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Te Whare Māngai o Aotearoa

**Finance and Expenditure Committee**

Komiti Whiriwhiri Take Pūtea, Take Whakapaunga Pūtea

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**Inquiry into performance reporting and  
public accountability**

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Presented to the House of Representatives  
by Ryan Hamilton, Chairperson

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# Inquiry into performance reporting and public accountability

## Recommendations

The Finance and Expenditure Committee has conducted an inquiry into performance reporting and public accountability, and makes the following recommendations:

### Our overarching recommendation

1. We recommend that the Government develop and implement the proposals set out in Chapter 3.1, 3.2, and 3.3 of this report to improve the systems for performance reporting and public accountability, focused on three key shifts:
  - **Whole-of-government reporting**—improving clarity about what governments want to achieve, how they intend to go about it, and what progress is being made.
  - **Reporting on areas of interest to the public**—strengthening the focus of reporting on how the Executive’s work and spending contributes to outcomes in areas that are important to the public.
  - **Public entities’ reporting**—providing a more integrated view of the performance of entities, with a greater focus on value for money and how they are contributing to outcomes.

### Whole-of-government reporting

2. To improve whole-of-government reporting, we recommend that the Government develop and implement the following proposals, which would require each Government to:
  - state its priority objectives near the start of the parliamentary term
  - provide a high-level plan, with costings, to outline major initiatives it will carry out to achieve its priority objectives
  - report on progress towards achieving the priority objectives.

### Reporting on areas of interest to the public

3. To improve reporting on areas of interest to the public, we recommend that the Government develop and implement the following proposals:
  - establish a set of enduring outcomes for key areas of public interest
  - require the Government of the day to set out its priority objectives related to each key area of public interest
  - require the Executive to set out information about how spending is related to the enduring outcomes and the Government’s priority objectives
  - require the Executive to report its progress on outcomes across each key area of interest.

**Public entities' reporting**

4. To improve public entities' reporting, we recommend that the Government develop and implement the following proposals:
  - replace current requirements related to entities preparing strategic documents with a new requirement for public entities to produce a four-year plan
  - require public entities to provide targeted information on their performance, including value for money, how they are contributing to outcomes, and findings from evaluations and reviews
  - remove existing requirements for entities to report on performance at an appropriations level; entities would continue to report on spending against appropriations.

**Additional proposals**

5. We recommend that the Government further consider the merits of each of the additional proposals set out in Chapter 3.4 of this report and choose whether to develop and implement them, as appropriate.

**Next steps**

6. We recommend that the Government consider how best to phase implementation of any reforms to the systems for performance reporting and public accountability.
7. We recommend that the Government update and involve the Finance and Expenditure Committee regarding any potential policy process resulting from our recommendations, continuing the collaborative approach that we have taken during this inquiry.

# 1 Introduction

The purpose of this report is to propose significant reform to the system for performance reporting and public accountability in New Zealand.

We put forward a set of proposals that would systemically change the way in which the Executive reports on its performance. Our intention is to improve transparency, accountability, and trust to enable both Parliament and the public to better hold the Executive to account for its performance. In particular, we advocate for a performance reporting system that provides a clear view of performance across the whole of government, highlights information that actually matters to the public, and clearly shows what is being achieved with public money.

We recommend that the Government implement a set of proposals that centre around three key shifts that we consider would improve performance reporting so that it is more meaningful for Parliament and the public. These are:

- **Whole-of-government reporting**—improving clarity about what governments want to achieve, how they intend to go about it, and what progress is being made.
- **Reporting on areas of interest to the public**—strengthening the focus of reporting on how the Executive’s work and spending contribute to outcomes in areas that are important to the public.
- **Public entities’ reporting**—providing a more integrated view of entities’ performance, with a greater focus on value for money and how they are contributing to outcomes.

We propose a key set of proposals intended to achieve these three shifts. Our proposals are intended to improve the performance reporting system, with the ultimate aim of strengthening the accountability of the Executive. These improvements to the performance reporting system are intended to complement the financial reporting system that has been in place since the late 1980s.<sup>1</sup>

The Government is required to respond to our recommendations within 60 working days after this report was presented by 18 August 2026. If accepted, these recommendations may ultimately result in amendments to the Public Finance Act 1989 and Crown Entities Act 2004.

We published an interim report on this inquiry in September 2025. In this report, we summarise the views we heard from the public and set out our proposals to improve how the Executive reports on its performance.

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<sup>1</sup> For more information about reforms to the financial reporting system and performance reporting system, see: [Interim report on the inquiry into performance reporting and public accountability | Finance and Expenditure](#), p 6 and Chapter 4.

## Our view of the problem

The current state of performance reporting does not easily enable Parliament or the public to understand what is being achieved with public money. It can be unclear what outcomes the Government wants to achieve, how it intends to achieve them, and what progress is being made.

The balance of powers between the three branches of government is a core constitutional principle in New Zealand. Parliament is responsible for holding the Executive to account and examining and approving the spending of public money.<sup>2</sup> The Executive consists of Ministers (both inside and outside Cabinet) and public sector agencies. Parliament's ability to hold the Executive to account relies on it having meaningful and accessible information about the Executive's performance and spending.

