

Chair
Cabinet

Public services to meet the needs of 21st century New Zealand: Further proposals for structural change

Proposal

- 1 This paper seeks agreement to undertake due diligence on a set of further proposals for change in the machinery of government. It is a companion paper to the paper *Public services to meet the needs of 21st century New Zealand*, which provides an overview of the proposed direction of change [CAB Min (11) 13/12 refers].

Executive summary

- 2 This paper outlines a further set of machinery of government changes to ensure that government administration is efficient, well organised and resilient. They are part of the wider programme of reforms to build a better public service announced by the Minister of Finance on 29 March 2011.
- 3 These proposals build on steps the Government has already taken requiring agencies to be more accountable and transparent. These proposals are part of our plan to improve performance, eliminate waste and find savings.
- 4 Currently there are 39 government departments, over 150 Crown entities of various types (not including school boards of trustees), and more than 200 other agencies (from State-Owned Enterprises to Fish and Game Councils).
- 5 We are seeking agreement that a due diligence process be applied to proposals for changes in the Education sector, Arts Culture and Heritage sector, and a set of seven Crown entities and three tribunals. Following due diligence, officials will report back on financial and legislative implications of proposals, including recommendations for issuing drafting instructions where legislative changes are needed. We will report by August 2011 for the proposals relating to the Education sector, and by early July 2011 for other proposals. Our expectation is that the proposed changes will happen; unless the due diligence process results in better alternatives, and/or there are compelling reasons not to proceed with the proposed changes.

Context

- 6 We want to give New Zealanders – and ourselves – greater confidence that the way government works and the services we provide will meet the needs of 21st century New Zealand. In particular, that it represents value for money. This means focusing the State sector on the things that matter most to New Zealanders: easy access to government and high quality frontline services.
- 7 In combination with our publicly stated objective of returning to fiscal surplus by 2014/15, it means focusing hard on doing the things that matter most, and making sure we are doing them well. In short, it means smaller and better government.

- 8 The State sector that meets the needs of 21st century New Zealand is one based on the following principles:
- clear priorities: we will focus our efforts, and government funding, on the things that matter most to New Zealanders today and in the future
 - high quality services: we will ensure that public services are modern, responsive and provide good value for money
 - reducing waste: we will ensure that government administration is efficient, well organised and resilient.
- 9 Getting better public services is not a quick or simple objective. It will require time, strong leadership and substantive progress on several fronts. Structural changes are one part of the picture. We have already undertaken a number of amalgamations (for example, the Ministry of Agriculture and Forestry, and the NZ Food Safety Authority; National Library, Archives NZ and the Department of Internal Affairs; the Ministry of Research, Science and Technology (RST) and the Foundation for RST into the new Ministry of Science and Innovation). We have also recently announced the merger of the Ministry of Fisheries with the Ministry of Agriculture and Forestry. The proposals in this paper continue the programme of structural change.
- 10 We expect to see more consolidation of agencies and functions over the next two or three years, where those changes have the potential to improve the direction, focus and results of the public service as a whole. We need to reduce clutter, duplication and waste in order to deliver the results New Zealanders want. The fiscal pressures ahead simply sharpen the case for change. The priority will be front-line services New Zealanders need. Beyond that, we have choices about where to focus our efforts, which will involve moving resources to support these priorities. Our approach will be pragmatic: doing what works, and taking opportunities to do things differently as they arise.

Comment

- 11 This work supports the objective of ensuring that government administration is efficient, well organised and resilient. This includes reducing clutter and bureaucracy: stopping doing things that are peripheral to government and reducing the number of agencies doing overlapping things. It is also about injecting the right incentives for continuous improvement. There are several initiatives already under way in this space: Better Administrative and Support Services (BASS), joint procurement, ICT Directions and Priorities, and ServiceLink.
- 12 We have identified opportunities for improving service delivery and reducing duplication of capability in the Education sector. Ministers have noted a lack of coordination in the skills development area, and opportunities for reducing fragmentation in education quality assurance.
- 13 We have also identified further opportunities for reducing the number of standalone entities. We now have over 80 statutory Crown entities with over 450 board members, , more than 110 other organisations associated with Ministerial portfolios, and 47 tribunals, several of which hear nil or very few cases per year. If we are serious about reducing waste, then an immediate step we can take is to undertake a deliberate programme of reducing the number of standalone agencies. As this programme expands, there will be more sophisticated tools available to us, for example greater use of agency clusters, fewer votes and more contestability, where this makes sense.

