of interactions. At one extreme there were quite formal and limited interactions (eg the entity chair and CE meeting with senior management in the monitoring department on a monthly basis). At the other, there was almost daily contact and multiple levels at which the contact occurred. This variation did not correspond to the institutional form of regulatory entity, ie Crown agent or ICE.

Common features of interactions between entities and their monitoring departments were:

- most of the engagement happening at regular meetings between entity management (eg a corporate services manager or the planning and performance manager) and lower level staff in the monitoring department (eg a senior business analyst or principal advisor)
- less frequent contact between the chair and/or CE of the entity with a senior manager in the monitoring department – monthly meetings were common
- monitors having a lot more contact with the management of the entities they monitor than with boards
 - one senior manager in a monitoring department met the CE of the entity monthly and met both the CE and Chair of the entity quarterly
 - one chair commented that the entity's executive met regularly with the monitor but the board didn't
 - another chair said that while they met the monitor only infrequently, a senior manager had contact with the monitor several times a week
- monitor attendance at meetings between the minister and the entity (with only one exception)
- ad hoc meetings about specific issues like funding which may involve the chair – perhaps 2-3 such meetings per year.

Monitors were rarely involved in an entity's board meetings: where this did happen, it was through an invitation to attend a board strategy session (once or twice a year), or a lunch.

Only one monitor mentioned that it sees all of the monthly board papers for an entity.

Another layer of interactions between entities and monitors occurred through participation in sector-wide initiatives:

- the Ministry of Education mentioned a sector-wide forum, held every 2 months, at which the CEs from the Crown entities in the education sector and the Ministry discussed cross-cutting sector issues (eg Better Public Services targets, regulatory change, privacy)
- the Ministry of Transport convenes the 'Transport Sector Leadership Group' which includes the 4 Crown entities they monitor at the level of chair (quarterly) and CE (monthly). The forum has developed a shared outcomes framework and created 3 streams of joint activity: shared services, policy & strategy, and funding.

2.3 The interactions between the board and the management of the entity

Unlike the variety of interactions described in the previous section, interactions between boards and their senior management were much more standardised. Most boards had monthly board meetings, attended as needed by senior management. In one case the chair described a monthly meeting with the Executive Leadership Team. In another case, the CE was invited to the first part of each board meeting and asked to update the board on key issues/concerns. Other senior managers would join the meeting later as required.

Interaction between the Chair and CE was a lot more frequent than the monthly board meeting. Chairs talked with their CEs at least weekly and possibly several times a week, often by phone.

The OFLC has a quite unique arrangement in which the board is made up of the Chief Executive and the Deputy Chief Executive. This board holds monthly meetings with the entity's other senior managers. The chair/CE considered that the arrangement worked very well, although there was a certain amount of discipline needed to ensure both the management and board roles are fulfilled. He felt that, given the small size of the Office, adding a full board would be a waste of resource.

2.4 Assessing the performance of the entity

How do you assess the entity's performance?

What measures do you use?

All of the entities interviewed had monthly board meetings at which the board engaged with management on strategy, reviewed progress against measures, and tracked policy initiatives. Boards asked questions of management prompted by various reference documents: the Sol, traffic-light reports of progress against key objectives, risk registers.

Financial measures were generally considered to be satisfactory by both boards and monitors.

Chairs' views on the other (non-financial) performance measures in place varied a lot across the eight entities. Some chairs were very satisfied with their measures and relied heavily on these to assess the entity's performance. For example, one chair noted they had a "...suite of input and output measures, with targets set by the board". While management did discuss these with the monitor, the board's decisions on high-level targets were not altered.

In contrast, a number of chairs were still actively working on getting a meaningful set of KPIs established for their entity's substantive functions:

- one chair commented there was insufficient board focus presently on the entity's strategic objectives with the monthly board meetings being focused on financials and progress on a range of projects. This entity

was working on developing risk profiles to help them to better target their regulatory activity. The chair felt these profiles should have already been in place when s/he took up their role, but weren't.

- one chair had struggled to get management buy-in to targets and had not been pushed on this by the monitoring department. S/he commented that measures and target-setting is generally weak across the public sector.
- one was 'playing catch-up' to get measures in place with work underway to expand measures beyond financial and into operational areas.
- one was struggling to develop measures to capture the entity's impact and noted that they may need to take a longer-term (multi-year) perspective.

Two chairs mentioned meaningless or 'waste of time' measures included because the monitoring department or OAG required them. These were volume measures which counted activity but said nothing about the quality of performance.

In terms of more innovative ways to get assurance, one entity was considering a 'Trip Advisor' initiative to get feedback from regulated parties on the regulator's effectiveness, value-for-money etc.

The importance of a good induction process for board members in helping to ensure members knew what to look for was also mentioned by chairs, with the quality of such processes being seen as variable by the few who commented on this.

Monitors tended to agree with chairs that their monitoring had an emphasis on financial performance. However monitors said they also focused on an entity's strategic plan and the entity's ability to track progress against it.

Some monitors were heavily reliant on formal quarterly reporting to assess the performance of the entity they monitored, while others down-played the importance of these documents, saying:

- "We get our information by being out talking to people, not from the quarterly reports"
- "There is a rolling programme of evaluation."