In the interim report, we set out what we see as the strengths and weaknesses of the current system.<sup>3</sup> We identified the following weaknesses:

- **Unclear objectives**—it is often unclear what public entities are trying to achieve and how their objectives relate to the Government's priorities.
- **Fragmented information**—it is not clear how entities are working together to achieve outcomes, or how different entities' work supports overarching goals.
- **Dense information**—information is often very detailed, dense, and difficult to understand.
- **Lack of reporting on value for money**—it can be difficult to see how the spending of public money is contributing to outcomes and what progress is being made.

## Purpose, vision for reform, design principles

In our interim report, we set out what we thought the purpose of the performance reporting system should be.<sup>4</sup> We have made some minor revisions to our proposal, in response to feedback from public submitters, to make it clearer.

### Purpose statement

The purpose of the system should be to enable:

- **accountability**—by supporting Parliament and the public to scrutinise the Executive's spending proposals and to effectively hold the Executive to account for its use of public money
- **improvement**—by supporting the Executive to learn and improve, including its decision-making, its ways of working, its delivering of services, and its contribution to outcomes
- **trust**—by strengthening the confidence of Parliament and the public in the Executive's ongoing ability to serve New Zealanders and steward public resources.

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<sup>2</sup> For more information about the roles of Parliament and the Executive, see: [Role of Parliament | New Zealand Parliament](#).

<sup>3</sup> [Interim report](#), pp 10–12.

<sup>4</sup> [Interim report](#), p 18.

## Vision for reform

In our interim report, we also set out a vision for reform and identified eight key areas for improvement that we planned to consider further.<sup>5</sup> We want the way that the Executive reports on, and is held accountable for, its performance to be fit for purpose and to meet the needs and expectations of 21st century New Zealand. The system needs to ensure that Parliament and the public are provided with information about what the Executive seeks to achieve, how it plans to do this, and how the plans will be funded. There also needs to be subsequent reporting about what results have been achieved and how money has been spent. We remain committed to this vision for reform.

## Design principles

We recognise that there will be trade-offs, benefits and costs, and tensions that will need to be navigated in any approach to improving performance reporting and public accountability. In our interim report, we set out the following design principles to guide the development of proposals for improvements:

- **Understandable information**—The system should facilitate the provision of clear, simple, and accessible information in a way that recognises the capacity and capability of both Parliament and the public.
- **Information on what matters most**—The system should provide sufficient information for Parliament and the public to understand what is important to them, both for today and for the future.
- **Connected information**—The system should provide cohesive information across objectives, plans, spending, and reporting.
- **Trustworthy information**—The system should provide the basis for Parliament and the public to be confident that information is credible and can be relied upon.
- **Proportionality**—The system should meet the needs of Parliament and the public in a way that balances the costs of compliance, the benefits of flexibility, what is feasible, and the need to incentivise good practice. We expect this principle to play a key role in balancing trade-offs, benefits and costs, and tensions.

We would like to encourage the Government to consider adopting our purpose statement, vision for reform, and design principles to guide further work, if it agrees to accept our recommendations.

## Background: our process for this inquiry

The Review of Standing Orders 2023 recommended that a select committee conduct an inquiry into performance reporting and information provided publicly by the Government through which it is held to account. We initiated the inquiry on 12 February 2025 and adopted terms of reference on 5 March 2025.

We adopted a two-phase approach to the inquiry.

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<sup>5</sup> [Interim report](#), pp 19–22.

### **Phase one**

Phase one began in April 2025 and concluded with the publication of our interim report. The aim of this phase was to establish a shared understanding of the main issues and potential direction of travel for the inquiry. During this phase, we received and considered advice from the Office of the Auditor-General and the Treasury. We appointed Greg Schollum to provide independent comment on the advice we received. We appointed Dr Ian Ball, who interviewed approximately 20 key stakeholders on our behalf. On 17 September 2025, we published an interim report based on the material we had received at that stage.

We refer to and briefly summarise information from the interim report in this report, but we strongly encourage people to read the interim report in full.

### **Phase two**

Phase two began in September 2025. We called for public submissions on the inquiry between 17 September and 29 October 2025. We encouraged people to engage with and respond to our interim report in their written submissions. We set out seven questions for submitters in our interim report.<sup>6</sup>

We received written submissions from 33 individuals and organisations. We held hearings with 12 submitters in total, on 27 November, 10 December, and 17 December 2025.

The Treasury prepared a summary of the submissions we received.<sup>7</sup> The Office of the Auditor-General provided proposals to improve how the Executive reports on its performance which we considered in depth. We received comments from Greg Schollum in response to these proposals. In addition to our committee's consideration, the Office of the Auditor-General also briefed the caucuses of some political parties represented in Parliament to support broader discussion and consideration of the proposals.

## **Structure and nature of this report**

This report first includes a brief summary of views and feedback we heard from public submitters responding to our interim report. We then set out our recommendations for how to improve how the Executive reports on, and is held to account for, its performance.

Our proposal draws on the comprehensive advice we received from the Office of the Auditor-General and the Treasury. The intention of this report is to articulate Parliament's view on the key shifts that are needed as well as our specific proposals to achieve this reform. We acknowledge that additional policy work will need to be undertaken as these proposals are further developed and implemented.

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<sup>6</sup> See Appendix C and [interim report](#), p 5.

<sup>7</sup> Two staff members from the Treasury read each written submission multiple times to conduct the summary analysis. The Treasury used artificial intelligence (AI) in the early stages of processing submissions to identify common themes. However, it did not use the AI generated framing in its written summary of submissions. As much as possible, the Treasury's summary categorised comments made by submitters under the seven questions we asked submitters or key areas for improvement set out in the interim report.

