



# Cabinet Committee on State Sector Reform and Expenditure Control

SEC Min (12) 16/2

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## Minute of Decision

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### Future Monitoring of the Accident Compensation Corporation and Housing New Zealand Corporation

#### Portfolio: State Services

On 11 September 2012, the Cabinet Committee on State Sector Reform and Expenditure Control:

- 1 **noted** that in April 2012, Cabinet directed the State Services Commission (SSC), in consultation with the new Ministry (Ministry of Business, Innovation and Employment) and the Treasury, to report back to respective Ministers by 31 August 2012 with further advice on the merit and implementation issues of transferring responsibility for financial monitoring of the Housing New Zealand Corporation (HNZC) and the Accident Compensation Corporation to the Treasury, while ensuring adequate connections to the policy role of the new Ministry and the monitoring of non-financial performance of those agencies [CAB Min (12) 13/9];
- 2 **agreed** that the transfer of monitoring of ACC and HNZC to the Treasury take place on 30 November 2012, in time for second quarter monitoring and to fit with MBIE staff change processes, subject to the timing of these decisions;
- 3 **noted** that at the direction of responsible Ministers:
  - 3.1 work is under way by officials from MBIE and the Treasury, in conjunction with SSC, to develop a Memorandum of Understanding (MoU) to ensure effective coordination on policy and monitoring for ACC and HNZC by 31 October 2012;
  - 3.2 the MoU will be provided to the Minister of Finance, Minister for Economic Development, the Minister for ACC and the Minister of Housing for agreement;
- 4 **noted** that in May 2012, the Cabinet Social Policy Committee noted that monitoring of the Tamaki Redevelopment Company is proposed to sit with the (future) Ministry of Business, Innovation, and Employment [SOC Min (12) 9/3];
- 5 **agreed** that, along with ACC and HNZC, monitoring of the Tamaki Redevelopment Company be undertaken by the Treasury from 30 November 2012;

- 6 **approved** the following fiscally neutral adjustments to give effect to paragraph 2 above, with no impact on the operating balance:

	\$m – increase/(decrease)				
	2012/13	2013/14	2014/15	2015/16	2016/17 & Outyears
<b>Vote ACC</b> <b>Minister for ACC</b> Departmental Output Expense: Policy Advice and Related Outputs MCOA Crown Entity Monitoring (funded by revenue Crown)	(0.417)	(0.714)	(0.714)	(0.714)	(0.714)
<b>Vote Housing</b> <b>Minister of Housing</b> Departmental Output Expense: Policy Advice and Related Outputs MCOA Housing, Ministerial Servicing and Performance and Monitoring (funded by revenue Crown)	(0.377)	(0.647)	(0.647)	(0.647)	(0.647)
<b>Vote Finance</b> <b>Minister of Finance</b> Departmental Output Expense: Crown Company Monitoring Advice to the Minister for State-Owned Enterprises and Other Responsible Ministers (funded by revenue Crown)	0.794	1.361	1.361	1.361	1.361
<b>Total operating</b>	-	-	-	-	-

- 7 **agreed** that the changes to appropriations for 2012/13 above be included in the 2012/13 Supplementary Estimates and that, in the interim, the increase be met from Imprest Supply;
- 8 **noted** that the Treasury will meet departmental capital costs associated with transfer of the monitoring functions from its existing balance sheet in the first instance and, if necessary, seek any necessary operating to capital swap for this purpose through the usual baseline update process;
- 9 **noted** that any costs associated with the transfer of the monitoring functions, for example staff redundancy costs or building capability before the transfer date, will be met from baselines of MBIE and the Treasury respectively;

- 10 **noted** that SSC will review the implementation of the transfer of monitoring on a six-monthly basis and report to relevant Ministers after 18 months of operation to confirm that arrangements are working as intended.

Committee Secretary

Reference: SEC (12) 70

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