

MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT HĪKINA WHAKATUTUKI

Briefing for the Incoming

Minister Responsible for

MBIE

4 July 2019

New Zealand Government

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Introduction

- 1. This briefing:
 - provides an overview of the Ministry of Business, Innovation and Employment (MBIE), including key organisational and budget information; and
 - sets out your role and functions as the responsible Minister.
- 2. MBIE will provide further briefings on these matters as required.

MBIE's role

- 3. MBIE has a diverse range of policy and service delivery responsibilities, with a significant influence on the economic success of New Zealand and the broader economic, social and environmental wellbeing of our people. MBIE's purpose is 'Grow New Zealand for All'. This purpose is supported by a set of outcomes, listed in Annex 1.
- 4. MBIE's functions fall under a number of areas:
 - **policy delivery** MBIE supports Ministers in carrying out their ministerial functions, servicing 15 ministerial portfolios (outlined in Figure 1). This involves developing and implementing policy and strategy to meet the Government's objectives
 - service delivery MBIE provides a range of front-line services (including Immigration New Zealand, the Companies Office, the Intellectual Property Office of New Zealand, the Insolvency and Trustee Service, consumerprotection.govt.nz, employment.govt.nz, business.govt.nz and many more)
 - regulation MB/E has responsibility for the ongoing health and performance of 17 regulatory systems (outlined in Annex 2). MBIE also plays a whole-of-government leadership role to improve the quality of regulation. For example, MBIE hosts and supports the Government Regulatory Practice Initiative which brings regulators together to improve practice and build capability

monitoring – MBIE monitors and has oversight of 28 Crown entities (outlined in Annex 2) and a range of statutory and advisory boards

- **stewardship responsibilities** MBIE is required by the State Sector Act 1988 to take a long-term view of the policy issues of interest to MBIE, so we can provide free and frank advice to successive Governments.
- 5. MBIE also has a **functional leadership** role (assigned by Cabinet) to improve the effectiveness of cross-government **procurement and property management**. In addition, MBIE exercises a number of system leadership and coordination roles eg coordinating government work on regulatory stewardship, and driving work on Māori and Pasifika economic development.

6. The following table shows MBIE's portfolio responsibilities:

MBIE lead portfolio responsibilities¹

- > ACC Minister Lees-Galloway
- Broadcasting, Communications and Digital Media – Minister Faafoi
- > Building and Construction Minister Salesa
- Commerce and Consumer Affairs Minister Faafoi
- > Economic Development Minister Twyford
- > Employment Minister Jackson
- Energy and Resources Minister Woods

- > Immigration Minister Lees-Galloway
- > Infrastructure Minister Jones
- > Regional Economic Development Minister Jones
- Research, Science and Innovation -Minister Woods
- > Small Business Minister Nasi
- > State Services Minister Hipkins
- > Tourism Minister Davis
- Workplace Relations and Safety Minister Lees-Galloway
- 7. Some decision-making is exercised independent of ministerial control, either by statutory office holders (for example, the Official Assignee) or where MBIE is required by law to make independent decisions (eg registering trademarks, registering businesses). However, MBIE remains accountable to Ministers for the overall functioning of departmental responsibilities.

¹ We can provide additional information on Associate Ministers and Undersecretaries if you wish