We strongly encourage people to read the Office of the Auditor-General's advice in full. We also encourage the Government to consider the full advice from the Office of the Auditor-General when considering and responding to our recommendations.

## 2 Insights from submitters

We received written submissions from 33 individuals and organisations. We thank all submitters for their valuable insights, efforts, and time. Generally, submitters supported the idea of improving reporting about the outcomes the Executive seeks to achieve, how its plans and spending relate to achieving these outcomes, and what progress is being made. One submitter suggested that the current system is sufficient as-is. Submitters broadly agreed with the key improvements we identified in our interim report. Some offered feedback on the shape that these improvements could take, which we have taken into consideration.

Most submitters agreed with what we set out as the strengths and weaknesses of the current system in our interim report. Submitters highlighted specific strengths, including that there is high-quality financial reporting and appropriation controls. Overall, however, submitters characterised the current performance reporting system as “fragmented” and “siloes”. Weaknesses identified included that:

- it is difficult to decipher what the Executive’s goals are, how they intend to achieve them, and what is being spent on different initiatives
- it is often unclear what long-term goals the Executive has and how these goals contribute towards achieving long-term outcomes
- reporting often focuses on activities (the short-term) but not on outcomes (the long-term)
- reporting requirements do not specify who is accountable for what and to whom
- performance reporting is often backwards-looking, and is not focused on identifying opportunities for improvement
- requirements are time-consuming and resource intensive.

Submitters drew our attention to barriers and challenges to our goal of improving the current system. Submitters pointed to the inherent complexity in performance reporting. They reflected that the quality of performance reporting can depend on the workload, capacity, and capability of the public sector. For example, some submitters highlighted that data infrastructure is siloes across the public sector, making it difficult to provide information that paints a clear picture of performance across the whole of government. Similarly, the Office of the Clerk pointed to the important role that select committees play in scrutinising the Executive’s plans and actual expenditure of public money. It indicated that the attention and time that select committees can devote to scrutiny is affected by the rest of their workload, and that this is an ongoing challenge.

Submitters also held different views on the flexibility of the performance reporting system. Some saw it as a strength, while others suggested that it contributed to fragmentation and a lack of standard or consistent reporting across the system.

We asked submitters to reflect on what lessons could be learned from previous reforms to the public accountability system. One submitter, the New Zealand Initiative, stated that previous reforms had been successful in improving financial transparency, but had not resulted in the Executive providing clear enough information on the value for money of

individual programmes. Other submitters viewed previous reforms as having introduced overly complicated compliance burdens and resulting in declining quality in reporting.

Submitters lauded that there are significant opportunities to improve the Executive's performance reporting in New Zealand. Many of these opportunities aligned with the key areas of improvement we set out in our interim report.<sup>8</sup> Opportunities related to the key areas of improvement that resonated with submitters were:

- improving reporting on Government objectives, longer-term outcomes, and value for money
- introducing requirements for tailored, fit-for-purpose reporting
- creating processes for more interconnected reporting, including sectoral reporting.

Other opportunities or key improvements identified included:

- simplifying the overall reporting system and explaining the system to the public
- articulating a clear vision statement for the ideal system
- reducing fragmentation across performance reporting
- communicating performance reporting more accessibly, such as by using simple language and making greater use of technology and real-time reporting
- learning from the private sector's performance reporting approaches
- incorporating different forms of reporting, including qualitative information
- strengthening Parliament's scrutiny of performance reporting and increasing Parliament's resources to help it carry out scrutiny
- improving assurance processes for performance reporting, including by developing assurance frameworks or systems
- strengthening the focus on evaluation in reporting, to assess the effectiveness of policies in achieving outcomes so the Executive can learn and improve
- reviewing how often performance reporting occurs across the public sector.

Submitters also recommended ways in which the Treaty of Waitangi | te Tiriti o Waitangi should be reflected in the performance reporting system. Some submitters advocated that the Treaty | te Tiriti be expressly referenced in legislation relevant to the Executive's performance reporting or be embedded into accountability frameworks. These submitters suggested that accountability frameworks recognise te ao Māori values, perspectives on intergenerational responsibility and collective wellbeing, and the role of iwi and community providers in achieving outcomes.

When asked to identify the most important information needed to hold the Executive to account, submitters identified having clear priorities, targets linked to outcomes, and emphasis on value for money.

Submitters emphasised the importance of designing systems with built-in feedback loops. This includes ensuring that reporting supports the Executive to learn and improve by enabling reporting of what did not work and how performance will be improved. It also includes ensuring the reporting system itself can be iteratively adjusted and refined.

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<sup>8</sup> [Interim report](#), pp 19–22.

Submitters suggested that having cross-party consensus, awareness of the wider system, guiding principles, and a clear legislative basis will need to be key elements of effective implementation of any reforms.

### 3 Our proposals for improving reporting and public accountability

We propose three key shifts to improve the framework for performance reporting and public accountability in New Zealand:

- **Whole-of-government reporting**—improving clarity about what governments want to achieve, how they intend to go about it, and what progress is being made.
- **Reporting on areas of interest to the public**—strengthening the focus of reporting on how the Executive’s work and spending contributes to outcomes in areas that are important to the public.
- **Public entities’ reporting**—providing a more integrated view of entities’ performance, with a greater focus on value for money and how they are contributing to outcomes.

We set out key proposals that we recommend the Government develop and implement to achieve these three shifts. We also set out some additional proposals that we encourage the Government to consider further.