24 s 9 (2) (f) (iv)
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s 9 (2) (g) (i)

25 One major division is between the Department of Labour's responsibilities under Vote Employment, and the Ministry of Education's functions in relation to Vote Tertiary Education. We propose that as well as more general options, the due diligence specifically report on transferring labour market information and analysis, related policy advice and some operational facilitation, funded by Vote: Employment, from the Department of Labour to a renamed Ministry of Education. Vote Employment amounts to \$14.2m and represents a substantial component of the Department of Labour's policy capability.

s 9 (2) (f) (iv)
26 a
s 9 (2) (g) (i)

Quality assurance

27 The due diligence process should also consider the scope for rationalisation in the quality assurance functions in the Education sector. Two agencies, ERO and NZQA, perform quality assurance roles in the schooling and tertiary education (except for university) areas respectively. There has been considerable cross-fertilisation of ideas and approaches between these agencies arising from the closely aligned nature of their major functions.

s 9 (2) (f) (iv) a s 9 (2) (g) (i)

28 ERO is a department of the Public Service while NZQA is a Crown entity. Ministers are of the view that quality assurance functions in the Education system should continue to be independent and therefore separate from policy and operational delivery agencies.

- 14 This paper recommends that we build on earlier work by addressing a set of proposals to exit from, transfer or merge all or part of the functions from a selected group of organisations. These changes will not be cost free. Within the context of our larger goal of smaller and better government, they provide a good place to continue the momentum we need over time to achieve better value for taxpayers.
- 15 In developing proposals for change, officials took into account the views of Ministers, chief executives of monitoring departments, the results of applying a consistent set of tests to all statutory Crown entities, and a range of other available information to inform their judgements. Some of the proposals put forward by officials will not be proceeding at this time and these are detailed in Appendix 2.

Due diligence process

- 16 We recommend that the proposals below be agreed subject to a due diligence process involving wider consultation and information-gathering.
- 17 The due diligence process will involve gathering financial and other information from relevant departments and entities, and obtaining the views of chief executives, Board chairs, appropriate staff and key stakeholders on the opportunities and risks arising from the proposed change. The PSA will also be invited to comment on proposals on a confidential basis. Officials will report back on the financial and legislative implications of proposed changes, on regulatory impacts, wider implications for all the organisations concerned, on any compelling reasons for the proposals to be varied, and on appropriate processes and timing for the changes. The report will include plans for implementation. We expect the changes to happen, unless the due diligence process produces better alternatives and/or there are compelling reasons not to proceed with the proposed changes.
- 18 In the case of the Education sector proposals outlined in paragraphs 21-31, officials will specifically canvass a range of variations on the proposed changes, so that Ministers can be presented with the full range of options.
- 19 Officials will report back to Ministers by August 2011 on the Education sector proposals, by early July 2011 on the Arts Culture and Heritage, Crown entity and tribunal proposals.
- 20 The SSC will lead the due diligence process, and plans to contract in specialist financial expertise. Should Cabinet decide that the due diligence is to be undertaken on a confidential basis, then we propose that SSC be exempt from the mandatory rule that open tenders are to be advertised on the Government Electronic Tenders Service (GETS) when procuring goods and services valued at over \$100k.

Education sector proposals

- 21 We propose machinery of government change in the skills development area, and a change in the location of quality assurance functions in the Education sector. These proposals involve mainly, but not exclusively, the reallocation of resources and functions among Public Service departments. Each proposal is set out below.

Skills development

- 22 Increasing the skill level of the New Zealand workforce is one of the key pillars of achieving higher living standards. The performance of agencies involved with skills development is very important to achieving this aim. At present this area of activity is fragmented between different agencies, including the Ministries of Education, Labour, Economic Development, Social Development, and the Tertiary Education Commission (TEC), and the two education quality agencies, Education and Review Office (ERO) and the New Zealand Qualifications Authority (NZQA).

29 s 9(2)(f)(iv)

30 s 9(2)(f)(iv)

The due diligence process in the Education sector

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s 9(2)(f)(iv)

32 We propose establishing a Group of Ministers to oversee the due diligence process in the Education sector. This would consist of the Ministers of Finance, State Services, Education, Tertiary Education, and Social Development and Employment.