2. Responsibilities of the ownership Minister

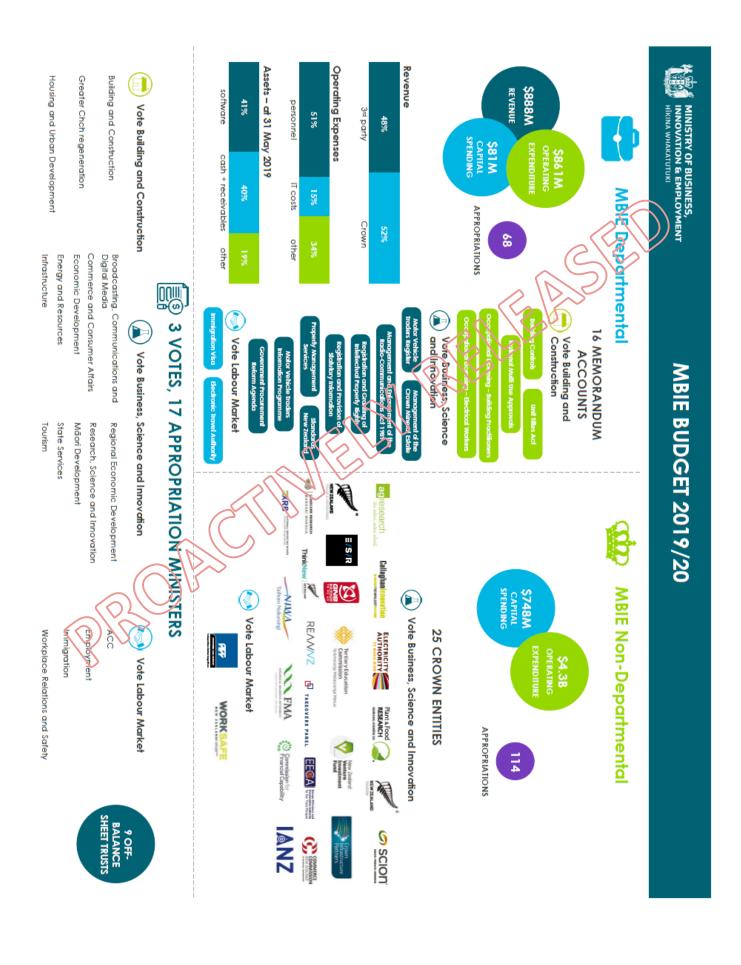
- 8. The combined roles of Minister for Economic Development and MBIE Ownership Minister provide a unique opportunity to set related priorities for the Government's economic work programme. By working with MBIE and ministerial colleagues you can ensure that resources are prioritised towards those initiatives that will have the greatest impact for achieving inclusive growth and wellbeing.
- 9. As MBIE's ownership Minister you are accountable to Parliament for ensuring MBIE carries out its functions properly and efficiently. To do this, you must consider the performance, capability, risks, assets, and liabilities of the whole organisation. Under the Public Finance Act 1989, you are responsible to Parliament for the financial performance of MBIE and for protecting the Crown's interest in it.
- 10. In practical terms, the ownership responsibilities require you to ensure that officials, through the Chief Executive:
 - clearly understand what you and portfolio Ministers want from MBE
 - are developing the right lines of policy and services for the challenges facing MBIE in the next few years, consistent with the Government's policies and desired outcomes
 - are actively identifying and addressing risks to current functions and possible future functions through the right skills, systems, culture, and connections across MBIE and other agencies
 - are making progress in relation to protective security of information, people and assets.

Accountability processes

- 11. You have a key role in respect of MBIE's accountability documents and processes, including:
 - providing comment on MBIE's annual report
 - involvement in the estimates examination process your role involves approving written responses to Ministry-wide or ownership questions from Select Committees, and
 - responding to oral questions about ownership matters at the hearing before the Select Committee
 - providing comment on the written responses to all Ministry-wide or ownership questions from Select Committees in the **annual review** process.

Vote management

- 12. You are responsible for ensuring that MBIE delivers on its responsibilities as the administrator of three Votes: Vote Business, Science and Innovation; Vote Labour Market; and Vote Building and Construction. The diagram on the following page summarises MBIE's budget for 2019/20.
- 13. You are also responsible for ensuring that appropriate Vote management arrangements are in place, including confirming the lead Minister for each of the three Votes. MBIE welcomes the opportunity to discuss this with you at your earliest convenience. You have no formal responsibilities as the ownership Minister in the Budget 2020 process, but you will as the Minister for Economic Development.



The relationship between you and MBIE portfolio Ministers

- 14. MBIE is responsible for administering three Votes across 15 portfolios, as shown in the diagram above. On occasion, the ownership Minister has a role in coordinating the portfolio Ministers supported by MBIE. This could include matters such as:
 - MBIE's contribution to the Government's priorities and ensuring that MBIE has the capacity and resources required to meet current and future demands
 - policy initiatives and Budget initiatives across relevant portfolios.
- 15. Situations may arise where, as ownership Minister, you may need to consult with portfolio Ministers or work with them to manage different interests within MBIE's operations. In doing so, each Minister must be aware of their particular responsibilities. For example:
 - the Minister for Building and Construction has particular responsibility for the safety of all buildings, and can decide when technical investigations into buildings are required (including government buildings), as was the case following the November 2016 earthquake
 - if there had been significant damage to MBIE buildings in the earthquake, the MBIE ownership Minister would have had an interest in the impact on the overall functioning of MBIE and its buildings.