The three key shifts are designed to work together hand in hand to reform the performance reporting system. We consider that our key proposals to achieve each shift offer significant opportunities to better enable Parliament and the public to hold the Executive to account, enable the Executive to operate more effectively to achieve its objectives, and allow the public to more easily find information that matters to them. Our proposals include a mix of introducing new accountability documents, changing the requirements of existing documents, and removing some documents and reporting requirements.

Overall, we hope that these proposals spark further public conversation and act as a basis for Government-initiated detailed policy work.

The diagram on the next page summarises our proposals.

# Inquiry into performance reporting and public accountability

The Finance and Expenditure Committee is proposing significant reform to the system for performance reporting and public accountability in New Zealand. It thinks improvements are needed in the way governments report on the things they do, the money they spend, and what results are achieved.

## Whole-of-government-reporting

It should be clear what governments want to achieve, how they intend to go about it, and what progress is being made. We propose requiring each Government to:



say what its priorities are at the start of its term in government



publish a high-level plan about the major initiatives it proposes to achieve its priorities



report on progress against its priorities.

## Reporting on areas of public interest

Information should focus on areas that are important to New Zealanders. We propose:



establishing a set of long-term outcomes related to areas that are important to the public, like health or education



requiring each Government to say what its priorities are related to each of these areas



introducing ways the Government must publish information about its spending and report on its progress related to these areas.

## Public entities' reporting

Reporting from government departments and other public organisations should clearly show what is being achieved with public money. We propose:



changing requirements so public entities must produce a four-year plan



requiring public entities to provide certain types of information, like the value for money of the work they're doing and how they are contributing to results



changing requirements for how public entities report on performance and spending.

## More work needs to be done

The committee hopes our inquiry sparks a national conversation and contributes to reforming the way that governments report about their work. It recognises that further policy work is needed to develop and implement our proposals effectively. The Government must respond to the recommendations by [date].



## 3.1 Whole-of-government reporting

The first key shift we propose is to reform the performance reporting system to provide greater clarity about what governments want to achieve, how they intend to go about it, and what progress is being made.

The purpose of this key shift is to improve Parliament's ability to hold the Government of the day to account for its priorities. Under the current system, it can be difficult for Parliament to identify what the Government's priorities are, its plans for achieving them, and the progress made. We see this as a long-standing gap in performance reporting in New Zealand.

To achieve this key shift, we recommend that the Government develop and implement three proposals, that would require each Government to:

- state its priority objectives near the start of the parliamentary term
- provide a high-level plan, with costings, to outline major initiatives it will carry out to achieve its priority objectives
- report on progress towards achieving the priority objectives.

These changes would require the Government of the day to clearly set out what it is trying to achieve, how it is trying to achieve this, and how well it is doing. Parliament and the public would have a clearer picture of the Executive's priorities, better enabling them to hold the Executive to account. We also consider that requiring the Government to clearly state what its priority objectives are would better enable it to communicate and encourage action towards these objectives across the whole of government.

We envisage that the Government would be required to state its priority objectives within three to six months after the first meeting of Parliament, following a general election. The Government would have flexibility and be able to adjust its objectives. Public entities should be required to take the priority objectives into account in their planning.

We consider that the Government should then be required to present a high-level plan of its major initiatives, and estimated costs, when presenting its first Budget. The Government should be able to first provide a provisional plan and then present a more developed plan at the next Budget.

The Government should be required to report on progress made towards the priority objectives, including on the major initiatives set out in the high-level plan. The frequency of this reporting may depend on the nature of the objectives but could happen annually.

We note that the previous and current Government have had initiatives to set targets or objectives across the whole of government. For example, the current Government has set nine Government targets to achieve objectives across the public sector which are reported

on quarterly.<sup>9</sup> The previous Government included wellbeing objectives in its Budget Policy Statements that were set to guide its Budget decisions.<sup>10</sup>

Our proposals would build upon previous initiatives to improve how the Executive reports on its performance and integrate them into the formal public accountability system.

## 3.2 Reporting on areas of interest to the public

The second key shift we propose is to create a stronger focus on how the Executive's work and spending contributes to outcomes in areas that are important to the public. For example, the environment could be considered an area of public interest, and an outcome related to the environment could be to improve land and freshwater.<sup>11</sup>

The purpose of this key shift is to better enable Parliament and the public to get a picture of the Executive's performance related to the areas they care about. Many important issues require efforts across multiple entities, or across the whole of government, to address. Information on the Executive's work across a sector or related to intersectional issues is often missing or inadequate. Current performance reporting does not present information on the collective efforts of entities, or how individual entities' work relates to broader outcomes.

To achieve this key shift, we recommend that the Government develop and implement four proposals:

- establish a set of enduring outcomes for key areas of public interest
- require the Government of the day to set out its priority objectives related to each key area of public interest
- require the Executive to set out information about how spending is related to the enduring outcomes and the Government's priority objectives
- require the Executive to report its progress on outcomes across each key area of interest.

These changes would create an emphasis on the outcomes that matter to the public and provide a stable framework for reporting progress. We consider that this framework would better enable Parliament and the public to see how spending contributes to results that matter to New Zealanders.

These proposals would not need to apply to all entities or areas of government activity. If this was the case, this would mean that reporting would be limited in scope. These proposals could be implemented gradually, with initial work focused on a few key areas of interest where entities already work together on shared outcome frameworks.

