



Cabinet Social Policy Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Social Sector Leadership: Report-back on Superu

Portfolios **State Services / Social Investment / Social Development**

On 5 July 2017, the Cabinet Social Policy Committee:

Background

- 1 **noted** that in April 2017, Cabinet agreed in principle, subject to a report-back to the Cabinet Social Policy Committee in July 2017 on funding, employment implications, implementation timeframes, and decisions needed to enable legislative change, to disestablish the Families Commission (operating as Superu) and its functions, reassess the functions required for the Social Investment Agency to fulfil its role, and reassess the remaining functions (identifying elements to be continued such as the Family and Whānau Status Report) for possible allocation to other agencies [CAB-17-MIN-0146];

Superu disestablishment

- 2 **agreed** to disestablish the Families Commission (operating as Superu) and its functions through legislative repeal of the Families Commission Act 2003 (the Act);
- 3 **approved** the inclusion of the Families Commission Repeal Bill (the Bill) in the 2017 Legislation Programme, with a priority 5 (to be referred to select committee in 2017);
- 4 **noted** that the Bill will repeal the Families Commission Act 2003, thereby disestablishing the Families Commission (operating as Superu) and its functions;
- 5 **invited** the Minister for Social Development to issue drafting instructions to the Parliamentary Counsel Office by 17 July 2017;
- 6 **noted** that the Bill should be introduced no later than 21 November 2017;
- 7 **noted** that the Bill should be passed no later than 30 June 2018;
- 8 **noted** that the Act requires that at a minimum the following must continue until legal disestablishment:
 - 8.1 a Board of at least 3 members (one designated as Families Commissioner);
 - 8.2 a Chief Executive appointed by the Board;

8.3 the Families and Whānau Status Report (annual publication);

8.4 a Social Science Experts Panel of at least 4 members;

Reassessment of functions

9 **noted** that Superu has two legislated functions under the Act:

9.1 to act as an advocate for the interests of families generally (the advocacy function);

9.2 to monitor and evaluate programmes and interventions in the social sector, and provide social science research into key issues, programmes, and interventions across that sector (the monitoring, evaluation, and research function);

10 **noted** that the activities currently undertaken by Superu in respect of these functions are as follows:

10.1 the Family and Whānau Status report (annual) and supporting research programme;

10.2 the management of major contracts, including:

10.2.1 the Growing Up in New Zealand study (and associated research fund);

10.2.2 the Family Violence Clearing House;

10.3 the management of the government social science research hub;

10.4 a range of other activities related to monitoring, research and evaluation function (including the Ministerial Social Sector Research Fund, evidence synthesis, cross-sector evaluation, and capability development and quality assurance for government and NGOs);

11 **noted** that on repeal of the Act, Superu's functions will cease to exist, and any activities that continue in another agency or agencies will do so by virtue of Cabinet decisions to transfer responsibility and resources;

12 **noted** that officials have reassessed the activities of Superu in the context of the government's social investment approach to determine which of these would continue post-disestablishment, and which agency or agencies the associated responsibilities and resources would most appropriately be assigned to;

13 **agreed** that responsibility for the Family and Whānau Status report and supporting research programme and all associated funding will transfer to the Ministry of Social Development, along with relevant staff subject to due employment processes;

14 **invited** the responsible Minister for Superu to report back to the Cabinet Social Policy Committee on where responsibility for managing the contracts for the Growing Up in New Zealand study and associated research fund, and all funding appropriated in respect of these activities, would most appropriately transfer on legal disestablishment of Superu;

15 **agreed** that responsibility for managing the contract associated with the Family Violence Clearing House, and all associated funding, will transfer to the Ministry of Justice;

16 **agreed** that responsibility for ongoing management of the government social science research hub and all associated funding will transfer to the Social Investment Agency;

- 17 **agreed** that all remaining functions and activities currently undertaken by Superu will cease on legal disestablishment and will be proactively managed down in the interim, and that funding associated with these functions and activities will be subject to confirmation by the Minister of Finance and the Minister Responsible for Social Investment;