Most monitors said they did not attempt to assess the appropriateness of the entity's regulatory decisions, except perhaps through indirect means like looking at the number of decisions over-turned as a result of a formal review process. There was one major exception to this where the monitor was reviewing nearly every decision being made by the entity they monitor. The monitor explained that the legislation and the entity were new and there was a need to check that the legislation and entity's activities were having the intended effect.

Monitors' views on the quality of performance measures were consistent with those expressed by chairs, and ranged from:

- "we have a full suite of indicators" and "it is a well-performing entity with well developed measures"; to
- "the entity has difficulty measuring its performance for some of its substantive functions".

2.5 How boards and monitors understand the capability of the entity

What information do you have about skill/competency gaps in regulatory staff within the entity?

Chairs' answers to this question varied a lot. Some felt that their interactions with staff provided them sufficient opportunity to assess staff capability. However others felt they were not well-placed to observe the capability of staff below senior management.

One chair commented that on taking over as chair there were a lot of skill gaps which had now been remedied. Another noted a lack of information on this when starting in the role which was addressed by commissioning a review of the entity's structure and capability. That chair considered the board now had a good understanding of staff capability.

One chair said that the entity was putting more emphasis on providing professional development for staff, while another commented that their regulatory functions and staff were not a big focus for the board.

A number of the entities had positions which required a high level of technical expertise and these skills were often scarce and expensive. In cases where the CE was having difficulty recruiting into these positions, this might be brought to the attention of the chair and/or wider board.

Monitors did not generally have a lot of information about skill/competency gaps and did not appear concerned about it. Sometimes matters of capability did come to the monitor's attention, for example, an entity having trouble recruiting or affording technical staff might mention it at a regular meeting with the monitor. In such cases the monitor did not see themselves as being asked to fix the problem, but simply as part of being kept informed of issues and ensuring there would be 'no surprises'.

One monitor mentioned there would be a full review of capability as part of a wider review of the entity it monitors.

2.6 How boards and monitors understand/tolerate risk

What would constitute a regulatory failure in this area of regulation? Please give an example.

Boards and monitors listed a range of possible failures, from poorly designed regulations, to failure to keep regulations up-to-date, to a lack of awareness of regulations by those being regulated, to a lack of enforcement. Potential regulatory failures noted by both **boards and monitors** included:

- a lack of quality/consistency in the regulator's decision-making
- an individual failing to comply and/or the regulator failing to enforce its regulations
- a serious incident occurring that showed up a gap in the regulatory regime, eg because it had not been kept up-to-date.

In addition to the above list, **boards** mentioned a range of other specific events that would signal failures:

- a lack of participants in a market
- prices moving in an unexplained fashion
- over-zealous regulations
- a regulator being by-passed because it is perceived to be too slow or too expensive
- injuries/deaths (where safety is a main focus of the entity)
- consumers disregarding standards that aim to shift behaviour (eg people continuing to buy fuel-inefficient cars despite their poor ratings)
- harm to consumers of services as a result of providers' non-compliance with a regulatory regime (eg time and money spent gaining worthless qualifications)
- extended delays in getting regulations updated.

Monitors answered this question in slightly different terms as follows:

- a loss of credibility or confidence in the regulator or in the regulatory settings
- the costs of a regime exceeding the benefits

- failure to reflect policy intent
- ultimately a failure of outcomes (eg supply of electricity).

There was no obvious inconsistency between the types of events that would be seen as regulatory failures by boards and monitors. However, if anything, boards appeared to have a lower tolerance for risk than monitors. One monitor commented that the regulators in their sector were:

“...hard-wired to consider and address risks. They are probably tougher on themselves than we would ever be.”

One illustration of the different attitudes to risk of boards and monitors was a high level of agitation among some chairs about regulations they considered in need of updating. Monitors, while sometimes acknowledging particular regimes as ‘archaic’, were much less concerned about this. In part, this reflected monitors’ closer relationship to ministers and greater awareness of the difficulties of getting legislation onto the legislative timetable. However, the main reason for boards being more concerned about out-dated legislation appeared to be their narrow focus on, and primary responsibility for, the outcomes of the regulations they administered.¹

How does your oversight of the regulator help prevent, or provide warning, of that sort of failure?

In answering this question, **chairs** who considered that their entity had a robust set of measures and targets, referred to these and the fact that progress against them was regularly reviewed by the board.

Apart from reviewing formal performance measures, **boards** employed a range of means to prevent, or provide warnings, of possible failures:

- the board being actively engaged on all changes to the tertiary regulations under their control and sign-off of all such changes by the chair
- a Compliance Committee chaired by a board member (not the chair) to deal with breaches of the entity’s regulations
- conducting inquiries into unusual events in the marketplace
- commissioning an independent party, from time to time, to check the entity is complying with its legislation
- using the CE’s performance agreement to emphasise the importance of robust decision-making processes
- learning from actual incidents/failures in another sector, or in their own sector in another country, ie discussing how such an incident could be prevented or managed here
- monthly review of a risk register which lists emerging issues
- boards encouraging a culture of openness with management and asking the right questions.

Some **monitors** did not believe they had much of a chance to prevent or provide warning of impending failures:

- “Our monitoring of the entity has limited ability to prevent failures or provide warnings.”

¹ In one case, this situation was reversed: the monitor felt there was a pressing need for regulatory change while the entity itself did not agree. The entity considered it was not possible to address the problem (created as a result of advances in technology) through regulatory change and believed public education to be the best approach.

- “We are largely reliant on the entity but we do look for patterns and pressure points”
- “Our oversight doesn’t really provide warning. The entity is responsible for alerting the minister and ourselves to any problems.”

