



REGULATORY POLICY AT THE CROSSROADS

Designing a New Zealand Productivity Commission

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Designing a New Zealand Productivity Commission

- What the Commission will do
- Why the Government thinks it is needed
- Critical design features

Role of the Commission

To provide advice to the Government on improving productivity to support the overall well being of New Zealanders

Role of the Commission

- Inquire into productivity related matters in both the private and public sectors
- Undertake reviews of regulatory regimes and agencies
- Undertake regulatory impact analysis of specific regulatory proposals

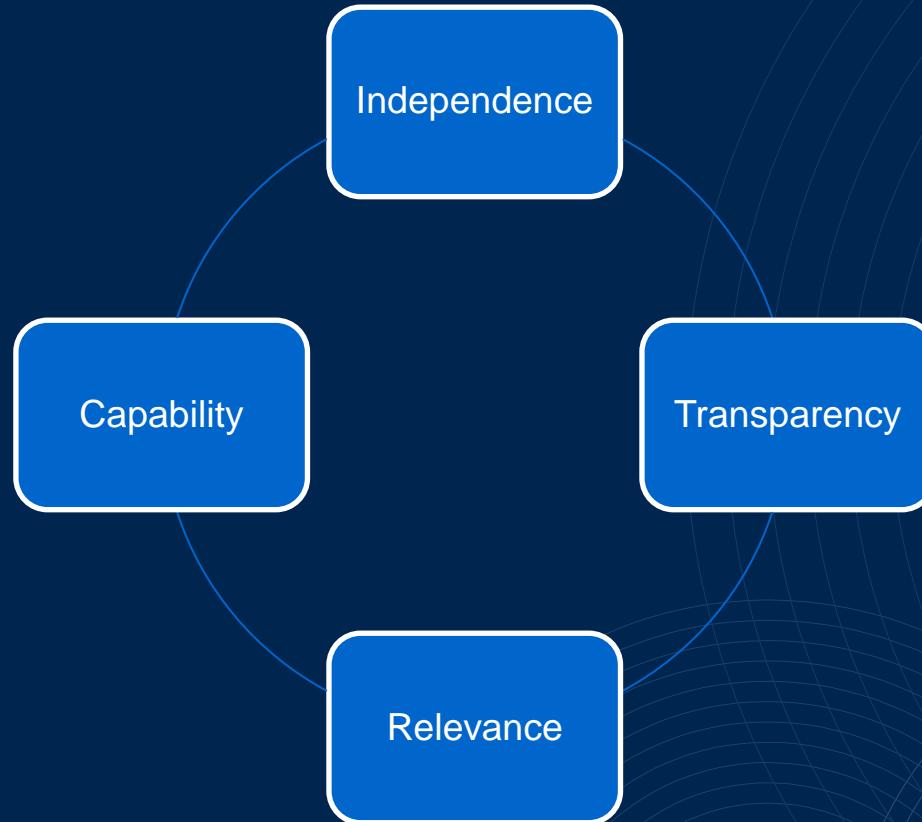
So why is the Government doing this?

- Size and distance continues to create challenges for NZ
- Demand for innovative new ideas – challenging the status quo
- Demand for evidence-based analysis that is credible to the government and the community

Could we import the Australian Productivity Commission model?

- Seen as catalyst for change – raise awareness
- Brings together broad community wide perspectives
- Issues discussed at arms length from Government
- Very ‘open’ policy development process – significant public input

Critical design features



Independence

- Independent Crown Entity – same level of independence as competition regulator
- Security of tenure of Commissioners
- Highly credible Commissioners

Transparency

- Public inquiries
- Expected to consult widely in carrying out inquiries and reviews
- The terms of reference of reviews must be published
- Draft reports will be released for consultation
- Final reports and recommendations must be tabled in Parliament

Relevance

- *To Government* – Government decides inquiry topics
- *To Future Governments* – mandate broad enough for it to consider future governments' agendas. Appointments critical.
- *To Community* - it needs to take in a wide range of views and perspectives of the community and consult widely

Capability

- Build internal, specialised capabilities in economic analysis
- Credible Commissioners

Conclusion

- An experiment informed by overseas experience
- Provide policy leadership, be a catalyst for change
- Challenge the Government and officials to do better