Arts, Culture and Heritage proposals

33 Much rationalisation has already occurred in the Arts, Culture and Heritage area and is on-going. The Arts Council of New Zealand Toi Aotearoa Bill is currently before the House and will replace Creative New Zealand's four governing and funding bodies with a single council of 13 members.

34 We propose a set of further reforms in this sector to improve efficiency and coordination, subject to a due diligence process involving further investigation. They are:

- (1) s 9(2)(g)(i) the New Zealand Film Commission (a Crown entity) and Film New Zealand (an independent industry-led trust). For a country the size of New Zealand trying to compete internationally, multiple organisations supporting screen production cause confusion. While this proposal would not realise substantial savings it could generate greater efficiency and effectiveness across the screen production sector.

s 9(2)(g)(i)

- Consolidate⁽²⁾ most/all audiovisual archival functions within the Film Archive. Work is already under way on consolidating audiovisual archival functions from the New Zealand Film Archive, Radio New Zealand, and Television New Zealand within the Film Archive (an independent trust). Legal, financial, governance and other implications will be explored further as part of the due diligence process.

(1) The proposal being considered is to "encourage greater collaboration between the NZ Film Commission and Film NZ".

(2) The proposal being considered is to "encourage [agencies] to consolidate material into the Film Archive".

- *Consolidate management of heritage property portfolios.* The New Zealand Historic Places Trust (NZHPT) manages a number of heritage properties across New Zealand. Other agencies, primarily the Department of Conservation (DoC), also manage heritage buildings, some of which have no relationship to conservation (eg Victoria University Law Buildings). Rationalising property management functions between NZHPT and DoC (and potentially others in the arts, culture and heritage sector) should be investigated. Financial efficiencies are possible.

s 9(2)(f)(iv)

- 35 In addition, we propose that a *significant reform of media standards authorities*⁽³⁾ be investigated. New Zealand has several media complaints and regulatory agencies such as the Broadcasting Standards Authority, the Advertising Standards Authority, the Press Council and the Office of Film and Literature Classification.

9(2)(f)(iv) and 9(2)(g)(i)

Other Crown entities and tribunals proposals

- 36 The Crown Entities Act 2004 provides a consistent legal framework for the establishment, governance and operation of Crown entities, and clarifies accountability arrangements between Crown entities, their board members and responsible Ministers. However, while the Crown Entities Act provided much greater clarity about the Crown entities sector, its introduction was not accompanied by any review of the allocation of functions to the entities.
- 37 Currently, there are 84 statutory Crown entities (ie Crown agents, including 20 District Health Boards, Autonomous Crown entities, and Independent Crown entities). There are also 11 Crown entity companies, including eight Crown Research Institutes, and numerous school Boards of Trustees, Crown entity subsidiaries and Tertiary Education Institutions.
- 38 This paper seeks decisions on reducing unnecessary duplication through reducing the number of statutory Crown entities, and eliminating a small number of their functions. In addition, it proposes changes to a small number of tribunals based on a previous review.
- 39 Officials considered all of the statutory Crown entities and tested each using the questions outlined below. One of the lessons from recent international experience with reducing the number of agencies (such as in the U.K.) was to be clear on the tests used, how they are being applied, and that they being applied consistently. Therefore we developed a set of tests and applied them to entities in a central process as part of forming judgements on an initial cut and appropriate phasing (see appendix 1).
- 40 Officials also noted the 2008 review of tribunals undertaken by the Law Commission and the Ministry of Justice, which included proposals to rationalise the number of tribunals, including disestablishing some of them. More recently, the Ministry of Justice has begun further work on options for streamlining tribunals and improving efficiency.