No monitors alluded to the regular reporting as a means of being alerted to problems and a number commented that regular reporting was not useful for this.

However two monitors were more optimistic about their ability to provide warning of, or prevent, regulatory failure. One talked about “keeping our finger on the pulse” – being out and about talking to people in the sector. This monitor commented that the sector was very quick to let them know if the regulator was overstepping their mandate. The other did so by very close scrutiny of the entity’s decisions to “check they are achieving the policy intent”.

One monitor noted that the support provided to Crown entities through various government-wide initiatives (eg in relation to IT); this was seen as another means of reducing the incidence of regulatory failures.

2.7 Factors that contribute to effective oversight of the entity’s performance

How well does the monitoring relationship work?

The most positive answer to this question from a **chair** was:

“As well as any I have been involved with. I have nothing bad to say about the monitor.”

A more typical response from a chair was:

“We have worked out a reasonable relationship.”

The most negative answer from a chair was:

“There is no value add – the monitor’s feedback is pedantic and bureaucratic.”

For a number of chairs, including those who said they had a reasonable relationship with the monitor, there was a sense of frustration and resignation about dealing with monitors – something to be lived with, rather than something that added value. One chair commented that when the board had something to bring to the Minister’s attention, they tended to bypass the monitor.

Monitors tended to have a slightly more positive view of their relationships with the Crown entities they monitored. Answers to this question from monitors included:

- “Really well. It’s constructive.”
- “Reasonably well, although it used to be very difficult.”
- “It seems to be highlighting the right issues. We have not had any surprises.”
- “Relationships are good.”

One monitor commented on the ‘world of difference’ between monitoring an agency that has a good board and is functioning well versus one that isn’t. They suggested the monitoring process could be better tailored to the circumstances, eg by classifying entities as green, amber, or red with requirements being varied accordingly.

Several chairs and monitors described the relationship as “better than it was” perhaps indicating the need to settle into a way of working with successive individuals on both sides of the relationship.

What contributes to positive outcomes?

Boards and monitors both noted the following factors as contributing to positive outcomes:

- a good board with the right people and the right capability
- the monitor staying at a high level and not second-guessing the entity
- the staff in the monitoring department being more senior
- good relationships between the monitor and the entity
- understanding each other's roles and respect for each other and each other's space
- dealing with issues early – no surprises.

Chairs also mentioned that monitoring worked better when:

- the minister understood the role of board
- the entity was willing to participate in the monitoring process and be open about its activities
- there was an easy relationship between the entity and the minister (lacking conflict)
- the monitor has assessed that the entity is performing well and pulls back.

Monitors also noted the following as contributing to positive outcomes:

- a focus on the system and its outcomes
- an acceptance by the monitor that the entity will always know more than they do
- the monitor/policy ministry staying connected to the entity and understanding its challenges
- continuous dialogue and a high level of trust
- respecting the entity's relationship with the minister.

In the case of one relationship, the chair of the entity talked about collaboration with the monitor through, for example, offering to second staff at times when the monitor was pressed. The entity also had a cooperative relationship over policy, with the monitoring department taking on an operational policy function and alerting the monitor when issues came up that required a higher-level policy response. The monitor saw the relationship in the same positive light, welcoming the policy input and offers of assistance with resources from the entity.

The same monitor commented that its narrow focus meant greater organisational commitment to the policy goals being pursued through the entity's activities, and more senior people in the monitoring department being involved in the relationship. Both features were regarded as positive for the monitoring relationship and outcomes. The mutual dependence of the monitor and the entity was regarded by the monitor as creating an incentive to work collaboratively.

In another relationship, there appeared to be quite different factors contributing to positive outcomes. These included: good role separation and clarity (ie minimal duplication of each other's efforts), delegated responsibility for highly technical secondary legislation, and a more formal and limited set of interactions between the monitor and the entity.

What gets in the way? Chairs' views

Chairs had quite an extensive list of aspects of the monitoring arrangements that they felt got in the way of positive outcomes. These are described under a number of headings below before turning to the thoughts of the monitors.

Role confusion

Section 2.1 above outlined a consistent understanding of the roles of chairs and monitors by both parties when these roles were described in quite formal and theoretical terms. However at a more practical level, many of the chairs felt there was confusion about who was ultimately accountable. One chair commented:

“They need to monitor and report but not try to influence how the entity is run – that is for the board.”

Boards felt that too often monitors were attempting to second-guess the decisions of the board. For example, one entity had a review held up for months while the monitor argued with them about it. Rather than second-guess, chairs felt that monitors should be looking for assurance that the right processes were in place. Some chairs mentioned that confusion over roles led to unnecessary duplication of effort between the entity and the monitor.

Two chairs saw the lack of clear accountability as adding to risk. They argued that if the board is only partially accountable, the incentives to ensure the entity is performing are watered-down. Further, when something does go wrong, the response is delayed while people figure-out:

- who is responsible for addressing the immediate problem (especially important in say, emergency management)
- who will front with the media
- who is responsible for making changes to prevent similar occurrences in future.

Insufficient support

Chairs often talked about the support they needed from the monitor in terms of getting new board members appointed, policy advice, achieving legislative change, interacting with Select Committees, or resourcing of the entity. Views on how well monitors performed these functions varied from positive comments to quite negative ones.

