



**SSC Report:** Further Briefing for Ministerial Consultation on Ministry of Business, Innovation and Employment Proposal

<b>Date:</b>	5 March 2012	<b>SSC Report no:</b>	3/12-MoSS/2159
<b>Contact:</b>	Liz Sinclair Deputy Commissioner	<b>Telephone:</b>	<i>Withheld under section 9(2)(a) of the Official Information Act</i>

To:	Action Sought:	Deadline and reason
Hon Steven Joyce Minister for Economic Development	<b>Note</b> this briefing	Prior to your meeting with Ministerial colleagues no later than Wednesday, 7 March
Hon Jonathan Coleman Minister of State Services		

**Purpose of report**

- 1 This report provides you with two items:
  - 1.1 A revised draft Cabinet paper, incorporating Treasury feedback.
  - 1.2 A high level overview of the process for moving to the Ministry of Business, Innovation and Employment.
- 2 You have indicated that you are meeting with your Ministerial colleagues no later than Wednesday this week.
- 3 Officials are available to discuss this report with you, and to attend the Ministers meeting if required.

**Treasury Feedback**

- 4 You met with officials on 1 March 2012. You requested that the draft Cabinet paper be revised to incorporate Treasury feedback on the proposal. Overall, Treasury is supportive of the proposal, but indicated that the paper as drafted underplayed the challenges inherent in structural change of this scale. To address these issues we have included further information on the main risks and mitigation strategies in the revised draft Cabinet paper.
- 5 A specific Treasury comment is included in the consultation section of the revised draft paper. Treasury has informed us that they are comfortable that the revised draft addresses their concerns, but we have not received formal notification on how Treasury wish to amend their specific comment.

## **Overview of process to move to new Ministry of Business, Innovation and Employment**

- 6 You also requested advice on the plan to move from the current state to the new Ministry of Business, Innovation and Employment. A high level overview of this process is attached. In summary, the overview sets out four areas:
  - 6.1 Implementation, which provides information on the 'due diligence' process, on the decisions Ministers will need to make following 'due diligence' on whether to proceed with the proposal, and on what we will achieve that can be made by 1 July and 1 October respectively. Note that until the 'due diligence' has been completed this timeframe and expected progress is based on our current assessment of the affected agencies.
  - 6.2 Core business, which confirms that individual chief executives remain accountable for achieving Better Public Services results areas and Ministerial portfolio priorities during the transition period. The Transition Management Group will have collective responsibility for managing risks to core business during the transition.
  - 6.3 Governance, clarifying that the Ministerial Oversight Group and the Transition Management Group will oversee the transition to the new Ministry from when the decision is made to progress 'due diligence' to 1 July. From 1 July, the chief executive of the new Ministry becomes accountable to Ministers for the core business of the Ministry and for progressing full integration.
  - 6.4 Success, which sets out success factors for the core business and implementation phases. It also states the success factors for the Ministry of Business, Innovation and Employment proposal itself and how we can evaluate this success.
- 7 Further details on the role and functions of the Transition Management Group can be found in the terms of reference attached to the draft Cabinet paper.

### **Key decision points for Ministers**

- 8 The two key decision points for Ministers are indicated in the overview:
  - 8.1 By 30 April Ministers will be asked to make decisions based on the 'due diligence' report. These decisions include whether to proceed with the proposal, decisions on the purpose and priorities of the new Ministry, the high level structure of the new ministry including the leadership team, the key components required for the first stage of implementation for the new Ministry, and the desired scale and pace of change.
  - 8.2 By 28 May Ministers will be asked to make any detailed decisions necessary to ensure a successful transition to the new Ministry. This decision point includes any financial implications, appointment and employee transition processes, and confirming the Orders in Council necessary to establish the new Ministry.
- 9 These timeframes are very tight with May 28 the last possible date to submit the Orders in Council to the Executive Council to enable the new Ministry to be established on 1 July 2012.

**Recommendation**

10 It is recommended that you:

1 **note** this briefing

Yes / No

Liz Sinclair  
Deputy Commissioner

**Minister of Economic Development’s Comments:**

*Minister of Economic Development’s Signature:*

*Date:* \_\_\_/\_\_\_/\_\_\_

**Minister of State Services’ Comments:**

*Minister of State Services’ Signature:*

*Date:* \_\_\_/\_\_\_/\_\_\_