(3) The proposal being explored is to "work with the Broadcasting Standards Authority, the Advertising Standards Authority, the Press Council and the Office of Film and Literature Classification to look at opportunities for greater collaboration"

41 Drawing on the work of central agency officials, we have identified a set of seven proposals for machinery of government change to other Crown entities and tribunals, mainly in the Health and Justice sectors, subject to a due diligence process involving wider consultation and information-gathering:

- disestablish the *Alcohol Advisory Council of New Zealand (ALAC)* and transfer its functions to an arm's-length health promotion entity (combining relevant functions from ALAC, the Health Sponsorship Council, and the Ministry of Health)
- disestablish the *Health Sponsorship Council (HSC)* and transfer its functions to an arm's-length health promotion entity (combining relevant functions from ALAC, HSC, and the Ministry of Health)
- disestablish the *Crown Health Financing Agency (CHFA)* and transfer its District Health Board lending function either to the Ministry of Health or to the Debt Management Office, transfer the management of residual Area Health Board liabilities to the Ministry of Health, and determine the best future location for property management
- delegate the *Mental Health Commission's* coordination and monitoring functions to the Ministry of Health and its advocacy function to a separate Mental Health Commissioner in the office of the Health and Disability Commissioner; or bring forward the date it is due to cease functioning (31 August 2015)
- disestablish the *Charities Commission* and transfer its functions to the Department of Internal Affairs (while ensuring that registration decisions remain separate from Ministers)
- integrate the back offices of the *Privacy Commissioner* and the *Human Rights Commission*,
a(2)(f)(iv) & a(2)(g)(i)
- disestablish three tribunals – the *Health Act Boards of Appeal*; the *Maritime Appeal Authority*; and the *Land Valuation Tribunals* – and transfer their functions to the District Court, in the context of further work led by the Ministry of Justice to streamline tribunals and improve administrative efficiency.

42 Appendix 3 summarises the 'vital statistics' for organisations that are the subject of the proposals, including the enabling legislation, the annual revenue (and the Crown contribution), the number of board members, and the number of staff, as applicable.

43 We will also consider connections with work already under way on other agencies associated with Ministers to ensure consistency and enable us to focus our efforts effectively.

44 Implementing this set of proposals will continue the programme of structural changes to reduce duplication and stop functions that government no longer needs to deliver. They are an important part of the larger programme of reforms to build a better public service we announced on 29 March 2011.

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a(2)(f)(iv)
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a(2)(g)(i)

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9(2)(f)(iv)

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9(2)(g)(i)

A series of change proposals

48 The proposals set out in this paper focus on:

- opportunities to combine some agencies and functions, reducing fragmentation and layers of governance and/or improving coordination of service delivery
- improved critical mass and resilience for small entities
- initial moves towards longer term changes.

49 Subsequent sets of proposals are likely to focus on departments and Crown entities within broader sectors, building on current work in progress. Subject to further analysis and due diligence, they may focus on opportunities for:

- better services for Ministers and citizens across sectors 9(2)(f)(iv)
- potential savings from stopping some functions, streamlining programmes, and shared back offices
- enhancing services to business.

Consultation

50 In October 2010, the Minister of State Services invited Ministers responsible for monitoring departments to talk to their departmental chief executive about proposals for machinery of government change among the Crown entities they monitor, and to provide advice of any proposals later that year. Eleven Ministers provided responses.

51 In early 2011, SSC officials met with monitoring department chief executives (or their nominated delegates) to talk about proposals for Crown entities reform among the entities they monitor. These discussions helped inform advice on the majority of the proposals in this paper. Discussions among Ministers also resulted in further proposals for reform. The chief executives of the Ministry of Education, the Department of Labour, the Education Review Office and the NZ Qualifications Authority were informed of the Education sector proposals.

52 Officials from the Department of the Prime Minister and Cabinet, State Services Commission and the Treasury have been involved in the development of the proposals.

Financial implications

53 The costs of the due diligence process, including financial and business analysis expertise, will be met from SSC's baseline.

54 It is expected that up-front costs of change will be offset by efficiency savings in future years (as for other recent State Services amalgamations). These costs and savings will be analysed as part of the due diligence process described above.

55 The intention is for transition costs to be met within current baselines. For example, any up-front costs for mergers in health sector entities can be met from currently forecast 2010/11 underspends in Vote Health or the Vote's risk reserve. The availability of resources from applicable Votes to meet these costs will be assessed as part of the due diligence process.

Human rights

56 There are no human rights implications from the recommendations in this paper.

Legislative implications

57 Tribunals and Crown entities are established by statute. They can only be disestablished by statute. Crown entity functions and powers remain the responsibility of the Crown entity board until legislation transfers or removes those functions and powers. Trusts are governed by a trust deed, which must be taken into account in any proposal for change. The agreement of the trust board is also required.

