



# Briefing for the Incoming Minister Responsible for MBIE

**26 October 2017**

This document has been pro-actively released.  
Redactions made to the document have been  
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Information Act 1982

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# 1. MBIE overview

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## Introduction

1. This document provides an overview of the Ministry of Business, Innovation and Employment (MBIE), and sets out your role as the Minister responsible for the organisation. It also provides key organisational and budget information. MBIE will provide subsequent briefings on issues of importance to you.

## MBIE's role

2. MBIE has a diverse range of policy and service delivery responsibilities, with a significant influence on the economic success of New Zealand, its businesses, and the broader economic, social and environmental wellbeing of our people. MBIE's purpose is 'Growing New Zealand for all'. This is supported by a set of outcomes, outlined in Annex 1.
3. Our functions fall broadly within six areas:
  - **policy delivery** – MBIE supports Ministers in carrying out their Ministerial functions, servicing 16 Ministerial portfolios (outlined in Figure 1). This involves developing and implementing policy and strategy to meet Ministers' and Government's objectives
  - **service delivery** – MBIE provides a range of front-line services (such as 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** – MBIE has responsibility for the ongoing health and performance of 16 regulatory systems (outlined in Annex 2)
  - **monitoring** – MBIE monitors and has oversight of 26 Crown entities (outlined in Annex 2) and a range of statutory and advisory boards
  - **functional leadership** – MBIE has a Cabinet-mandated functional leadership role to improve effectiveness of procurement and property management across agencies
  - **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.

Figure 1: MBIE portfolio responsibilities

› <b>ACC – Minister Lees-Galloway</b>	› <b>Immigration – Minister Lees-Galloway</b>
› <b>Broadcasting, Communications and Digital Media – Minister Curran</b>	› <b>Infrastructure – Minister Jones</b>
› <b>Building and Construction – Minister Salesa</b>	› <b>Regional Economic Development – Minister Jones</b>
› <b>Commerce and Consumer Affairs – Minister Faafai</b>	› <b>Research, Science and Innovation – Minister Woods</b>
› <b>Economic Development – Minister Parker</b>	› <b>Pike River Re-entry – Minister Little</b>
› <b>Employment – Minister Jackson</b>	› <b>Small Business – Minister Nash</b>
› <b>Energy and Resources – Minister Woods</b>	› <b>Tourism – Minister Davis</b>
› <b>Housing and Urban Development – Minister Twyford</b>	› <b>Workplace Relations and Safety – Minister Lees-Galloway</b>

4. Some decision-making under MBIE’s functions is undertaken independently of Ministerial control or oversight, either by statutory office holders (for example, the Official Assignee) or where MBIE is required by law to make independent decisions (e.g. registering trademarks, registering businesses). However, MBIE remains accountable to Ministers for the overall functioning of departmental responsibilities.

## 2. Responsibilities of the ownership Minister

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### Ownership Minister

5. You are the Minister responsible for MBIE, also referred to as MBIE’s “ownership Minister”. The term “ownership Minister” does not have a legal definition but is a term commonly used to describe the functions of a Minister responsible for a department.
6. Ministerial responsibilities are defined by the Cabinet Manual 2017, statute and other legal instruments. These include the Public Finance Act 1989 and the State Sector Act 1988. Each of these instruments uses different terms when describing Ministerial obligations. Collectively they provide the parameters of your responsibilities as MBIE’s ownership Minister.

### Your responsibilities

7. 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.
8. 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 MBIE
  - are developing the right lines of policy and services for the challenges facing MBIE in the next few years, and that these are consistent with 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**

9. As MBIE's ownership Minister, you have a particular role in respect of MBIE's accountability documents and processes. This includes:
  - providing comment on MBIE's **Annual Report**, and tabling it in the House following sign-off by the Auditor General
  - involvement in the **Estimates Examination** process, in which Select Committees examine the Estimates of Appropriation in detail before the Budget is passed into law. 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. The Annual Review process involves the chief executives of agencies (and the chairs of boards of Crown entities) appearing before Select Committees at a hearing to answer questions about performance and operations.