One particular area of frustration for chairs was the inability to make progress on legislative change, especially to keep the regulatory regime up-to-date. One chair noted that the monitor may have a short-term focus which they felt led to a lack of action from the monitor in getting legislation updated: *“it never seems to be a priority for them”*.

Another area of frustration was timely board appointments, with comments from chairs on this including:

“The appointments process for board members is tortuous.”

“The monitor has not been delivering on its responsibilities regarding appointments to the board, nor is it strategic... If left to the monitor, we would get nowhere.”

The entity/monitor relationship was seen by several chairs as a 1-way street with the entity providing a lot of information to the monitor and getting little back.

Lack of capability

A number of boards complained there was a lack of capability in the monitoring departments and that the staff involved needed to be more senior and knowledgeable than the ‘third-level bureaucrats’ currently in the role. One chair commented that it was inappropriate to send staff from this level to meet a chair, believing that they were too inexperienced and lacking in expertise to be able to add any value.

This was certainly not helped by the frequent turnover in the monitoring department commented on by several chairs. Staff turnover within the monitoring department was clearly an irritant, creating the need to re-establish working relationships with new people and bring them up to speed with the entity and its activities.

Too much focus on financial performance and too much reporting

Most boards felt that the monitor was highly focused on the entity's financial performance rather than assessing performance on its substantive role. One chair expressed the view that the only incentive on the monitor appeared to be ensuring the entity's finances were in shape. This was considered a significant problem because it diverted attention from where it needed to be, ie on the achievement of outcomes. Budget discussions could also be a source of tension between the entity and its monitoring department.

Reporting requirements were another target for complaints from chairs, with a number believing that reporting was: excessive, that it often included meaningless measures (alongside the useful ones), and seemed to be done for government agencies rather than ministers. The Sol and annual report were generally seen as useful but the quarterly report was often seen as over-reporting. One chair noted there was far more reporting in the public sector than in the private sector.

What gets in the way? Monitors' views

Monitors had a much shorter list of things that they believed got in the way of positive outcomes:

- two monitors acknowledged that second-guessing by the monitor could be a problem in some relationships: *"...the monitor thinking they can tell the entity what to do"*
- a monitor trying to 'catch the entity out' or thinking they know more than the entity
- disagreements between the portfolio department and the entity over the need for, or urgency of legislative change, as well as over the detailed content of such changes
- blurred boundaries between separate regulatory regimes
- when the policy and monitoring responsibilities were split across departments this could make the monitoring relationship with the entity difficult
- one monitor commented that problems can arise through different interpretations of 'independent' in 'Independent Crown Entity'. The monitor considered this independence extended only as far as the entity's decision-making powers under their regulations. The independence did not mean, for example, the entity could be inefficient or run a deficit.

There was a stark difference between the number of negatives mentioned by boards, and the strength with which they were expressed, compared to monitors. The inevitable conclusion was that boards were a lot less satisfied with monitoring arrangements and relationships than those doing the monitoring.

2.8 The effectiveness of current arrangements and possible alternative models

What would make the monitoring more effective?

Chairs' thoughts about ways to make their own oversight more effective were as follows:

- getting a meaningful set of performance measures in place, then tracking performance against them, was seen as critical
- one chair expressed concern about a lack of skills of some board members, noting that it was costly to provide induction/training to bring new members up to speed
- inadequate board fees was also mentioned as a problem by two chairs.

Chairs had the following comments and suggestions about how to make the activities of monitoring departments more effective:

- “You don’t necessarily want a deep sector knowledge in the monitoring agency – they just need to know enough to monitor. Skills are scarce and duplicating these in the monitoring agency may not be the best use of them.”
- “Ideally the monitor would be coming up with and sharing insights on the sector in which the entity operates. It should be a 2-way street. A monitor needs a coherent cluster of entities to monitor (like Transport has).”
- “The incentives on monitors need to be aligned with our substantive outcomes rather than focused on counting ‘dollars and widgets’ as happens now.”

Role clarity came up again in answers to this question, with many **chairs and monitors** agreeing that there was a need for a better understanding of roles all around: by the minister of a board’s role, by boards of the monitoring role, and by the monitors of their own role. More specifically, a number of chairs said that monitors needed to understand that they are not responsible for the entity’s performance. Two chairs went on to say that currently accountabilities are too widely dispersed, with the result that no-one is accountable.

Some **monitors** thought that their monitoring would be more effective if they were closer to the entity:

- one thought it would be helpful to have more regular meetings with senior management focused on the monitoring function (as opposed to meetings that deal with specific issues). They felt this would help to deepen the monitor’s understanding of the entity’s activities and issues, and make the monitoring more effective. However, since the monitor got most of the value from such meetings, they were reluctant to ask for this.
- another had been thinking about asking to have an observer on the board but was reluctant as this may be getting too close and be seen as interfering.

One monitor talked about how they were taking a systematic approach to issues like funding and regulatory reform across the entities within their portfolio. This involves the ministry and entities learning from each other, avoiding repeating mistakes, and developing consistent frameworks. They thought this could usefully be extended to other sectors.

This sentiment was reflected in a comment from a chair who said they would like to see regulators take a more consistent approach to, for example, the information they provide to the public, their consultation processes, and their application processes. This chair suggested agencies get together on this. Another suggestion was more sharing of expertise among agencies, eg on the development of performance measures or on how to consult iwi.

Can you think of a better model?