58 Many departmental functions are not prescribed by legislation and can be transferred through Orders in Council. Orders in Council are also required to rename departments.

59 Following the due diligence process, we will report back to Cabinet with recommendations on the detail of the legislative amendments that would be required to implement these proposals, inviting the Minister of State Services to issue drafting instructions to give effect to Cabinet's decisions. We propose that the legislative changes be included in a single omnibus bill to be introduced by September 2011.

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9(2)(g)(i)

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Regulatory impact analysis

- 63 Some of the proposals in the paper would require legislative change if progressed. The paper has qualified for an exemption from the regulatory impact analysis requirements as the proposals are predominantly about moving functions between agencies and therefore have no or only minor impacts on businesses, individuals or not-for-profit entities. If the proposed due diligence exercise raises options that will have a substantive impact on functions then a regulatory impact statement will be provided when final decisions are sought.

Gender implications

- 64 There are no gender implications of the proposals.

Publicity

- 65 We propose to discuss options for communicating the due diligence process and decisions as appropriate. This will be done as soon as possible after Cabinet's decisions to reflect the importance of timely communication and accurate information in maintaining the confidence of the public, and of agency employees.

Recommendations

- 66 It is recommended that Cabinet:
- 1 **note** that the recommendations below for structural reform are consistent with the following broad principles: clear priorities, high quality services and reducing waste
 - 2 **note** that the tests that have been applied in the case of Crown entities are:
 - Is there a role for Government?
 - Does this need to be at arm's-length from Ministers?
 - Does this need to be stand-alone?

Change proposals

- 3 **note** that after considering the views of Ministers and chief executives of relevant departments, applying the tests set out in recommendation 2 above to Crown entities, and consulting with the State Sector Ministerial Group, we have developed proposals for reform involving selected agencies in the Education sector; Arts Culture and Heritage sector; and a set of seven Crown entities and three tribunals, as the next step in an ongoing programme of structural reforms
- 4 **direct** officials from the State Services Commission, in consultation with the Treasury, to report back to Cabinet following "due diligence" for the sets of machinery of government proposals outlined in recommendation 5 below, including:
 - the views of relevant chief executives, Board chairs, key staff as required, and key stakeholders (including the PSA) on the opportunities and risks which arise from this
 - the financial implications of the proposed changes
 - the legislative implications of the proposed changes
 - the regulatory impacts of the proposed changes
 - wider implications for the organisations concerned

- any compelling reasons for the proposals to be varied, including alternative, better proposals
- appropriate processes and timing for the changes
- (in the case of the Education sector) a full range of options to improve the Government's contribution to skills development, and Education sector quality assurance

5 **agree** that the due diligence process outlined in recommendation 4 be applied to the following machinery of government proposals:

Education sector

- 5.1 transfer work within *Vote Employment*, which currently includes labour market information and analysis, related policy advice and some operational facilitation, from the Department of Labour to the Ministry of Education
9(2)(f)(iv)
- 5.2 merge the *Education Review Office* and the *New Zealand Qualifications Authority* into an education quality assurance agency, and consider what should happen with the non-quality assurance functions of NZQA

Arts, Culture and Heritage Sector

- 5.3 ⁹⁽²⁾⁽⁴⁾⁽ⁱ⁾₍₄₎ the *New Zealand Film Commission* (a Crown entity) and *Film New Zealand* (an independent industry-led trust)
- 5.4 ⁽⁵⁾ consolidate most/all audiovisual archival functions from the New Zealand Film Archive, Radio New Zealand, and Television New Zealand into the Film Archive (an independent trust)
- 5.5 consolidate management of heritage property portfolios between the New Zealand Historic Places Trust, the Department of Conservation and potentially other agencies in the arts, culture and heritage sector

5.6

9(2)(f)(iv)

- 5.7 investigate opportunities to reform media standards authorities⁽⁴⁾ (the Broadcasting Standards Authority, the Advertising Standards Authority, the Press Council and the Office of Film and Literature Classification) including the option of consolidation into a single organisation

Other Crown entities and tribunals

- 5.8 disestablish the *Alcohol Advisory Council of New Zealand* (ALAC), and transfer its functions to an arm's-length health promotion entity (combining relevant functions from ALAC, the Health Sponsorship Council, and the Ministry of Health)
- 5.9 disestablish the *Health Sponsorship Council* (HSC) and transfer its functions to an arm's-length health promotion entity (combining relevant functions from ALAC, HSC, and the Ministry of Health)

(4)(5)(6): see footnotes (1), (2), & (3) respectively.