## **Vote management**

10. As MBIE's ownership Minister, 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 Housing. 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 2018 process, but will as Minister for Economic Development.

## **Relationship between the ownership Minister and portfolio Ministers in practice**

11. MBIE is responsible for administering three Votes which includes 16 portfolios. This means that 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.
12. 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. However, if there had been significant damage to MBIE buildings in the quake, the MBIE ownership Minister would have had an interest in the impact on the overall functioning of MBIE and its buildings. As Minister for Economic Development, with responsibility for all of Government property, you will also have an interest in all government buildings.

### **3. How MBIE Assists You**

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13. MBIE will keep you informed of risks or issues arising for MBIE as an organisation, and any significant internal management initiatives. This includes any significant structural changes or capacity or capability concerns. The Chief Executive is responsible to you for the financial management and performance of MBIE under section 34 of the Public Finance Act 1989. MBIE will provide you with advice on any issues raised by the Auditor General as part of the annual audit process for MBIE. MBIE will also raise and discuss with you any major risks or issues with MBIE's performance that fall into the MBIE-related portfolios of colleagues.

#### **Estimates Examinations and Annual Review**

14. During the Estimates Examination (June) and the Annual Review (February) processes, MBIE will provide you with the written responses to all MBIE-wide or ownership questions from Select Committees. In the case of the Estimates Examinations, MBIE will also provide information to support your response to oral questions about ownership matters at the hearing before the Select Committee.

#### **Performance reporting**

15. To assist you in keeping an overview of MBIE's performance, MBIE will provide you with copies of the six-monthly performance reports to other Ministers supported by MBIE.

#### **Chief Executive**

16. The Chief Executive will agree performance expectations with you, as MBIE's ownership Minister. These expectations are outlined in the Chief Executive's position description and subsequent performance reviews.

#### **Security**

17. The Chief Executive is accountable to the ownership Minister for directing effective security arrangements across MBIE. MBIE is required to report to the Director General of Security (New Zealand Security Intelligence Service) on an annual basis on the maturity of its security controls and progress on the implementation of improvements. MBIE is making steady progress in improving its controls across all of the security requirements. We can provide you with a briefing on our protective security arrangements on request.

## 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
<b>Carolyn Tremain</b> 	Chief Executive  E carolyn.tremain@mbie.govt.nz P 04 901 1357  Information withheld consistent with s9(2)(a) of the Official Information Act 1982	All
<b>Adrienne Meikle</b> 	Deputy Chief Executive (Corporate, Governance and Information group)  E adrienne.meikle@mbie.govt.nz P 04 901 8675  Information withheld consistent with s9(2)(a) of the Official Information Act 1982	The Corporate, Governance and Information group (CGI) supports MBIE by providing advice and services in the following fields: <ul style="list-style-type: none"><li>• Legal</li><li>• Information and communications technology</li><li>• Human resources</li><li>• Communications</li><li>• Ministerial servicing</li><li>• Information management</li><li>• Risk and assurance</li><li>• Health, safety and security</li><li>• Business continuity planning</li><li>• Research and evaluation</li><li>• Crown entity monitoring</li></ul>
<b>Stewart McRobie</b> 	Chief Financial Officer (Finance and Performance group)  E stewart.mcrobie@mbie.govt.nz  Information withheld consistent with s9(2)(a) of the Official Information Act 1982	The Finance and Performance group work with MBIE to manage resources for maximum impact, providing a variety of services and advice on: <ul style="list-style-type: none"><li>• management accounting</li><li>• transaction processing</li><li>• payroll</li><li>• internal procurement and projects</li><li>• property management</li><li>• internal and external financial reporting and compliance</li><li>• MBIE wide business planning and performance reporting</li></ul>

## 4. Upcoming actions and decisions

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### Actions and things to be aware of in the first hundred days