Leveraging MBIE's diverse range of functions

- 16. We can maximise our collective impact through coordination and information sharing across MBIE's diverse functions. For example:
 - looking at collective impact across our operational functions (e.g. sharing business intelligence across immigration and labour market functions to enhance our compliance functions)
 - sharing good practice and information across our regulatory stewardship functions

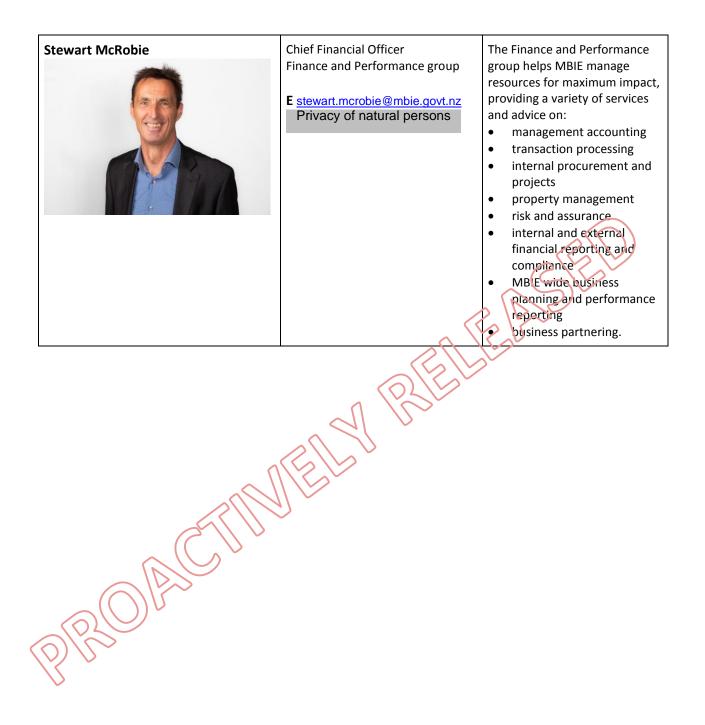
synergies between our policy and investment functions (e.g. looking at how our research, science and innovation investments support our industry strategy and regional development priorities).

As ownership Minister, you can play a role in identifying and driving opportunities for collective impact across MBIE. Some areas for further discussion with you include how MBIE can break down barriers for the sharing of data, and promote a joined-up approach to compliance, across different regulatory systems. We can provide further information on these issues as required.

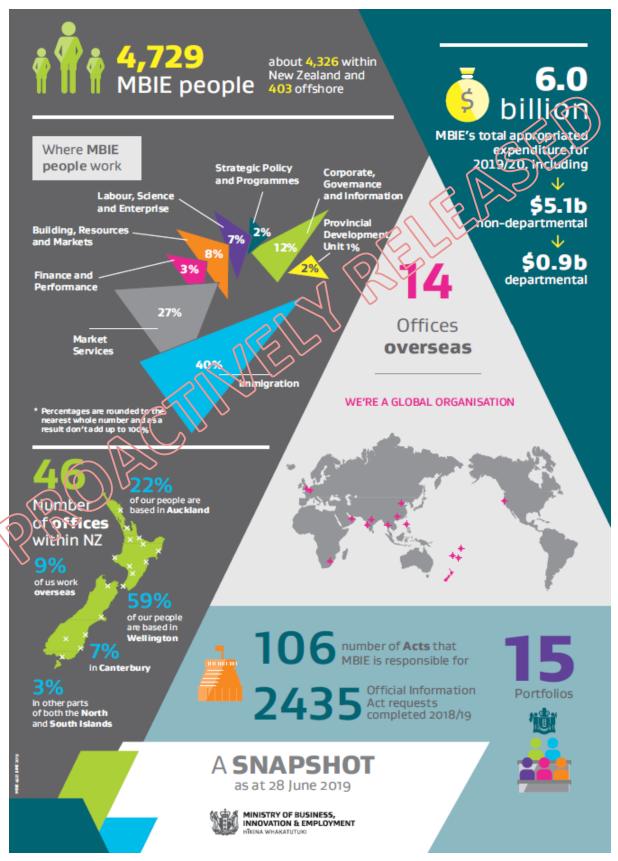
3. Key contacts

18. The following table provides a summary of **key initial contacts** related to your responsibilities as MBIE's ownership Minister:

