

# Hon Grant Robertson

MP for Wellington Central  
Minister of Finance  
Minister for Sport and Recreation  
Minister for Cyclone Recovery  
Leader of the House



9 March 2023

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 (the Commission) from the present date onward, building on discussion at our meeting on 1 March 2023. It replaces the Letter of Expectations I issued to the Commission on 11 May 2021.

### *Continue giving effect to the full breadth of your legislative mandate*

I acknowledge the Commission's recent efforts to give effect to the full breadth of your legislative mandate in the New Zealand Productivity Commission Act 2010.

I encourage you to maintain the Commission's commitment to look beyond traditional measures of economic success such as GDP and to keep the wellbeing of current and future generations of New Zealanders front of mind as you generate new knowledge and advice. As noted in the previous Letter of Expectations for the Commission of 11 May 2021, this is in keeping with the Enduring Letter of Expectations that the Minister for the Public Service and I delivered to the Chairs of all statutory Crown entities in 2019.

### *Enhance impact and influence of the Commission's work*

I acknowledge the work the Commission has done to increase engagement with a wider range of New Zealanders and with groups that may not have engaged previously. I look to the Board to enhance these efforts, and to use its extensive networks and experience in working with diverse stakeholder groups to extend the Commission's public engagement and the impact of its work.

I expect the Commission to continue innovating in the mode and products through which its analysis is presented to the public, policy advisors and Ministers. 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. I encourage the Commission to use its current and future inquiries to further explore and demonstrate new ways of working.

Analytical depth and rigour are paramount for the Commission's work. I value the technical expertise of the Commission and its contribution to the public debate on issues of productivity and wellbeing. I expect the Commission to maintain its established high standard of quantitative and qualitative analysis in all its work, prioritising evidence-based assessments and recommendations.

I would like to see the Commission further strengthen the quality, influence and impact of its work through greater understanding of how the public sector operates and consideration of the practicality of its advice when making policy recommendations to the government.

*Strengthen governance and operational performance*

I recognise that COVID-19-related disruptions have affected some of the Commission's work in the past two years and that Commission has taken steps to adapt, innovate and find new ways of working.

I also note the Commission's efforts to retain and attract new staff after a period of high turnover in 2021 and early 2022, and in the context of a competitive employment market. I expect the Commission to keep making progress on workforce retention and attraction. I recognise that adequate technical capability and experience are critical for the Commission to delivering on its legislative mandate.

I regard strong Board governance as critical to the performance and success of the Commission. I expect the recent appointment of Diane Ruwhiu and the anticipated fourth Commissioner will bring important skills and experience to the Commission's Board. I encourage you to continue the work underway to clarify governance, management and operations functions and responsibilities, as well as the efforts to update and improve key performance indicators for the organisation.

I would like the Board to consider undertaking annual evaluations by an independent provider. Board evaluations are a tool for boards to improve their performance and to allow Ministers to assess the performance of a board. Board evaluations, alongside skills matrices, should be shared with the Treasury, as they inform Treasury's advice on board composition.

The Treasury [Owner's Expectations](#) manual sets out reporting and accountability expectations, as well as expectations in other areas. I encourage you to have regard to this manual, in particular, in relation to statutory documents and regular reporting. Regular reporting, via the tri-annual reports, provides an opportunity for the Commission to communicate frankly and freely with myself as the responsible Minister, and the Treasury as the monitoring agency, and, under the 'no surprises' policy, to advise of sensitive issues.

I look forward to seeing the Productivity Commission giving full effect to my expectations.

Yours sincerely

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

Hon Grant Robertson  
**Minister of Finance**