- 5.10 disestablish the *Crown Health Financing Agency* (CHFA) and transfer its District Health Board lending function either to the Ministry of Health or to the Debt Management Office, transfer the management of residual Area Health Board liabilities to the Ministry of Health, and determine the best future location for property management
- 5.11 delegate the *Mental Health Commission's* coordination and monitoring functions to the Ministry of Health and its advocacy function to the Health and Disability Commissioner, or bring forward the date it is due to cease functioning (31 August 2015)
- 5.12 disestablish the *Charities Commission* and transfer its functions to the Department of Internal Affairs (while ensuring that registration decisions remain separate from Ministers)
- 5.13 integrate the back offices of the *Privacy Commissioner and the Human Rights Commission*, 9(2)(f)(iv) & 9(2)(g)(i)
- 5.14 disestablish three tribunals – the *Health Act Boards of Appeal; the Maritime Appeal Authority; and the Land Valuation Tribunals* – and transfer their functions to the District Court, in the context of further work led by the Ministry of Justice to streamline tribunals and improve administrative efficiency

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9(2)(f)(iv)

- 7 **agree** that a Group of Ministers be established to oversee the due diligence process in the Education sector, consisting of the Ministers of Finance, State Services, Education, Tertiary Education, and Social Development and Employment.
- 8 **direct** officials to report back on the due diligence process described in recommendation 4 above by August 2011 in respect of recommendations 5.1 and 5.2 above, and by early July 2011 in respect of recommendations 5.3 to 5.14.

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9(2)(f)(iv) & 9(2)(g)(i)

Further proposals

- 10 **note** that further proposals for reform will focus on whole sectors, and build on current work

9(2)(f)(iv)

Financial implications

- 11 **note** that the costs of due diligence will be met out of SSC's baseline
- 12 **note** that it is intended that transition costs are met within current baselines
- 13 **note** that the costs and savings of the proposals have not been determined at this point, but will be quantified as part of due diligence process, and reported back to Cabinet following due diligence

Legislation

- 14 **note** that following the due diligence process, the Minister of State Services will report to Cabinet with recommendations on the detail of the legislative amendments required to give effect to decisions relating to the Crown entities and tribunals referred to in recommendations 5.3 – 5.14, so that drafting instructions can be provided to the Parliamentary Counsel Office
- 15 **note** that we intend that the legislative changes be included in a single omnibus bill, to be introduced into the House and referred to Select Committee by September 2011

Publicity

- 16 **discuss** options for communicating the due diligence process and decisions as appropriate
- 17 **indicate** whether, to maintain confidentiality, SSC should be exempt for this due diligence process from the mandatory rule that open tenders are to be advertised publicly on the Government Electronic Tenders Service (GETS) when procuring goods and services valued at over \$100k.



Hon Bill English
Deputy Prime Minister

5, 5, 11



Hon Tony Ryall
Minister of State Services

5, 5, 11

Appendix 1: Tests applied for statutory Crown entities

Test one: Is there a role for Government?

Applying this test involves considering how important entities' functions are for government, the rationale for their establishment, the capability of other potential providers, and the appropriate mix of delivery between central and local government.

Test two: Does this need to be at arm's-length from Ministers?

Applying this test involves considering the current assignment of statutory Crown entities to categories, as follows:

- for Crown agents, the general presumption ⁽⁷⁾ is that they do not need to be at arm's-length from Ministers. They are nevertheless required to give effect to government policy. In some cases, Ministers may need to remain separate from decision-making and/or the Board may be considered necessary to bring valuable skills and experience.
- there is no general presumption for Autonomous Crown Entities, which are required to have regard to government policy. They need to be considered on a case by case basis. Relevant considerations include their relationship with the sector and strategic risks to the Crown.
- for Independent Crown Entities, the general presumption is that they must be at arm's length from Ministers and generally independent of government policy as they undertake quasi-judicial, adjudicative and regulatory functions.

Test three: Does this need to be stand-alone?