Contact	Role and contact details	Area
Carolyn Tremain	Chief Executive E carolyn.tremain@mbie.govt.nz P 04 901 1357 Privacy of natural persons	Responsible for the leadership and overall performance of the organisation.
Melleny Black	Head of the Chief Executive's Office E melleny-black@mbie govt.nz P 04.901 1357 Privacy of natural persons	Supports the Chief Executive to lead MBIE and execute broader system leadership responsibilities. Often monitors organisational performance and ownership issues on behalf of the CE. Focuses on cross-organisational issues and acts as a key liaison point for central agencies, Ministers, their advisors and other agencies.
Megan Main	Deputy Chief Executive Corporate, Governance and Information group E megan.main@mbie.govt.nz P 04 901 3875 Privacy of natural persons	 Supports MBIE by providing advice and services in the following fields: legal information and communications technology human resources, including payroll communications ministerial servicing information management health, safety and security business continuity planning evidence and insights research and evaluation.



MBIE at a glance



Our organisation

- 19. MBIE was formed in July 2012 through a merger of four foundation agencies². This brought together a broad range of activities to provide more coordinated and higher quality advice, regulation and services. MBIE's establishment signalled a desire to:
 - significantly reduce the complexity of developing and integrating advice
 - create a more consistent and effective regulatory environment for, and service delivery to, business
 - realise efficiencies through increased synergies and scale
 - reduce duplication and fragmentation.
- 20. External feedback³ tells us that we are on track to do this, and that we are improving over time.

Our people

- 21. Approximately 4,729 people work across eight business groups at MBIE. The 'MBIE at a glance' infographic on page 10 summarises our people and locations. We are a global organisation with a diverse range of people, from labour inspectors to immigration officers, policy advisors to call centre staff.
- 22. Most of our people work in New Zealand at our Auckland, Wellington and Christchurch offices. We currently have 14 offshore locations although Immigration NZ is currently transforming its business operations, which will result in some overseas offices closing in the near future.
- 23. To deliver on our purpose we are focusing on:
 - growing great leaders with outstanding leadership qualities who role model MBIE's core values and behaviours
 - creating an inclusive and diverse workforce that empowers and encourages our people to succeed

developing organisational capability, attracting and retaining great talent

- promoting and supporting the wellbeing, health and safety of our people
- implementing emerging technologies and systems that enable our people to be the best they can be
- harnessing data, analytics and insight to improve decision-making and responsiveness to change
- resetting our people experience through a flexible, customer-centric HR model that enables us to get things right the first time.

² Department of Building and Housing, Ministry of Economic Development, Department of Labour, and Ministry of Science and Innovation.

³ For example, the PIF and the Public Sector reputation index: 2017.

Key matters for the first three months

Торіс	Description	Driver	Timing	Area
Vote management arrangements	You will need to confirm Vote management arrangements with appropriation Ministers within Vote BSI and ensure that there are appropriate Vote management arrangements in place for the other two Votes administered by MBIE. This includes confirmation of the lead Ministers for the three Votes.	Vote management arrangements should be in line with section 7C of the Public Finance Act 1989 and paragraphs 2.22- 2.27 in the Cabinet Manual 2017.	Discussion at your earliest convenience.	Vote management
Tabling of MBIE's Annual Report	As the ownership Minister, you are required to table MBIE's Annual Report.	The requirement for you to table the Annual Report is set out in the Public Finance Act 1989.	The Annual Report must be tabled 15 working days after the audicreport is signed. The audit report must be signed by 30 September. MBIE's 2018/19 Annual Report is expected to be tabled on 17 October 2019. We will liaise with your office regarding the process for tabling the Annual Report.	Finance
Annual Review	You will be provided with MBIE's written responses to questions from Select Committees in the Annual Review.	It is standard practice for the ownership Minister to be given written responses for the Annual Review.	Written responses will be provided in time for the hearing (date to be confirmed but likely to be December).	Departmental accountability
October Baseline Update	The October Baseline Update is an in-year revision of the Budget, where variances against the previous set of forecasts are charged against the operating allowance. Vote lead Ministers are responsible for providing Vote submissions to the Minister of Finance. Approval from appropriation Ministers will be sought prior to this.	Under the Public Finance Act 1989, you are responsible for ensuring that MBIE delivers on its Vote administration responsibilities.	Vote submissions to be provided to the Minister of Finance by the end of October (based on the timing in previous years)	Finance