Topic	Description	Driver	Timing	Area
Things you need to do				
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 when the House sits following the formation of the new Government. In accordance with the Public Finance Act and Cabinet circulars, the Annual Report was published on MBIE's website on 19 October.	The requirement for you to table the Annual Report is set out in the Public Finance Act 1989.	When the House sits. Copies of MBIE's Annual Report were delivered to the Clerk on 17 October 2017.  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 to you in January 2018 (for the Hearing expected to be in February).	Departmental accountability

Topic	Description	Driver	Timing	Area
Things you need to be aware of				
Payroll Remediation update	Certain aspects of MBIE's payroll have been found to be non-compliant with legislation relating to employment terms and conditions within the Holidays Act 2003. Work is underway to meet MBIE's obligations to remediate as agreed in an Enforceable Undertaking with the Labour Inspectorate, but a number of dependencies remain unresolved. MBIE has committed to ensuring remediation takes place early in 2018. As well as being an employer with responsibilities under the Holidays Act, the Labour Inspectorate is housed within MBIE's market services group and Holidays Act policy is housed within the Workplace Relations and Safety portfolio.	As the ownership Minister you may get queries about MBIE's progress on the date of payments to current and former MBIE staff and the amount. However, The Minister for Workplace Relations and Safety is responsible for the Holidays Act 2003 and the Labour Inspectorate.	Regular updates will be provided on progress. On 19 October 2017, the provision made regarding payments was made publicly available via the Annual Report being published. Dates of payments are still being worked through.	Finance
Payroll Renewal update	To address ongoing compliance with legislation and other significant operational risks, the Payroll Renewal Project is preparing a business case seeking approval to procure a fit for purpose payroll solution. MBIE's payroll business case may require Minister and Cabinet approval (subject to Treasury confirmation on approval process).	As above.	An update will be provided in November 2017, after Treasury and MBIE agree on the approval process.	Finance
Collective bargaining	On 16 November 2017, MBIE will enter into collective bargaining with the Public Service Association (PSA). The PSA represents 26.6% of MBIE employees (approximately 900 of our approximately 3,500 NZ based employees). MBIE will also enter into bargaining with the National Union of Public Employees (NUPE) on a date to be agreed. NUPE represents approximately 20 of our approximately 3,500 NZ based employees.	Notice of intention to start negotiations received from PSA on 5 October 2017.  Notice of intention to start negotiations received from NUPE on 5 October 2017.	Bargaining with PSA begins on 16 November 2017 and with NUPE on a date to soon be agreed.	Corporate, Governance and Information

Topic	Description	Driver	Timing	Area
October Baseline Update	<p>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.</p> <p>Vote lead Ministers are responsible for providing Vote submissions to the Minister of Finance. Approval from appropriation Ministers will be sought prior to this.</p>	<p>Under the Public Finance Act 1989, you are responsible for ensuring that MBIE delivers on its Vote administration responsibilities.</p>	<p>Vote submissions to be provided to the Minister of Finance by 15 November 2017.</p>	Finance
Four-year Plan	<p>The Four-year Plan is an internal strategic planning document which provides a medium-term perspective of MBIE, in the context of our longer-term vision. It gives assurance that MBIE is fulfilling its stewardship obligations (under the State Sector Act 1988) and is focussed on sustainability (as required by the Public Finance Act 1989). The Plan is provided to Treasury and the State Services Commission, but is not published.</p>	<p>You have no specific responsibility for this document beyond your role in ensuring that MBIE is developing the right lines of policy and services for the challenges it faces, and that these are consistent with Government's policies and desired outcomes.</p>	<p>A draft could be provided for your review before it is finalised late this year or early next.</p>	Finance

#### **Annex 1: Economic stewardship**

#### **Annex 2: Regulatory systems and Crown entities**

#### **Annex 3: MBIE Financial Story**

#### **Annex 4: Organisational information**

## Annex 1: Economic stewardship

MBIE has a stewardship responsibility to take a long-term view across a range of policy issues. MBIE has developed the purpose '*Growing New Zealand for all*' and an outcomes framework that reflects the ambition of a sustained, substantial and shared improvement in economic performance.