Applying this test involves considering strategic fit with other entities or departments, overlap or conflict between functions, impact on functions of alternative options, resilience, efficiency and whether benefits outweigh costs of change over time.

(7) ie, the general presumption in applying this test.

Appendix 2: Proposals not proceeding at this time

withheld

s 9(2)(f)(iv)

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s 9(2)(g)(i)

Released by the Minister of State Services

Appendix 3: Agency Summary Facts (*)

Organisation	Relevant legislation	Total revenue per annum (2011 FY) SOI or Estimates	Crown funding	FTE (June 2010, unless otherwise specified)	Board size (June 2010) Annual Report
Education sector proposals					
Education Review Office (Department)	Education Act 1988, Part 28.	\$29m	\$28.1m	218.5 (31.12.11)	N/A
New Zealand Qualifications Authority (Crown agent)	Education Act 1989, part 20	\$76.6m	\$39.5m	395 (31.12.11)	8
Department of Labour – Vote Employment functions (part of department)	Functions not set out in statute.	\$14.2m	\$14.2m	Estimate 40-50	N/A
Arts, Culture and Heritage sector – selected entities					
Advertising Standards Authority (Incorporated society)	Ni (industry body; self-regulating)	Not available	Nil	N/A	13 (complaints board)
Broadcasting Standards Authority (Independent Crown Entity, ICE)	Broadcasting Act 1989	\$1.4m	\$0.6m	8	4
New Zealand Press Council (Body corporate)	Ni (industry body; self regulating)	Not available	Nil	N/A	12
Office of Film and Literature Classification (ICE)	Films, Videos, and Publications Classification Act 1993	\$3.4m	\$1.96m	30	2
New Zealand Film Commission (Autonomous Crown Entity, ACE)	New Zealand Film Commission Act 1978	\$28.6m	\$17.3m	25	8
Film New Zealand (Independent trust)	Ni	Not available	N/A	4	9

Organisation	Relevant legislation	Total revenue per annum (2011 FY) SOI or Estimates	Crown funding	FTE (June 2010, unless otherwise specified)	Board size (June 2010) Annual Report
New Zealand Film Archive (Independent charitable trust)	Nil	N/A	\$0.95m	47	6
Set of Crown entity proposals					
Alcohol Advisory Council of New Zealand (ACE)	Alcohol Advisory Council Act 1976	\$12.5m	No Crown funding; levy on sale of alcohol provides all funding.	32	8
Charities Commission (ACE)	Charities Act 2005	\$5.83m	Crown funding provides 84% revenue (\$4.84m plus \$70k litigation fund); balance is from annual return fees (\$0.85m) and interest	40	7
Crown Health Financing Agency (Crown agent)	New Zealand Public Health and Disability Act 2000	\$4m	Crown funding is \$2.8m (70%); contracts with DHBs for property disposal functions generate \$1.2m	8	4
Health Sponsorship Council (Crown agent)	Smoke-Free Environments Act 1990	\$11.5m	All Crown funding	29	6
Human Rights Commission (ICE)	Human Rights Act 1993	\$9.54m	Crown funding is \$9.34m (98%). Balance is from 'other' income and interest	65.1	8 (3 full-time and 4 of possible 5 part-time Commissioners)
Mental Health Commission (ACE)	Mental Health Commission Act 1998	\$2.9m	Crown funding is \$2.8m (97%); balance is other revenue (\$50k) and interest (\$21k)	11.5	3
Privacy Commissioner (ICE)	Privacy Act 1993	\$3.5m	Crown funding is \$3.2m (91%); balance is from other income, seminars, and interest	29.7	1
Tribunals					
Health Act Boards of Appeal	Health Act 1956	Costs not known until the due diligence process. Previous reviews indicate that few cases have been filed with these tribunals.			District Court Judge (chair) and 2 assessors - appointed for each appeal

Organisation	Relevant legislation	Total revenue per annum (2011 FY) SOI or Estimates	Crown funding	FTE (June 2010, unless otherwise specified)	Board size (June 2010) Annual Report
Maritime Appeal Authority	Maritime Transport Act 1994	Costs not known until the due diligence process. Previous reviews indicate that few cases have been filed with these tribunals.			1 standing appointment
Land Valuation Tribunals	Land Valuation Proceedings Act 1948				

(*): Much of this information has been collected from public websites and documents. Care should be exercised in its use.