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<sup>9</sup> [Government Targets | Department of the Prime Minister and Cabinet.](#)

<sup>10</sup> The previous Government amended the Public Finance Act 1989 to require governments to include wellbeing objectives in the Budget Policy Statements. The current Government has since amended the Act and removed this requirement. [Bringing Wellbeing into the Public Finance Act | Beehive; Increased transparency for Government accounts | Beehive.](#)

<sup>11</sup> [Estimate of environmental expenditure 2025/26 | Parliamentary Commissioner of Environment.](#)

The key areas of public interest could be identified in different ways. For example, one method would be for them to correspond to the subject matter of select committees.<sup>12</sup> Another method could be to use the public service sectors identified by the Public Service Commission.<sup>13</sup> The Executive could use a Māori-specific key area of interest to report on its performance meeting obligations under the Treaty of Waitangi | te Tiriti o Waitangi.

We suggest that either Parliament or the Executive establish enduring outcomes that the whole of government should work towards for areas that are important to New Zealanders. These outcomes could potentially be set out in legislation. We consider that it would be most advantageous if cross-party consensus was reached to establish the enduring outcomes.

The Government would be required to produce a statement on its strategic approach setting out its priority objectives intended to influence outcomes in identified areas of interest. The statement would include key Government initiatives related to the priority objectives and how public entities, iwi, local government, non-government organisations, and business will work together to improve outcomes in each area. The statement should be required to be presented to Parliament.

We propose improving the accessibility of information in the Estimates of Appropriations by requiring the Executive to provide information about how spending is related to the enduring outcomes and priority objectives. This would involve making two improvements to information included in the Estimates:

- requiring cross-entity mapping of spending across the public sector that contributes to the enduring outcomes
- including high-level information on Ministers' priorities and key funding decisions.

The Estimates comprise around 2,000 pages of detailed information. We consider that these improvements would make the Estimates easier for Parliament to understand. In particular, we believe that including information on Ministers' priorities and on cross-entity spending would help select committees better scrutinise the Estimates and the Government's spending plans.

We also propose to require the Government to report on progress towards achieving outcomes in key areas of interest. It would be required to present these reports to Parliament at least every three years.

We note that since 2022, the Parliamentary Commissioner for the Environment has released annual estimates of government spending related to the environment. Each report provides an overview of spending across public entities budgeted for environmental protection and resource management activities. The Commissioner classifies spending into six categories related to enduring environmental outcomes, such as improving land and freshwater or

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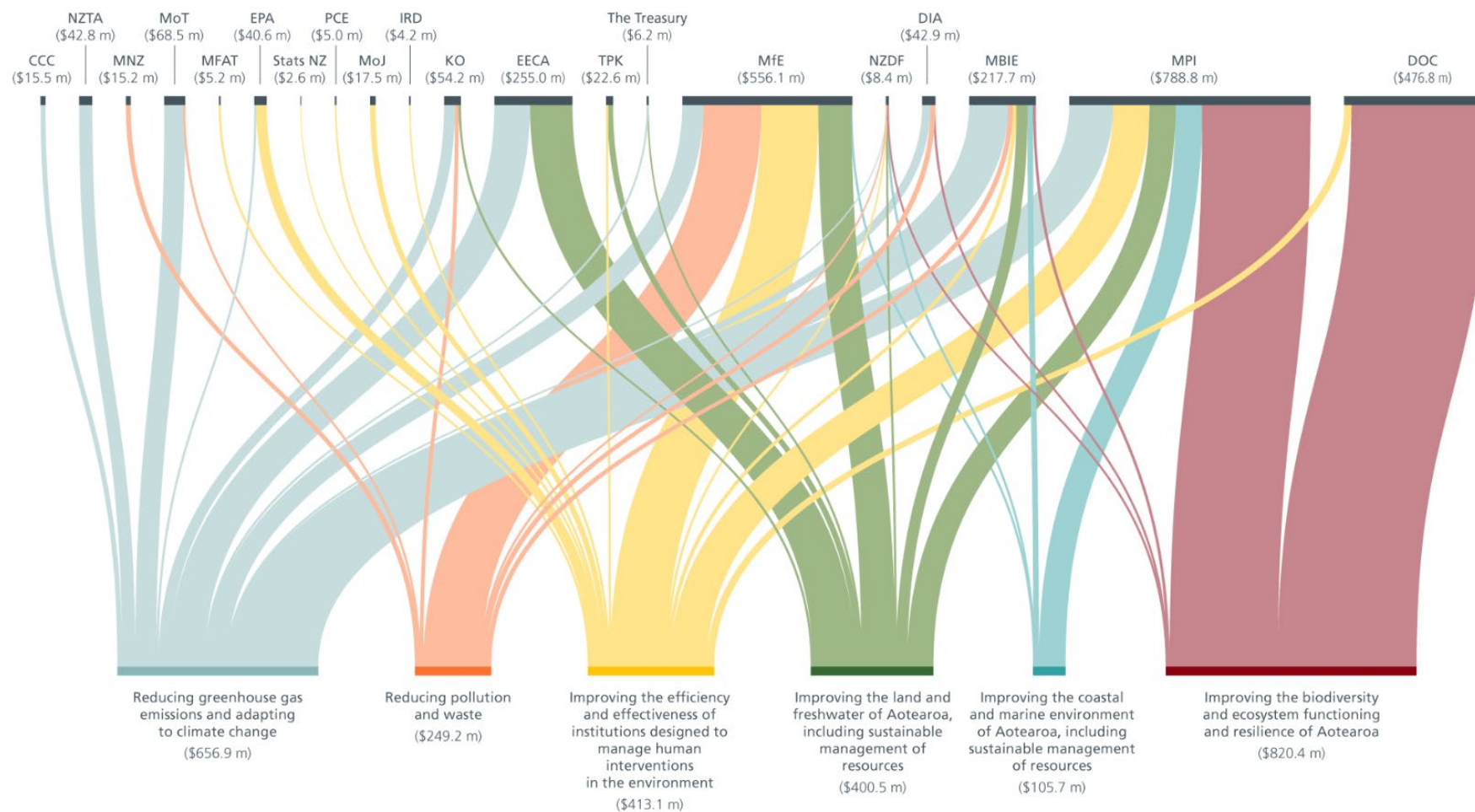
<sup>12</sup> There are 12 subject select committees in the 54th Parliament: Economic Development, Science and Innovation; Education and Workforce; Environment; Finance and Expenditure; Foreign Affairs, Defence and Trade; Governance and Administration; Health; Justice; Māori Affairs; Primary Production; Social Services and Community; and Transport and Infrastructure.

