

CCMAU – VISION AND PURPOSE

Vision

The New Zealand Government's ownership advisor of choice – a sought-after leader in the provision of commercial and wider ownership advice, highly respected worldwide for what we do.

Purpose

CCMAU contributes to the efficient management of the Crown's balance sheet and net worth by providing services which enable shareholding Ministers to hold Crown company and entity boards accountable for their performance in maintaining and enhancing shareholder value.

CCMAU monitors companies and entities to advise Ministers on: company and entity performance; significant investment and divestment decisions by boards; and strategies to achieve effective management of the Crown's assets.

CCMAU provides services in the following areas:

- Monitoring – reporting on business plans, company reports, performance against targets and sectoral trends.
- Ownership advice – advising on strategic issues, investment and diversification opportunities, restructuring issues, and the impact of policy positions.
- Ministerial servicing – managing issues and drafting replies to correspondence, parliamentary questions and Official Information Act requests.
- Governance – identifying and screening potential directors, managing the appointments processes and promoting best-practice corporate governance of Crown companies and entities.

Relationship with the Treasury

The Executive Director of CCMAU is directly accountable to the Secretary to the Treasury for the Crown's investment in CCMAU, and for CCMAU's performance in providing the output classes Ministers seek.

CCMAU EXECUTIVE SUMMARY



Executive Director – Murray Wright

CCMAU's aim is to be the Government's ownership advisor of choice in the provision of commercial and wider ownership advice. This year, CCMAU has continued to assist Ministers to clarify their ownership expectations to enhance the performance of the companies and commercial entities in its portfolio¹.

During 2005/06, CCMAU has made good progress towards putting in place the foundations of its strategic plan. We are well placed to build on our capability to take advantage of opportunities that may arise in the years ahead. We have taken a leadership role in the development of an international network of CCMAU-like agencies and in a monitoring departments group established to share best practice across the public sector.

We continued our focus on implementing the Government's long-term ownership policy for SOEs – owners' reviews have now been completed for seven SOEs and work is well underway on another four SOEs. Also, a shareholders' expectations document was developed for Television New Zealand Ltd (TVNZ) and the CRI Operating Framework was reviewed to provide greater clarity on financial and non-financial expectations of the CRIs. Our Appointments and Governance team provided advice on a significant number of director appointments and reappointments this year, including a number of new Chair appointments.

We have continued our focus on making CCMAU a great place to work. In April we returned to refurbished, open plan offices which provide an excellent environment for effective and open interactions among staff. CCMAU staff are skilled individuals fully committed to exceeding Ministers' future expectations.

Science and innovation sector

Manager – Adrian Wimmers

The Crown-owned science and innovation (S&I) companies (nine CRIs, the New Zealand Venture Investment Fund Ltd (NZVIF) and Research and Education Advanced Network New Zealand Ltd (REANNZ)) continue to make significant contributions to the Government's economic transformation strategy.

¹ See page 27 for a full list of the companies and entities monitored by CCMAU.

Through this strategy, the Government aims to move New Zealand towards an economy based on sustainable innovation. Scientific research, the sharing of new knowledge and research data, and the transfer of technologies developed through such research, have a pivotal and increasing role in achieving this goal.

During 2005/06, CCMAU broadened its contribution to the S&I sector through a number of initiatives. We worked with the Minister for CRIs, and in consultation with the Ministry of Research, Science and Technology (MoRST) and the Treasury, to reframe the CRI Operating Framework and provide greater clarity on financial and non-financial expectations of the CRIs. We led cross-departmental policy development work on expectations to guide CRIs in all technology transfer and commercialisation activities, and developed new guidance for CRIs regarding shareholder consent thresholds for such transactions. We continued our engagement with other cross-departmental groups such as the Innovation Working Group and the Ocean Survey 20/20 group. In consultation with MoRST, the Foundation for Research, Science and Technology (FRST), the Treasury and the CRIs, we also developed a new set of research application indicators for CRIs. These indicators will measure CRIs' engagement with industry, and the ways in which they transfer their research findings and new technologies, and provide insights into the impact these are having on New Zealand's economy, environment and society.

CCMAU also became responsible for administering the CRI Capability Fund, which is managed by MoRST. The purpose of the Fund is to assist CRIs to retain and develop strategic research, science and technology capabilities for New Zealand's benefit. We are currently working with MoRST and the CRIs to share best practice in the ways in which the CRIs report their plans for, and use of, CRI Capability Fund monies.

CCMAU supported the Treasury and MoRST in completing the incorporation and establishment of REANNZ. We also worked closely with REANNZ as it developed its inaugural accountability and planning documents and, following its appointment of a Chief Executive Officer and senior staff, we have now moved into a more stable monitoring phase with the company.

NZVIF progressed well during the year, and is performing in line with expectations. During 2005/06, CCMAU assisted with the transition of shareholder responsibility to the Minister for Economic Development and the establishment of the Seed Co-Investment Fund, for which NZVIF was made responsible.

Our role in the Equity Investment Fund (EIF) continued, notably through our work in the due diligence process for a \$3 million investment into one CRI. We also worked with MoRST and the Treasury to review and amend the assessment criteria under which the EIF Steering Group makes investment recommendations to Ministers. We expect demand for EIF funds to increase in coming years, as CRI commercialisation activities lead to capital constraints.

Energy, land and environment sector

Manager – Michael Moore

The Energy, Land and Environment (ELE) team advises the Minister for SOEs on the performance of, and issues relating to, the 13 SOEs that comprise the energy, land and environment sectors.