Торіс	Description	Driver	Timing	Area
Royal Commission of Inquiry into the Attack on the Christchurch Mosques on 15 March 2019	MBIE has established a response team to coordinate and manage the interface with the Royal Commission of Inquiry (RCI), and the other agencies involved. At this time MBIE has responded to two requests from the RCI. The Ministry's first response (15 May) outlined information held on the accused, an operational narrative on border operations, an information-sharing context document, and a number of background and policy documents. The Ministry's second response (21 June) provided information on counter- terrorism, international arrivals and immigration requirements in response to twenty questions posed. The Ministry is awaiting confirmation from the RCI about the next stage of the process, which will likely involve interviews with key staff and further requests for information. The Royal Commission is to report by 10 December 2019.	Statutory requirement	May-December 2019	Corporate, Governance and Information
Payroll renewal project	To address ongoing compliance with legislation and other significant operational risks, a payroll renewal project is currently underway to implement a fit-for-purpose payroll solution.	As the ownership Minister you may get queries about MBIE's progress on the implementation of a new payroll system. Please note that the Minister for Workplace Relations and Safety is responsible for the Holidays Act 2003 and the Labour Inspectorate.	SAP has been selected as the provider of the new payroll system and the team are well underway with design. The new payroll system is due for implementation in April 2020.	Corporate, Governance and Information

Торіс	Description	Driver	Timing	Area
Collective bargaining	MBIE concluded collective bargaining with the Public Service Association (PSA) and National Union of Public Employees in 2018. MBIE's Collective Employment Agreement with the PSA (representing approximately 40% of our employees) expires 31 March 2020. As part of the collective bargaining process a Heads of Agreement was entered into to jointly design a new career and pay progression framework and agree an extension to the term of the agreement.	A Variation of Agreement to agree a new career and progression framework and extend the current term of the Collective Employment Agreement was ratified by the PSA in June 2019.	The PSA and MBIE have been working together since October 2018 to jointly design a new career and pay progression framework. An initial variation has been ratified by the PSA to extend the timeframe required to complete the work and undertake the due diligence required to ensure the framework is robust. The new framework will be implemented in October 2019 and the term of the Collective Employment Agreement will be extended to September 2021.	Corporate, Governance and Information
Regulatory Systems Amendment Bills	Regulatory Systems Amendment Bills (RSBs) are a mechanism for making minor and technical amendments to MBIE- administered legislation in a timely way. You are the Minister responsible for RSBs. RSB (Number 2) is an omnibus of three Bills cognated. The Bills are all currently at Select Committee stage.	RSB (Number 2) has a legislative priority of 3, meaning if possible the Bill is to be passed in 2019.	The second reading of RSB (Number 2) should take place in September. You will be provided with speech notes for the second reading once all Select Committees have reported back.	Regulatory Stewardship
Regulatory Systems Amendment Bills	A Cabinet paper seeking policy approvals for RSB (Number 3) has been lodged with the Cabinet Office for consideration at the next suitable DEV Cabinet Committee meeting. You will be provided with speaking notes to lead the discussion.	This Bill has a legislative priority of 4, meaning drafting instructions are to be provided to the Parliamentary Counsel Office in 2019.	We anticipate that RSB (Number 3) may be on the agenda for the 31 July 2019 DEV Cabinet Committee meeting.	Regulatory Stewardship

Annex 1: Economic stewardship

MBIE has a stewardship responsibility to take a long-term view across our work.