While there seemed to be general agreement that ministers needed some type of independent advice about an entity’s performance, **chairs** were of the view that greater reliance could be placed on boards. Features that could support that approach, put forward by various chairs, included:

- ensuring a competent board is in place
- better measures of an entity’s substantive activities
- changing the focus from ‘monitoring’ to ‘support’. The role of departments would shift towards assisting entities to be effective through policy, support with legislative change, timely processes for appointing new board members, and so on:

“...rather than monitoring departments and central agencies dictating to entities, it would be a partnership aimed at enabling entities to perform excellently.”

- support for entities coming from comparable regulators instead of, or in addition to, from monitors
- reduced reporting (ie less often than the current quarterly basis, and less material included in each report) or moving to reporting by exception
- undertaking a systematic review every 7-10 years of sectors, or groups of entities, to consider whether the current regulatory settings were achieving their objectives. These reviews would ask whether best practice was being applied and make recommendations for change, including removal of entities or reform of regulations. The reviews could be undertaken by one body or a different person/group could be appointed to suit the case. Monitoring departments would have a much narrower role than they do now.

The narrow focus of individual regulatory Crown entities was seen as very positive by those who commented on it. However it did not necessarily fit well with monitoring departments who often had a much wider span of responsibilities. This mismatch may explain why matters considered pressing by the board, such as the need for legislative updates, were not being given the same level of attention by monitors.

Responses to this perceived difference in priorities included attempting to bypass the monitor, or take over some of its responsibilities (particularly for managing the process to get changes to regulations, but also in one case, responsibility for engaging with international regulatory bodies).

Monitors were fairly satisfied with the current model, making the following comments:

- “The model already enables the improvements we would like to see”
- “No, I can’t think of a better model, it runs well”
- “Not really. The entities we monitor are already hard-wired to consider and address risks. They are tougher on themselves than the monitoring department would be.”

However one monitor expressed the view that there were problems with some of the institutional forms of current entities and that these should be reviewed. For example, where a small entity has functions that do not particularly need to be conducted independently, or with the oversight of a board, these functions could be brought into a department.

The same monitor said that we need to get over the ‘one size fits all’ idea and tailor structural and monitoring arrangements to better fit each entity or set of functions. Accordingly, the considerable degree of variation in the governing arrangements of entities was seen as appropriate. In terms of monitoring, a more tailored approach might involve varying the intensity of monitoring activity in line with an entity’s performance.

3 Key insights from the interviews

3.1 Improving current monitoring and accountability arrangements

Monitors were generally more satisfied with current monitoring and accountability arrangements than chairs were, and did not recommend any major changes. Despite several of the chairs having a number of concerns about current arrangements, there was no strong push for a completely new model from them either. Both monitors and chairs would however agree there is scope for improvement, with the extent of desired changes ranging from minor to quite significant. Based on the interviews, the following changes would help to address some of the existing concerns and improve the effectiveness of the current model:

- ensuring each entity/set of functions has the appropriate institutional form
- ensuring that boards have the necessary skills and tools to be effective
- ensuring there is a clear separation between the role of the entity and the role of the monitoring department, and a shared understanding of what those roles are
- delegating greater responsibility for secondary/tertiary legislation to those entities that are requesting this (especially in order to keep up with technological change), subject to appropriate controls
- demands on entities being tailored to ensure they are proportionate to the substantive functions, the associated risk, and the entity's budget/resources
- ensuring that relevant people in the monitoring department are suitably senior and knowledgeable and that the monitoring department has sufficient monitoring responsibilities to build capability.

These changes would almost certainly reduce annoyance/frustration on the part of entities, but more importantly, they have the potential to:

- sharpen accountability (because it is clearer who is responsible for what) and therefore incentives to effectively manage risk
- save a lot of time currently wasted in low-value reporting and meetings between entities and monitors – time which can be redirected into the entity's substantive activities and higher priority activities in the monitoring department.

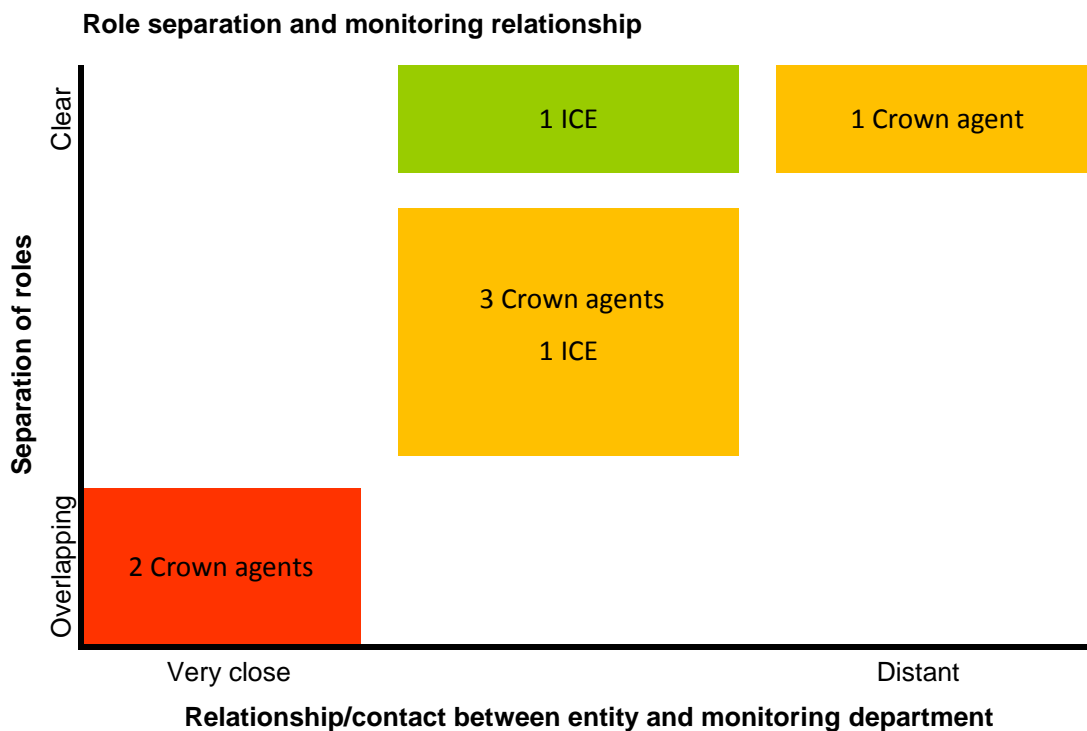
The next sections elaborate on the areas identified for potential change.