<sup>13</sup> The Public Service Commission has set out 15 public service sectors: border; business; central agencies; cultural; education; emergency; environment; health; housing; international and trade; justice; national security; populations and communities; social; and transport. [Sectors | Public Service Commission](#).

reducing pollution and waste. We consider these reports a good example of how planned spending could be set out related to a key area of interest.

The following diagram was included in the Commissioner's most recent analysis of environmental expenditure budgeted for 2025/26. The Sankey diagram illustrates how each public agencies' planned expenditure relates to achieving different environmental outcomes.

**Sankey diagram showing environmental expenditure budgeted for 2025/26 attributed to environmental outcomes<sup>14</sup>**



<sup>14</sup> Source: Estimate of environmental expenditure 2025/26 | Parliamentary Commissioner of Environment.

### 3.3 Public entities' reporting

The third key shift we propose is to provide a more integrated view of the performance of entities, with a greater focus on value for money and how they are contributing to outcomes.

The purpose of this shift is to move towards producing reporting focused on how entities' spending, activities, and services influence outcomes. Public entities' current reporting is often focused on what activities they have done each year, rather than what influences and effects these activities are having towards achieving outcomes for New Zealanders.

To achieve this key shift, we recommend that the Government develop and implement three proposals:

- replace current requirements related to entities preparing strategic documents with a new requirement for public entities to produce a four-year plan
- require public entities to provide targeted information on their performance, including value for money, how they are influencing outcomes, and findings from evaluations and reviews
- remove existing requirements for entities to report on performance at an appropriations level; entities would continue to report on spending against appropriations.

We consider that these changes will result in more meaningful reporting. We consider that a focus on reporting value for money and the outcomes entities have helped to achieve will be more relevant and valuable for Parliament and the public.

Currently, all government departments are required to produce a strategic intentions document at least every three years. Crown entities are required to prepare a statement of intent and statement of performance expectations. We propose removing these requirements and instead requiring all public entities to produce a four-year plan.

Under these new arrangements, public entities would be required to set out a performance framework that includes their strategic objectives and how any planned activities and services will contribute to intended outcomes. Entities would be required to prepare a four-year plan that includes information on how they allocate resources to achieve their strategic objectives and provide activities and services. Four-year plans could be required to include information on entities':

- strategic objectives and performance framework
- key activities, services, and investment changes, including associated costs
- plans to manage organisational health and capability
- measures and methods to assess performance, including how activities and services contribute to outcomes.

We consider that entities should be required to report against the performance measures identified in their four-year plans, instead of reporting performance at an appropriations level. Appropriations would continue to serve as the basis for how Parliament authorises spending of public money, and entities would continue to report on their spending against appropriations.

We propose changes to ensure that public entities' reporting focuses on an assessment of the value for money their activities and services provide. To achieve this, we encourage introducing new requirements for public entities to report, as appropriate, on:

- the impacts and outcomes key services and activities have for New Zealand
- the value for money of key services and activities
- a summary of any evaluations and reviews.

We consider that this approach introduces more flexibility, enabling the type of reporting to be better tailored to the nature, size, and role of each entity. This moves away from a “one-size-fits-all” approach. This new approach may reduce reporting compliance costs for entities, while still focusing reporting on what matters most.

### **3.4 Additional proposals**

In addition to the proposals we set out to achieve the key shifts, we put forward a range of additional proposals. These proposals could be considered either as an alternative to or in addition to the proposals in the three key shifts. We encourage the Government to further consider the merits of these additional proposals as part of considering broad reforms to the performance reporting and public accountability frameworks in New Zealand.

The additional proposals include:

- requiring a statement of enduring long-term outcomes for New Zealand that sits above outcomes for key areas and endures beyond parliamentary cycles
- establishing long-term objectives that can endure across governments for issues that need sustained focus
- requiring a state-of-the-nation report that provides a comprehensive picture of progress towards long-term outcomes
- requiring briefings on long-term trends, challenges, and opportunities in key areas of interest
- requiring the Government to provide a high-level plan of major initiatives related to key areas of interest.

The following diagram summarises the three shifts and additional proposals.