Grow New Zealand for All

MBIE has developed the purpose '*Grow New Zealand for All*' to reflect the ambition of a sustained, substantial and shared improvement in economic performance.

The ambition is echoed in our Māori identity – Hīkina Whakatutuki – which broadly means 'lifting to make successful'.

The picture below sets out our strategic outcomes for 2018–2022 (as set out in our current Statement of Intent).



MBIE's priorities

We have identified priority work areas that require a high level of collaboration across MBIE and will benefit from senior collective leadership and focus:

Our priorities:

Organisational development

These focus on 'the how' - growing our organisation and lifting our capability.

- Health, safety and security Leading and supporting each other to be safe and well.
- Inclusion and diversity Valuing our people and reflecting the communities we serve.
- MBIE spirit of service Recognising the spirit of service we share as public servants, in how we make a difference for our families, communities and those we work with.
- Growing great talent Growing great leaders who grow and develop great people, to increase MBIE's capacity.

Grow New Zealand for all

These focus on 'the what' – creating a productive, sustainable and inclusive economy for New Zealanders.

- > Future of work Anticipating and responding to the changing nature of work.
- Government procurement Enhancing government procurement to achieve broader outcomes for New Zealanders,
- Investment Increasing capital supply and encouraging more productive investment to support a thriving economy.

ust transitions – Supporting a just transition to a low emissions economy.

 Parcnership with Māori – Improving outcomes for Māori whānau and business through partnership with Māori.

- Regional growth Supporting thriving and sustainable regions.
- Regulatory stewardship Reaching best practice regulatory systems that are resilient and agile.
- Supporting competitive sectors Identifying opportunities and removing barriers for effective competition in key sectors to improve productivity and consumer outcomes.

Annex 2: Regulatory stewardship and systems, and MBIE's Crown entities

Regulatory systems

The State Sector Act 1988 requires government departments to treat the regulation they are responsible for as an asset, in a similar way to people, physical and financial assets.

MBIE has the goal of becoming a world-leading regulatory steward. MBIE is working to meet the expectations of the Minister of Finance for regulatory stewardship, including a requirement for information on the state of MBIE's regulatory systems (and plans for improvements) to be accessible on our website.

MBIE is responsible for the ongoing health and performance of 17 regulatory systems – set out in the table below.

Regulatory system	Portfolio	Minister
Accident Compensation	ACC	Minister Lees-Galloway
Building	Building and Construction	Minister Salesa
Communications Markets	Broadcasting, Communications and Digital Media	Minister Faafoi
Competition	Commerce and Consumer Affairs	Minister Faafoi
Consumer and Commercial	Commerce and Consumer Affairs	Minister Faafoi
Corporate Governance	Commerce and Consumer Affairs	Minister Faafoi
Employment Relations and Standards	Workplace Relations and Safety	Minister Lees-Galloway
Energy Markets	Energy and Resources	Minister Woods
Financial Markets	Commerce and Consumer Affairs	Minister Faafoi
Health and Safety at Work	Workplace Relations and Safety	Minister Lees-Galloway
Housing and Tenancy	Commerce and Consumer Affairs	Minister Faafoi
Immigration	Immigration	Minister Lees-Galloway
Outer Space and High Altitude	Economic Development	Minister Twyford
Activities	Research, Science and Innovation	Minister Woods
Intellectual Property	Commerce and Consumer Affairs	Minister Faafoi
Petroleum and Minerals	Energy and Resources	Minister Woods
Standards and Conformance	Research, Science and Innovation	Minister Woods
	Commerce and Consumer Affairs	Minister Faafoi
Trade	Commerce and Consumer Affairs	Minister Faafoi

Notes:

- The names of regulatory systems do not directly align with portfolios
- MBIE also administers enabling legislation for: Economic Development; Research, Science and Innovation; and Tourism.