MBIE's principal objective is to improve the wellbeing of New Zealanders by contributing to an increase in real median household income of 40 per cent by 2025, from \$1,300 in 2012 to \$1,800 per week by 2025. Supporting this target, we have three objectives:

- More competitive businesses – doubling labour productivity growth and increasing the real exports to gross domestic product ratio to 40 per cent
- Job opportunities for all – achieving an ongoing unemployment rate below four per cent
- Affordable housing – a lower ratio of housing cost to income.

These goals recognise that the benefits of growth should be widely shared through jobs and affordable places to live for all.

MBIE cannot achieve these outcomes on its own. One of MBIE's important functions is to coordinate and partner with others to deliver better outcomes for New Zealand. *Growing New Zealand for all* requires sustained effort across multiple areas – as illustrated by the indicators and outcomes in the triangle below.

### MBIE targets and outcomes



## Annex 2: Regulatory systems and Crown entities

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### Regulatory systems

MBIE has responsibility for the ongoing health and performance of 16 regulatory systems that includes a number of pieces of legislation and regulation:

Regulatory system	Portfolio	Minister
Accident Compensation	ACC	Minister Lees-Galloway
Building	Building and Construction	Minister Salesa
Communications Markets	Broadcasting, Communications and Digital Media	Minister Curran
Competition	Commerce and Consumer Affairs	Minister Faafai
Consumer and Commercial	Commerce and Consumer Affairs	Minister Faafai
Corporate Governance	Commerce and Consumer Affairs	Minister Faafai
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 Faafai
Health and Safety at Work	Workplace Relations and Safety	Minister Lees-Galloway
Housing and Tenancy	Housing and Urban Development	Minister Twyford
Immigration	Immigration	Minister Lees-Galloway
Innovation, Science and Economic Development	Research, Innovation and Science Economic Development	Minister Woods Minister Parker
Intellectual Property	Commerce and Consumer Affairs	Minister Faafai
Petroleum and Minerals	Energy and Resources	Minister Woods
Trade, International and Standards	Commerce and Consumer Affairs	Minister Faafai