Appropriate institutional form

Looking at how monitoring and accountability arrangements are working in practice, there is a question mark over the current organisational form for some entities. The two main sources of variation across these eight entities were:

- the degree of separation between the roles of the entity and the monitor
- the amount of contact between the entity and its monitoring department.

Based on the information provided in the interviews, the following diagram shows how the eight entities were distributed across these two dimensions.



For two of the Crown agents, there seemed to be considerable overlap/duplication of role between the entity and its monitoring department. In both cases the duplication was associated with extensive and frequent contact, at multiple levels, between the entity and the monitoring department:

- one monitor spoke of contact that was almost daily, augmented by monthly ‘team to team’ meetings between itself and the entity, and a boundary between the two that was fuzzy
- the other monitor spoke of continuous dialogue, receiving monthly board papers, joint ownership of outcomes, secondment of staff, and collaboration on policy with the entity.

When a monitor is operating ‘hand in glove’ with an entity as in these cases, the relationship can be a positive one. However it is hard to escape the conclusion that there are two groups of people, from separate organisations, who are essentially trying to do the same job. This can mean a lot of time wasted in duplication of effort and checking with each other before decisions can be taken. Also, with such active involvement of the monitoring department, the need for an independent board is questionable.

In contrast to these two examples, one of the ICEs and its monitoring department seemed to have much greater role separation and clarity and required much less interaction to make the relationship work. Features of this model are:

- the entity has delegated responsibility for secondary legislation
- a more formal and limited set of interactions between the monitor and the entity, on a monthly basis
- a monthly meeting between the minister and the chair (plus others), attended also by the monitor.

Four of the entities – three Crown agents and one ICE – fell into a middle ground. The monitoring arrangements for these entities featured:

- some overlap in role with the monitor
- contact that was generally on a monthly basis
- dissatisfaction with the level of support from the monitoring department, especially in respect of legislative change and board appointments
- the value-add from monitoring activities being questioned.

In a category on its own, one of the Crown agents provided an example of clear role separation, and a more distant relationship with the monitoring department. Monitors that are too distant from the entity they monitor will inevitably struggle to do much more than review formal reporting documents. This leads to a degree of frustration for both parties.

Interactions between ministers, board chairs, entity CEs and monitoring department staff also varied significantly among the entities interviewed. Ministers sometimes saw board chairs monthly and sometimes as infrequently as 6-monthly, usually together with the entity's CE. However in two instances, ministers were meeting the entity's CE more frequently than the chair. Where this happens, the relationship may start to resemble that between a minister and a government department, and the role of the board becomes unclear. In such cases, the level of independence of the entity, and the need for a board, should be tested and consideration given to a change in institutional form.

These observations align with the view expressed by one monitoring department that there were problems with some of the organisational forms of current entities and that these should be reviewed.

High quality governance

The two main factors seen as critical to effective governance of a Crown entity were: a competent board and a meaningful set of performance measures. Ways to improve the quality of governance provided by Crown entity boards are therefore:

- shifting the focus away from 'dollars and widgets' by ensuring each entity has a meaningful set of performance measures in place that covers its substantive activities
- using a more transparent and robust process for board appointments, focussed on achieving the right mix of skills on the board
- a high quality induction process to familiarise new board members with the entity, the issues facing it, the board's role, and the role of the monitoring department
- considering whether the current levels of remuneration for board members are making it difficult to appoint individuals with the right skills, and/or affecting the quality of their input once appointed.

Role separation

Getting the right institutional form in place has the potential to remove cases of entities and monitors operating 'hand in glove' by bringing these functions into departments. For functions that remain in Crown entities, it is important to get as much separation of roles as possible and a shared understanding of what the roles are.

This is challenging because neither party acts in isolation. As one monitoring department described it: "The department is responsible for system outcomes and each Crown entity is part of that wider system. The board is accountable for entity performance but within the constraints of its resources and legislation. Ultimately ministers look to departments when things go wrong."

When put like this, the current level of confusion over roles and accountabilities is perhaps understandable. Boards are directly accountable for their entity's performance, but may feel limited by their resourcing and regulatory settings. For monitors, there is an expectation that they will alert ministers to any emerging issues, however a number of them acknowledged they had no realistic chance of doing this. There is no advantage from giving monitors accountability without the means to deliver on it.