# Inquiry into performance reporting and public accountability

Overview of our proposals in context:

	Objective setting	Planning and Spending	Reporting
<b>Whole-of-government-reporting</b>	<b>Government priority objectives:</b> The Government says what its priorities are at the start of its term in office.	<b>High-level plan:</b> The Government publishes a high-level plan about the major initiatives, with costings, it proposes to achieve its priorities, alongside the Budget.	<b>Progress on priority objectives:</b> The Government reports on its progress towards its priority objectives.
<b>Reporting on areas of public interest</b>	<b>Enduring outcomes for key areas:</b> A framework of long-term outcomes is set up, related to areas that are important to the public, like health or education.	<b>Priorities to improve outcomes:</b> The Government sets out its priorities to improve outcomes in each area that is important to the public.  <b>Spending to improve outcomes:</b> The Government would release information on how its planned spending is related to improving outcomes in each area that is important to the public.	<b>Progress on enduring outcomes:</b> The Government reports on progress towards the enduring outcomes related to areas that are important to the public
<b>Public entities' reporting</b>		<b>Four-year plan:</b> Public entities publish a four-year plan which includes information on their strategic objectives and performance framework, key services and associated costs, plans to manage organisational health, and methods they will use to assess performance.	<b>Public entities' reporting:</b> Public entities report on information including value for money, the effects and outcomes of key services and activities and a summary of evaluations and reviews they have undertaken.

## 4 Implementation and next steps

We recognise that, to create enduring change, implementation would need to be carefully planned and managed. Implementing our proposals would require legislative change and would introduce additional costs to how the Executive currently reports on its performance. It could take several parliamentary terms to build the capability needed to implement all proposals. We consider that a phased approach to implementation would be most effective.

Different approaches could be taken to implement our proposals. One approach would be to prioritise and phase the implementation of each key shift. For example, the first key shift (whole-of-government reporting) could be implemented independently from the other two.

Another approach would be to prioritise proposals according to their influence and ease of implementation. This could involve prioritising and starting with particular proposals in the key shifts, and then implementing other proposals at a later stage to allow the Executive to build capacity. For example, requirements could first be introduced for the Government to state and report on its priority objectives, establish and pilot some aspects of reporting on key areas of public interest, and implement some improvements to public entities' reporting. Following this, a subsequent phase could include requiring the Government to publish a high-level plan, implement other elements related to reporting on key areas of public interest, and strengthen requirements for entities. The Office of the Auditor-General advised us that prioritising and starting with particular proposals in this way could be most effective. Implementation would require legislative change. Specifically, amendments would be required to the Public Finance Act 1989 and Crown Entities Act 2004. Our view is that these two Acts should be amended to set out core accountability mechanisms and minimum requirements. More details and adaptable requirements could be set through secondary legislation, Cabinet requirements, standards, and expectations from select committees.

Performance reporting capability across the whole of government would need to be strengthened. We consider that there would need to be improvements to the incentives, capability, and tools to produce performance reporting. For example, successful implementation would require the following elements:

- **Incentives and requirements**—opportunities to change how Ministers oversee performance reporting and how Parliament scrutinises it should be explored to better support and incentivise honest and meaningful reporting and improvement.
- **Technical capability**—modern technology should be used more efficiently to collect, analyse, present, and interact with performance data and information
- **People capability**—leadership and capability to measure and analyse performance should be strengthened.
- **Performance assessment tools**—the use of performance assessment tools and measures, other than standard quantitative measures, should be explored and embedded in performance frameworks.

We encourage further policy work to investigate and implement these improvements to incentives, capabilities, and tools.

We acknowledge that further policy work will need to be undertaken to develop and implement our proposals. Consideration will need to be given to assurance approaches in light of the changing needs of Parliament and the public, and the limited capacity to provide assurance.

Parliament has a stewardship role with respect to the performance reporting system and the wider public accountability system. If the Government decides to accept our recommendations and progress further work in this area, we recommend that it consider updating, consulting, and working alongside our committee as part of implementation. We plan on recommending that the future Finance and Expenditure Committee of the 55th Parliament monitor implementation and continue our commitment to carrying out regular reviews of the performance reporting and public accountability system.

## 5 Conclusion

We hope that this report serves as a catalyst for significant reform to the system for performance reporting and public accountability in New Zealand.

Overall, we consider that performance reporting should enable Parliament and the public to effectively hold the Executive to account. Performance reporting should enable the Executive to assess and reflect on its own performance, to make improvements and ensure the value for money of activities and services. We consider that performance reporting information needs to complement and link with financial information, to enable Parliament and the public to understand the Executive's performance and spending. Ultimately, performance reporting should foster trust and confidence. Parliament and the public should be able to find and understand performance reporting information that matters to them.

We put forward a vision that we consider would substantively improve the quality, accessibility, and value of performance reporting information. Our recommendations centre around a set of proposals to achieve three key shifts to improve reporting on the Government's priorities, ensure reporting focuses on areas that are of interest to the public, and strengthen reporting requirements for public entities.

The Government is required to respond to our recommendations within 60 working days after this report's presentation by 18 August 2026. We recognise that further policy work is required to develop and implement these proposals effectively. We hope to see this work occur in due course, and for implementation to begin within the next parliamentary term. [We intend to monitor progress and reflect on implementation, and plan on recommending that the next Finance and Expenditure Committee of the 55th Parliament do the same.]

We thank everyone who contributed to this inquiry. In particular, we express our gratitude for the time and efforts of all submitters and those who agreed to be interviewed.

## Appendix A—Committee process and membership

### Committee process

We initiated this inquiry on 12 February 2025. We presented an interim report on 16 September 2025. We called for public submissions between 17 September and 29 October 2025. We received written submissions from 33 individuals and organisations, and held hearings with 12 submitters.