**Note:** The names of regulatory systems do not directly align with portfolios

## Crown entities

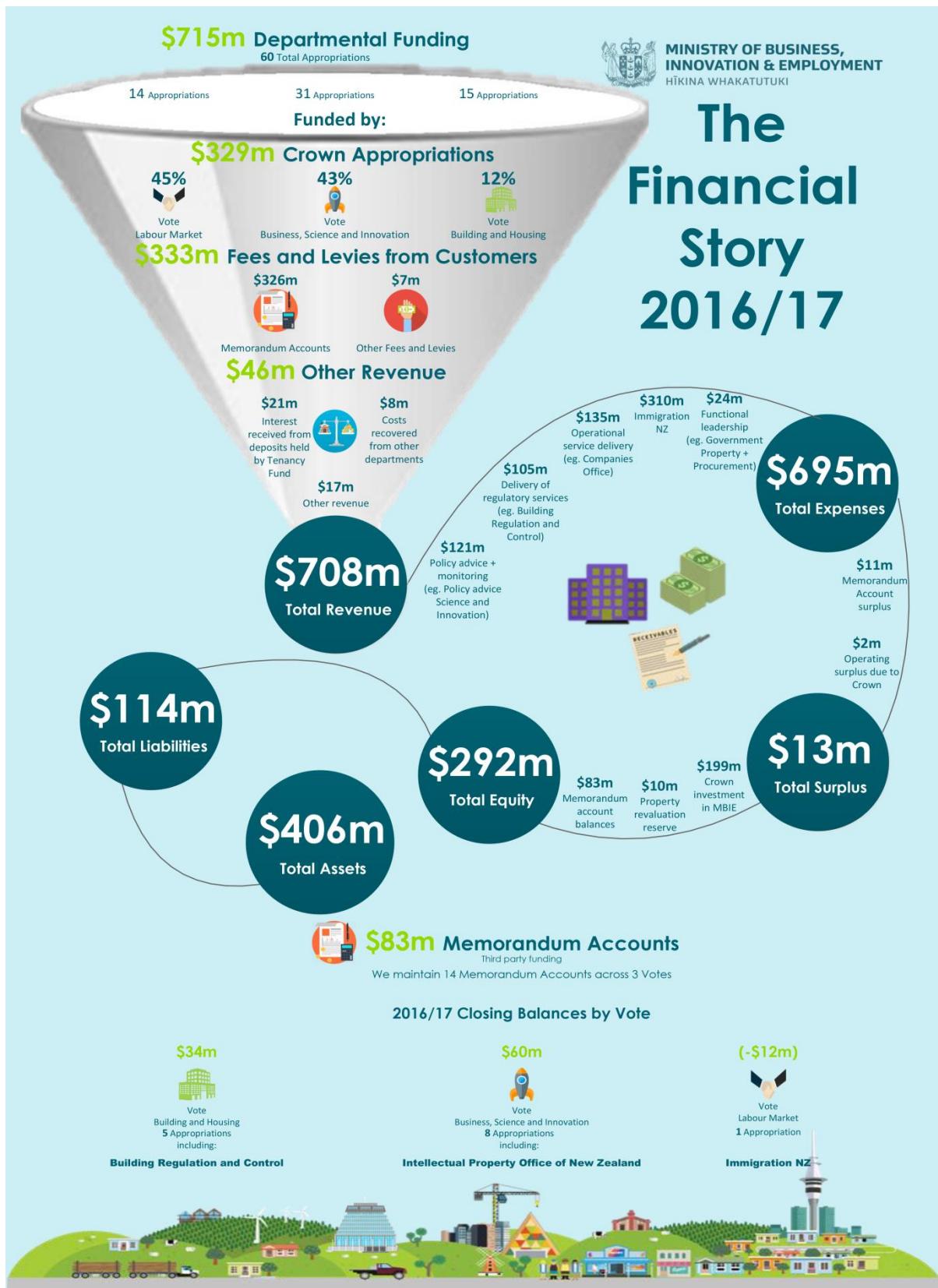
MBIE monitors and has oversight of 26 Crown entities:

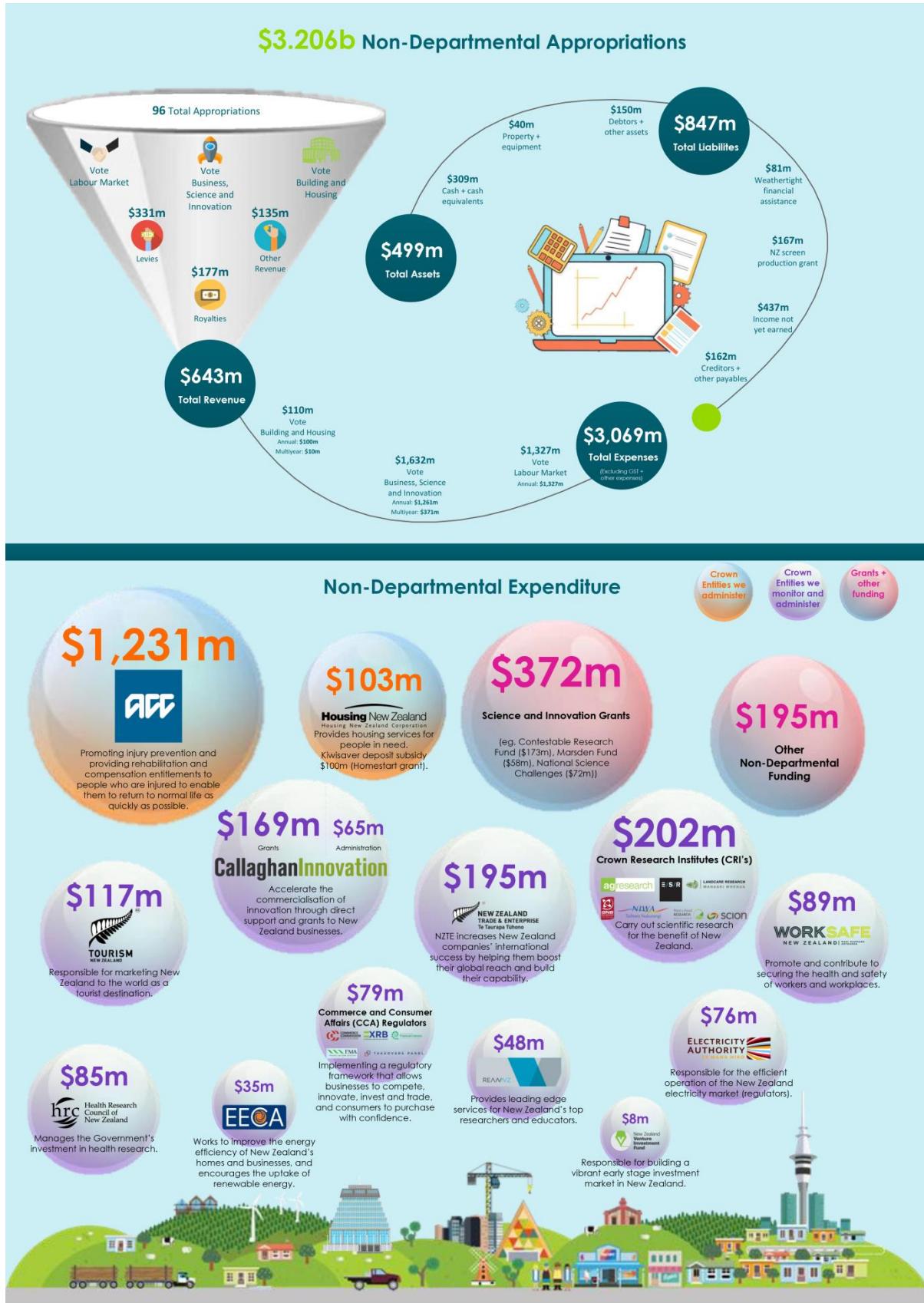
1. Accident Compensation Corporation
2. Callaghan Innovation
3. Commerce Commission
4. Commission for Financial Capability
5. Crown Fibre Holdings

Crown Research Institutes:

6. *AgResearch*
7. *Institute of Environmental Science Research (ESR)*
8. *Institute of Geological and Nuclear Science (GNS Science)*
9. *Landcare Research*
10. *National Institute of Water and Atmospheric Research (NIWA)*
11. *Plant and Food Research*
12. *Scion*
13. Education New Zealand
14. Electricity Authority
15. Energy Efficiency and Conservation Authority
16. External Reporting Board
17. Financial Markets Authority
18. Housing New Zealand Corporation
19. New Zealand Tourism Board
20. New Zealand Trade and Enterprise
21. New Zealand Venture Investment Fund
22. REANNZ
23. Takeovers Panel
24. Tertiary Education Commission
25. Testing Laboratory Registration Council
26. Worksafe New Zealand

## Annex 3: MBIE Financial Story





## Annex 4: Organisational Information

### Senior Leadership

The MBIE Senior Leadership Team (SLT) includes the Chief Executive and seven Deputy Chief Executives responsible for each of the MBIE business groups.



From left: Stewart McRobie (Chief Financial Officer, Finance and Performance Group), Adrienne Meikle (DCE, Corporate, Governance and Information Group), Nigel Bickle (DCE, Immigration New Zealand), Carolyn Tremain (Chief Executive, MBIE), Chris Bunny (DCE, Building, Resources and Markets Group), Paul Stocks (DCE, Labour, Science and Enterprise Group), Joanne Hughes (Head of the Office of the Chief Executive), and Greg Patchell (DCE, Market Services Group).