Governance of change

- 18 **noted** that, as there will be an inevitable lapse of time between these Cabinet decisions and the legislative change required to finally disestablish Superu, there is a need in the interim for the Board to manage the operations of the entity with a view to legislative disestablishment and effect, where possible and appropriate, to the earlier relocation of activities or resources to other agencies to better align with the government's social investment approach;
- 19 **noted** that in the period prior to formal disestablishment the responsible Minister for Superu will work with the Board of Superu, including through the Statement of Performance Expectations process, to identify opportunities to delegate functions, second staff and effect financial transfers ahead of legal disestablishment, and to assess the potential for continuing and repurposing materials and relationships being developed through Superu's NGO capability building and evidence gathering activities;
- 20 **noted** that, in the interim period, Superu will remain legally responsible for any contracts entered into;
- 21 **noted** that residual management responsibilities that continue after legal disestablishment will be met by the Ministry of Social Development;

Financial implications

- 22 **noted** that Superu is funded from Vote: Social Development non-departmental output expense appropriation Families Commission, including core funding of \$8.304 million per year plus \$13.119 million spread over four years for the Growing Up in New Zealand study;
- 23 **authorised** the Minister of Finance and the Minister Responsible for Social Investment jointly to approve the establishment of any new appropriation(s) necessary to give effect to the policy decisions under SOC-17-MIN-0088;
- 24 **authorised** the Minister of Finance and the relevant appropriation Ministers jointly to approve fiscally neutral adjustments to appropriations and their timing to give effect to the policy decisions under SOC-17-MIN-0088;
- 25 **authorised** the Minister of Finance, the Minister of State Services, the Minister Responsible for Social Investment and the Minister for Social Development jointly to approve the capital withdrawal from Superu and capital injection to the State Services Commission needed to transfer Superu's net assets to the State Services Commission for the use of the Social Investment Agency;
- 26 **noted** that as part of the process for working through changes to appropriations under the authority delegated above, the Minister Responsible for Social Investment will develop a case for how the funding proposed to be transferred under recommendation 17 will be used to improve the use of evidence and evaluation as part of the social investment approach;
- 27 **agreed** that any changes to appropriations or capital injections for 2017/18 approved by Ministers to give effect to the policy decisions above be included in the 2017/18 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;

Staff implications

- 28 **noted** that staff performing activities transferred directly to other agencies (i.e. the Families and Whānau Status report and major contracts), if offered alternative positions as defined under s61A(1)(b) of the State Sector Act 1988 at the agencies responsible for the functions following transfer, will not be entitled to redundancy payment;
- 29 **noted** that the Superu Board intends to support remaining Superu staff who do not receive a direct transfer to find alternative employment within the State Services, including the Social Investment Agency;
- 30 **noted** that staff remaining in their roles at the time of disestablishment will be entitled to a redundancy payment under s61A of the State Sector Act 1988, and that if in the interim period prior to legal disestablishment there is insufficient work or a significant change in the mix of corporate and operational staff the Board may decide to make some staff redundant ahead of legal disestablishment;
- 31 **noted** that the maximum redundancy liability is approximately \$1 million, but it is expected that the actual liability will be substantially less than this amount following transfers and support for staff in finding alternative employment.

Jenny Vickers
Committee Secretary

Present:

Rt Hon Bill English
Hon Paula Bennett
Hon Steven Joyce
Hon Amy Adams (Chair)
Hon Dr Jonathan Coleman
Hon Michael Woodhouse
Hon Anne Tolley
Hon Nikki Kaye
Hon Judith Collins
Hon Maggie Barry
Hon Paul Goldsmith
Hon Louise Upston
Hon Alfred Ngaro
Hon Nicky Wagner
Hon David Bennett
Hon Tim Macindoe
David Seymour MP

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet
Office of the Deputy Prime Minister
State Services Commission
Office of the Chair
Office of the Minister of Health
Office of the Minister for Social Development
Superu
Office of the Minister of Education
Office of the Minister for Pacific Peoples
Officials Committee for SOC

Hard-copy distribution:

Minister for State Services
Minister Responsible for Social Investment
Minister of Social Development