Bearing in mind the mutual dependence of entities and monitors for achieving system outcomes, their roles are likely to be clearer and more separate where the two parties have come to an agreement along the following lines:

- the board is responsible for the entity's performance, not the monitor

- the monitor, while responsible for second-opinion advice, cannot be expected to know as much as the entity about its day-to-day activities. As a result, the monitor is poorly placed to provide warning of regulatory failure at this level – this responsibility must sit with the entity
- the monitor is responsible for advising the minister, and suggesting solutions, when problems with the legislation, or other features of the regulatory regime, pose a significant threat to outcomes (eg endangering lives)
- the monitor is responsible for ensuring that when the board has serious concerns about its legislation, or other concerns about its ability to be effective, these concerns are put in front of the minister, preferably by the chair
- contact between the entity and the monitor will generally be monthly at most, and limited to one or two key relationships.

Responsibility for regulations

A key aspect of any regulatory entity's role is the extent to which it can influence or control the regulations it administers. In many cases, the Crown entities interviewed were frustrated at what they saw as an inability to get their legislation updated. Often the desire to make changes was in response to technological advances.

Many interviewees commented on the strength of the Crown entity model that came from having an entity with a narrow focus on a particular area. However, in most cases this narrow focus was not mirrored in monitoring departments which generally have a much wider span of responsibilities. When the entity is dependent on the portfolio department to get changes to its regulations, the benefit of its narrow focus is partially undone. It is also a source of tension which undermines the effectiveness of the monitoring relationship.

The Electricity Authority, with its flexible and delegated Code, stood out as a very notable exception. Both the EA and MBIE viewed the current arrangements favourably and it appeared to make the relationship one of the more functional of those included in this exercise. More importantly though, neither the entity nor the monitor had any concerns about regulatory failure resulting from out-dated legislation.

Overall, the interviews provided considerable support for the following findings/recommendations in the Commission's draft report²:

F5.7 There is scope for the greater use of delegating authority to make secondary legislation to regulators, subject to appropriate controls, to ensure regulation can keep pace with technological and other developments. Designers of regulatory regimes need to consider what regulation-making powers can be delegated to the regulator, particularly in areas subject to technological or other changes, in order to future-proof the regime.

R5.1 The Ministry of Transport should consider in its review of the Civil Aviation Act 1990 how the legislative regime can be flexible enough to take advantage of ongoing technological developments that could provide safety and efficiency gains. Subsequent reviews by the Ministry of Transport should consider how the other legislative regimes in transport can be made more flexible, taking into account the differences between the transport sectors.

² It should however be noted that one chair was very concerned about the prospect of further delegation of rule-making powers in an effort to 'future-proof' regulatory regimes. This chair's view was that, while the delegation of powers might be to chief executives, in reality lower level staff would be taking decisions that affect people's lives, limit their privacy, and freedoms. S/he saw it as essential to maintain parliamentary oversight: "regulation-making powers should not be put in the hands of bureaucrats". This chair acknowledged there were some unacceptable delays in getting legislation updated, but thought that other solutions should be found.

Tailoring the monitoring approach to the entity

Aspects of the Commission's draft report raised concerns for some of the people interviewed. One chair commented that the draft report seemed to be looking across the range of regulatory entities/regimes, observing a lack of uniformity, and finding fault with this. The chair commented:

"I am concerned that the Commission will feel compelled to recommend more reporting and uniformity which may lead to square pegs being jammed into round holes."

This chair saw the current variety of arrangements as a strength: it shows that people have thought about what is needed in each instance rather than taking a 'one size fits all' approach. This interviewee could not see any compelling evidence that there is anything wrong with current arrangements.

Other comments along similar lines included:

- "The regimes need to be coherent but not the same, as the functions of agencies differ so much."
- "It is inappropriate to call it a regulatory 'system' as the parts are so diverse and unrelated. Information aggregated to this level may not make sense."
- "We need to get over the 'one size fits all' idea."
- "There is a world of difference in monitoring a well functioning entity versus one that has problems."

Small entities, in particular, were concerned about being swept up in multiple government-wide initiatives which were seen to be of very limited benefit and took up time they didn't have to spare. An example was the list of questions as part of the financial review by select committees which numbered over 100 for the OFLC which has expenditure of slightly over \$3 million. The resources needed to comply with such processes are significant in any case, but quite disproportionate for the smaller entities.

Tailoring, or deliberate variation, is needed to make monitoring proportionate to the activities being monitored, in terms of:

- the risk involved in the entity's activities
- the amount of funding under the control of the entity
- the resources available in the entity to fulfil the demands made of it
- the current performance, ie if the entity is performing well, the monitoring could be reduced.

Elements of the monitoring process that could be tailored to reflect these factors include:

- the frequency of reporting on performance (eg annual rather than quarterly reporting unless there is a particular concern with an entity's performance)
- the amount of contact between the monitor and the entity (in terms of both frequency and levels at which contact is occurring)
- the frequency of meetings between the minister and the entity
- the level of scrutiny by the monitor of the entity's draft Sol and performance reporting.

Aspects of the wider framework that could perhaps be better tailored to individual Crown entities are:

- the volume of questions in the financial review by parliamentary select committees could be varied to reflect the entity's size and budget
- smaller entities could be excluded from government-wide initiatives where compliance costs are disproportionate to the potential benefits.