### MBIE Business Groups

#### Corporate, Governance and Information (CGI)

Corporate, Governance and Information supports MBIE by providing advice and services in the following fields:

- legal
- information and communications technology
- human resources
- crown entity monitoring
- research and evaluation
- engagement and communications
- ministerial servicing
- information management
- risk and assurance
- health, safety and security
- business continuity planning

## Finance and Performance

The Finance and Performance group works with MBIE to manage resources for maximum impact. We provide a variety of services and advice on:

- management accounting
- transaction processing
- payroll
- internal procurement and projects
- property management
- internal and external financial reporting and compliance
- MBIE-wide business planning and performance reporting

## Office of the Chief Executive

The Office of the Chief Executive:

- support the Chief Executive and leadership team (working alongside Treasury and other key stakeholders) in delivering on the Government's economic development priorities
- provide support, coordination and strategic advice across MBIE as well as operational responsibility for Regulatory Systems and strategic programmes including:
  - Government Centre for Dispute Resolution
  - Maori and Pacific economic development
  - Responsible for Pike Entry

## Market Services

Market Services aims to deliver and assure quality and integrity in the market place through the following functions:

- managing government's property and procurement programmes and procurement policy
- leading work on making it easier for businesses to interact with government
- providing information and education services to businesses, workers and the public
- enforcing occupational regulations, employment standards and trading standards
- providing employment, residential tenancy and unit titles dispute resolution services
- providing weathertight services
- providing temporary accommodation assistance services to natural disaster affected residents
- developing and publishing standards and providing access to New Zealand, joint Australia-New Zealand and international standards through Standards New Zealand
- providing cyber security triaging through CERT NZ
- providing business integrity services such the Companies Office, the Intellectual Property Office of New Zealand, Insolvency and Trustee Service, business.govt.nz, and the Proceeds of Crime Unit

Market Services supports the following portfolios:

- Economic Development
- Broadcasting, Communications and Digital Media
- Building and Construction
- Immigration
- Workplace Relations and Safety
- Commerce and Consumer Affairs
- Small Business

## **Building, Resources and Markets (BRM)**

Building, Resources and Markets provides policy and technical advice to ensure:

- New Zealand's business environment is fair and competitive – for consumers, firms and investors
- housing and construction markets deliver safe, affordable homes and buildings for New Zealanders to live and work in
- New Zealanders have access to quality telecommunication services and infrastructure
- New Zealand's energy and mineral resources are developed in an environmentally responsible way
- New Zealanders have secure access to electricity, gas and liquid fuel markets
- New Zealand becomes one of the most prosperous leading digital nations

Building, Resources and Markets services the following portfolios:

- |                                 |  |
|---------------------------------|--|
| • Housing and Urban Development | • Broadcasting, Communications and Digital Media |
| • Energy and Resources          | • Commerce and Consumer Affairs                  |
| • Building and Construction     | • Infrastructure                                 |

## **Labour, Science and Enterprise (LSE)**

Labour, Science and Enterprise:

- advise on sector, regional and business development policy and programmes, tourism and major events
- advise on labour market policy, immigration policy, international policy, workplace health and safety policy and accident compensation policy
- manage New Zealand's skills, science and innovation systems through the investment of public funds and international connections relating to the science system
- work alongside Crown entities such as Tourism NZ, NZ Trade and Enterprise, Callaghan Innovation, WorkSafe New Zealand and Crown Research institutes.

Labour, Science and Enterprise services the following portfolios:

- |                                 |                                    |
|---------------------------------|------------------------------------|
| • ACC                           | • Research, Science and Innovation |
| • Economic Development          | • Small Business                   |
| • Employment                    | • Tourism                          |
| • Immigration                   | • Workplace Relations and Safety   |
| • Regional Economic Development |                                    |

## **Immigration New Zealand (INZ)**

Immigration New Zealand is responsible for issuing travel visas and managing immigration to New Zealand. INZ:

- decide visa applications for potential temporary and permanent migrants
- work with business and across government to help attract the skills and investment we need
- maintain the integrity of the border and enforce compliance through investigations and operations
- resettle refugees referred by the United Nations Commissioner for Refugees through the Refugee Quota Programme
- support migrants' settlement so they can quickly contribute to New Zealand

Immigration New Zealand provides the operational support for the Immigration portfolio.

## MBIE Organisation Chart



### Ministry of Business, Innovation & Employment

Ministry of Business, Innovation and Employment  
September 2017