Crown entities

MBIE has a monitoring or other role (eg policy advice) in relation to 28 Crown entities:

Crown Entity	Portfolio
Accident Compensation Corporation	ACC
Accreditation Council	Commerce and Consumer Affairs
Callaghan Innovation	Research, Science and Innovation
Commerce Commission	Commerce and Consumer Affairs
Commission for Financial Capability (Retirement Commissioner)	Commerce and Consumer Affairs
Crown Investment Partners	Communications
Crown Research Institutes: • AgResearch • Institute of Environmental Science Research (ESR) • Institute of Geological and Nuclear Science (GNS Science) • Manaaki Whenua Landcare Research • National Institute of Water and Atmospheric Research (NIWA) • Plant and Food Research • Scion	Research, Science and Innovation
Education New Zealand	Education
Electricity Authority	Energy and Resources
Energy Efficiency and Conservation Authority	Energy and Resources
External Reporting Board	Commerce and Consumer Affairs
Financial Markets Authority	Commerce and Consumer Affairs
Housing New Zealand Corporation	Housing
New Zealand Tourism Board	Tourism
New Zealand Trade and Enterprise	Economic Development, Trade and Export Growth
New Zealand Venture Investment Fund	Economic Development
Pike River Recovery Agency	Pike River Re-Entry
Research and Advanced Network New Zealand (REANNZ)	Research, Science and Innovation
Takeovers Panel	Commerce and Consumer Affairs
Tamaki Redevelopment Company	Housing
Tertiary Education Commission	Education
Worksafe New Zealand	Workplace relations and safety

Senior leadership

The MBIE Senior Leadership Team (SLT) includes the Chief Executive and nine other executives.

Group		Function
Chief Executive Carolyn Tremain		Carolyn came to MBIE from the NZ Customs Service, where she was the Chief Executive and Comptroller. In addition to her MBIE responsibilities Carolyn is Chair of the Public Sector Auckiand Career Board, and is a member of the Victoria University of Wellington Business School Advisory Board.
Head of the Chief Executive's Office <u>Melleny Black</u>	R	Supports the Chief Executive to lead MBIE and execute broader system leadership responsibilities and often monitors organisational performance and ownership issues on behalf of the CE.
Building, Resources and Markets Chris Bunny Deputy Chief Executive 285 FTE		The Building, Resources and Markets group's role is to support a fair, competitive business environment and well-functioning telecommunications, building and construction and resources markets. It also serves as the Government's Procurement Functional Leader and the Government's Property Functional Leader.
Strategic Policy and Programmes Joanne Hughes Deputy Chief Executive 57 FTE		The Strategic Policy and Programmes group's purpose is to support MBIE to 'Grow New Zealand for All' by looking ahead and working across MBIE to ensure we are well placed to deal with the challenges and opportunities of the future.

Group		Function
Corporate, Governance and Information Megan Main Deputy Chief Executive 450 FTE		Works in partnership with business groups to enable them to deliver their objectives and portfolio obligations. Supports the stewardship obligations of the organisation including its medium- and long-term sustainability, health, capability and capacity across People and Culture, Legal, Evidence and Insights, Ministerial Support, ICT and Communications.
Finance and Performance Stewart McRobie Chief Financial Officer 120 FTE	RIE CONTRACTOR	Supports the effective management of MBIE's resources including finance, procurement and property. This includes implementing effective financial policies and procedures, business-wide planning and performance reporting.
Immigration New Zealand Greg Patchell Deputy Chief Executive 1,948 FTE		Connects communities to the world's best people for a prosperous New Zealand. Plays a key role in the labour market ensuring firms have access to the skills they need.
Provincial Development Unit Robert Pigou Head of Provincial Development Unit 50 FTE		Supports the implementation of the Government's regional economic development programme including the implementation of the Provincial Growth Fund, an investment of \$3 billion over three years. The Unit has responsibility for coordinating the efforts of relevant government agencies to support regional economic development.
Market Services Suzanne Stew Deputy Chief Executive 1,011 FTE		Interacts directly with the market by delivering regulatory obligations over a range of regulatory systems and a range of services supporting business growth. Influences how people behave in the market (businesses, workers and consumers) while delivering social value through helping businesses to thrive and protecting people from harm.

Group

Labour, Science and Enterprise

Paul Stocks Deputy Chief Executive

260 FTE



Function

Supports New Zealand's people, businesses and regions to innovate, grow and prosper. Key programmes of work include the Labour Market, Tourism, Economic Development, Just Transitions, Science, Research and Innovation and Entity Performance and Investment.

MBIE organisation chart