Expertise in monitoring departments

Where departments are responsible for monitoring a cluster of similar or related entities, this seems to offer a number of advantages:

- enabling expertise and effective approaches to be readily shared across the entities within the department's portfolio
- enabling the monitor to take a more holistic view of a sector
- helping the department develop its monitoring capability, simply by doing more of it.

However not all of the entities interviewed enjoyed the advantages of being part of a coherent group with a common monitor. In fact one entity observed that there was no agency responsible for taking an overview of their sector. It may be possible therefore to improve the quality of monitoring by looking for more opportunities to give monitoring departments responsibility for clusters of entities.

Several chairs commented that the people in their monitoring departments had insufficient seniority and/or knowledge to be able to engage effectively with the entity. Turnover of monitoring staff was also noted as an issue in a number of cases, requiring new monitoring staff to be brought up to speed with the entity and its activities, and new relationships to be formed.

This is a particularly difficult one to solve as it seems to be quite widely accepted that monitoring Crown entities is not a glamorous or high priority area for most government departments. The turnover of staff engaged in this function illustrates that it is not a particularly desirable role, all the less so when the parties being monitored hold the view that you add no value. It is doubtful that this situation will be improved by, for example, including monitoring-related items in the CE's performance agreement (see draft report R14.1 and R14.2). In other words it may be very difficult to make this part of the current model effective.

3.2 An alternative to current monitoring and accountability arrangements

A number of the comments, suggestions and ideas from the interviews could potentially be moulded into a new model with the following key features:

1. Ensure a good board is in place. To this end, introduce a more transparent and robust process for board appointments. Board members would be selected based on their skills. The Minister and existing chair would have the right of veto but neither would choose the individual board members.
2. Trust the board members (chosen as above) to perform the oversight role for which they been appointed. Trust the board to seek support and additional expertise as it sees fit, from a range of sources such as:
 - the portfolio department
 - participation in a network of similar entities (eg the Network of Independent Crown Entities)
 - participation in overarching sector groups formed to provide support and/or achieve a more cohesive framework for the oversight of a sector's performance (eg the Transport Sector Leadership Group and the Education Sector's CE Forum)
 - guidance material furnished by central agencies and advice given by Audit NZ in the course of the annual audit process
 - Crown entities with specialist expertise or entities that are leaders in particular aspects of their operations, eg developing performance measures or risk profiles.

3. Conduct a more thorough, but much less frequent, review of the entity's performance. Reviews could be conducted by particular individuals or organisations appointed for their expertise in a particular area or for their expertise in regulatory oversight more generally. Options for the scale and frequency of more thorough reviews include:
 - a PIF-style review of an entity every 1-3 years (with the frequency being tailored to the entity)
 - a review of the regulatory regime for the entire sector in which the entity operates every 7-10 years (or other period as appropriate for each entity). This would assess the fitness-for-purpose of the regime, the legislation, and the institutional forms of the entities covered.
4. The portfolio department would no longer monitor (as we currently know it) but instead focus on the wider regime in which Crown entities operate, ensuring legislative settings are appropriate, supporting entities, and providing other advice to ministers as requested.

Appendix 1 Interview Questions

- What is your role in providing assurance to responsible ministers about the entity's performance?
- What is the monitor's/board's [other] role in providing assurance to responsible ministers about the entity's performance?
- How well does the monitoring relationship work?
- What contributed to positive outcomes? What got in the way?
- How do you assess the entity's performance?
 - What measures do you use?
- What do you think the minister wants to know about entity performance?
 - What do you think the minister should know?
- Who do you deal with in the monitoring department/Crown entity?
- How regularly do you meet the monitor/board?
- How regularly do you meet the chief executive or other senior management?
- What would constitute a regulatory failure in this area of regulation? Please give an example.
- How does your oversight of the regulator help prevent, or provide warning, of that sort of failure?
- What information do you have about skill/competency gaps in regulatory staff within the entity?
- What would make the monitoring more effective?
- Can you think of a better model?

Appendix 2 List of People Interviewed

Entity	Person interviewed	Position
Maritime New Zealand (MNZ)	David Ledson	Board Chair
Civil Aviation Authority (CAA)	Nigel Gould	Board Chair
Electricity Authority (EA)	Brent Layton	Board Chair
Energy Efficiency and Conservation Authority (EECA)	Tom Campbell	Board Chair
New Zealand Qualifications Authority (NZQA)	Sue Suckling	Board Chair
Office of Film and Literature Classification (OFLC)	Dr Andrew Jack	Board Chair, Chief Executive, and Chief Censor
NZ Fire Service	Angela Hauk-Willis	Board Member
Environmental Protection Authority (EPA)	Kerry Prendergast	Board Chair

Monitoring department	Person interviewed	Position
Ministry of Transport (monitors MNZ and CAA)	Gareth Chaplin	General Manager, Sector Performance
Ministry of Business, Innovation and Employment (monitors EA and EECA)	David Smol & Gareth Wilson	Chief Executive Principal Policy Advisor, Energy Markets
Ministry of Education (monitors NZQA)	Paul Barker & Kristin Mednis	Group Manager, Education System Strategy Senior Business Analyst, Education System Stewardship
Department of Internal Affairs (monitors OFLC and NZ Fire Service)	Damian Zelas	Manager Crown Entity Monitoring & Appointments, Policy Group
Ministry for the Environment (monitors EPA)	James Palmer	Deputy Secretary Strategy