We received advice from the Office of the Auditor-General and the Treasury. We appointed Greg Schollum and Dr Ian Ball as independent advisers. We finalised this report on 20 May 2026.

The first chapter of this report contains more information about our process.

### Committee members

Ryan Hamilton (Chairperson)

Hon Cameron Brewer (Chairperson and member until 13 May 2026)

Jamie Arbuckle (until 13 August 2025)

Dan Bidois

Hon Barbara Edmonds

Francisco Hernandez (from 11 February 2026)

Mariameno Kapa-Kingi (from 4 June to 25 June 2025)

Nancy Lu

Hon Dr Deborah Russell

Tom Rutherford (from 13 May 2026)

Todd Stephenson

Chlöe Swarbrick (until 11 February 2026)

Rawiri Waititi (excluding 4 June to 25 June 2025)

Dr David Wilson (from 13 August 2025)

Hon Dr Megan Woods

### Related resources

The documents we received as advice and evidence for phase one and phase two of this inquiry are all available on [the Parliament website](#). Our interim report is available [on the Parliament website](#).

The advice we received following the publication of our interim report that we considered during phase two of this inquiry includes:

- [Office of the Auditor-General \(Proposals to improve how the Executive reports on its performance\)](#)
- [The Treasury \(Summary of submissions\)](#)
- [Independent specialist adviser \(Comments on OAG advice\)](#).

Recordings of our hearings with submitters are also available online ([27 November 2025](#), [10 December 2025](#), [17 December 2025](#)).

## Appendix B—Terms of reference for the inquiry

The Finance and Expenditure Committee will undertake an inquiry into how the Executive should report on and be held to account for its performance.

The overarching purpose of the inquiry is to make specific and actionable recommendations to strengthen the accountability of the Executive to Parliament and the public for its performance. The inquiry will:

- make findings concerning the strengths and weaknesses of how the government should report on and be held to account for its performance; and
- make recommendations aimed at ensuring that the way the government reports on and is held to account for its performance is fit-for-purpose in meeting the needs and expectations of 21st century New Zealand.

It is anticipated that recommendations will be aimed at improving both legislative settings (e.g. the Public Finance Act and the Crown Entities Act) and how those settings are given effect.

A select committee inquiry is a particularly appropriate process because of the central role that Parliament plays in holding the Executive to account for its performance. It will provide Parliament with an opportunity to express its expectations to current and future governments about the information that it needs to undertake its scrutiny.

The committee is particularly interested in:

- What the purpose of the performance reporting system should be.
- What kind of information Parliament and the public need to hold the Executive to account for its performance, including its efficiency and effectiveness.
- How reporting can provide clear information about what the Executive is seeking to achieve, its strategies and plans, how they are connected through to spending, and, ultimately, the progress that is being made.
- What levels the Executive should report on spending and performance (e.g., services, initiatives, agencies, collaborative arrangements, sectors, all-of-government).
- How reporting can support a sufficient focus on outcomes, including equity and the long term and complex challenges facing New Zealand.

In engaging with these issues, the committee will consider:

- the strengths of the current system and the key issues, gaps, barriers, and challenges that need to be addressed (and the incentives underpinning them)
- the changes (to system settings, legislation, capability, and culture) that are needed to build on those strengths and overcome those issues, barriers, and challenges
- the trade-offs that would be involved in implementing any changes, including the administrative costs to public organisations
- what can we learn from other jurisdictions.

The committee may, as it thinks fit, consider other matters relevant to the purpose of the inquiry.

The committee is particularly interested in hearing from members of the public about what their expectations are, in terms of:

- the information that they need to understand and assess the performance of government
- how Parliament should use that information to assess the performance of government.

## Appendix C—Call for submissions

### Call for submissions

Public submissions are now being called for on the Inquiry into performance reporting and public accountability

The closing date for submissions is 11.59pm on Wednesday, 29 October 2025

The Finance and Expenditure Committee encourages submitters to engage with [a discussion document](#) it has prepared. The discussion document contains questions for submitters, outlines a problem definition, and lists some of the policy areas the committee is considering.

What do you need to know?

- **Submissions are publicly released and published to the Parliament website.** Only your name or organisation's name is required on a submission. Please keep your contact details separate, as if they are included on the submission they will become publicly available when the submission is released.
- If you wish to include information of a private or personal nature in your submission you should discuss this with the clerk of the committee before submitting.
- If you wish to speak to your submission, please state this clearly.

Further guidance on making a submission can be found from the 'How to make a submission' link in the 'Related documents' panel.

If you have any questions about your submission or the submission process please contact the Committee Staff through the contact details provided on this page.

### Questions for submitters included in the interim report

1. Have we missed or mischaracterised any strengths or weaknesses of the current system?
2. What are the biggest barriers, challenges, and opportunities to improving the current system? How could barriers be overcome?
3. What are the key lessons we can learn from previous reforms and what is necessary for successful implementation this time around?
4. Are there any key improvements that are missing from our vision for reform and improvements?
5. What do you consider to be the most—and least—important information for:
  - holding the Executive to account?
  - Enabling the Executive to learn and improve?
  - Supporting trust and confidence in the Executive?

6. What options for change should we explore in the next phase of our inquiry?
7. Do you have any views on the way that the Executive's reports on its performance should reflect the obligations that Te Tiriti / the Treaty places on it?