The energy sector companies control almost \$12 billion in assets, of which around \$8 billion is shareholder equity, returning a combined net surplus of around \$1.2 billion. Land and environment sector companies control around \$1.5 billion in assets, most of which is land owned by Landcorp Farming Ltd (Landcorp), with a combined net surplus of around \$25 million. The ELE companies range from large electricity generator/retailers such as Meridian Energy Ltd (Meridian), Mighty River Power Ltd (Mighty River Power) and Genesis Power Ltd (Genesis) in the energy sector to a diverse range of companies in the land and environment sector such as Landcorp, AgriQuality Ltd (AgriQuality), Quotable Value Ltd and Timberlands West Coast Ltd. Collectively, ELE companies have a significant impact on the New Zealand economy.

SOEs in the energy sector continued to attract considerable public focus throughout 2005/06. In particular, Transpower New Zealand Ltd's (Transpower's) proposals for major upgrades to the national grid highlighted the challenges that SOEs face in investing in New Zealand's energy infrastructure. The ELE team worked closely with energy sector SOEs as they developed their plans to help meet the nation's energy infrastructure needs, while at the same time addressing shareholder expectations over strategic direction and performance, both financial and non-financial.

The issues in which we contributed across all sectors included:

- the review of dividend distribution policies by a number of SOEs
- the classification of financial instruments as liabilities or equity under International Financial Reporting Standards
- the increasingly competitive environment facing AgriQuality and Asure New Zealand Ltd (Asure)
- the native land snail issue at Solid Energy New Zealand Ltd's Stockton mine
- the Meteorological Service of New Zealand Ltd's relationship with the National Institute of Water and Atmospheric Research Ltd
- issues associated with the sale of properties by Landcorp as part of its rationalisation strategy.

The ELE team continued its focus on implementing the Government's long-term hold ownership policy, which will ultimately involve owners' reviews of all SOEs. Significant work in this area was completed for AgriQuality, Asure and Genesis over the course of 2005/06. These reviews cover key ownership expectations including:

- company strategy and scope of business
- company performance and benchmarking
- capital management – investment strategy, capital structure and dividend policy.

Communications, services and infrastructure sector

Manager – James Cunningham

The Communications, Services and Infrastructure (CSI) sector comprises a diverse group of companies in the broadcasting, telecommunications, services and transport infrastructure fields, as well as two Crown entities (Public Trust and the New Zealand Lotteries Commission).

These businesses collectively control approximately \$5.9 billion in total assets (or approximately \$2.4 billion after netting off Kiwibank Ltd's and Public Trust's liabilities from their assets to avoid distortion), play a key role in providing products and services to New Zealanders, and operate in a commercial way to generate profits and increase shareholder value.

Over the last year, we have advised shareholding on a number of matters, including:

- assessment of the business case for Christchurch International Airport Ltd's (CIAL's) \$198 million terminal redevelopment project
- monitoring Dunedin International Airport Ltd's terminal redevelopment project
- completion of a report on aviation industry developments and their implications for the Crown's aviation investments
- completion of a capital structure review of TVNZ, the appointment of a new Chair for the company, and the development of an expanded/enhanced shareholders' expectations document for it
- the proposed implementation of free-to-air digital television
- residual issues arising in respect of Terralink Ltd (In Liquidation).

The Government's long-term ownership policy for SOEs and Crown companies has increased our role in ensuring shareholder value is protected and enhanced over the medium to long term, while allowing for a prudent level of commercial risk-taking in developing new initiatives. During the year, the CSI team completed a long-term hold review of Airways Corporation of New Zealand Ltd (Airways) and undertook the preparatory work for the long-term hold review of New Zealand Post Ltd (NZ Post).

Appointments and governance

Manager – Steve Rich

The primary role of the appointments and governance team is to manage, on behalf of Ministers, the processes for identification and appointment of the directors of the companies and entities that CCMAU monitors. Our focus is on providing Ministers with a wide range of options for appointment based around the individual skill requirements of each board. In performing this function we devote considerable resource in the identification of new candidates for ministerial consideration, and management of the large number of expressions of interest we receive. We also run associated processes for Ministers in board fee setting, director induction and training and board evaluation.

To avoid any clash with the General Election in late 2005, the bulk of our appointments activity was moved into early 2006. In the period we managed processes for around 90 appointments and reappointments across all but two of the companies and entities we monitor. This involved 83 specific due diligence interviews, management of several hundred nominations and expressions of interest; and ultimately resulted in the appointment of 28 new individuals into the portfolio. We ran two induction seminars for new SOE and CRI directors during the year.

Of particular note were a number of new company Chair appointments, notably Sir John Anderson as the new Chair of TVNZ, Rakihia Tau at AgriQuality, and Derek Kirke at Animal Control Products Ltd. We also completed the processes that saw the appointments as chair of Dr Brian Rhoades at Industrial Research Ltd (IRL) and Jim McLean at the Horticulture and Food Research Institute of New Zealand Ltd, although these terms did not commence until 1 July 2006.

At year's end there were a total of 227 individual director positions across the companies and entities monitored by CCMAU, 148 (65%) male and 79 (35%) female. Of these, 84% identified themselves as European, and 13% as Māori.

Interest in Crown company directorships continues to be strong, and the "pool" of candidates available for consideration has continued to grow. In addition to the 83 company-specific due diligence interviews noted above we conducted 145 general interviews of candidates who have expressed an interest or been nominated for a Crown company directorship. As part of the Government's ongoing commitment to developing the talent pool available for consideration, we ran two prospective director training seminars. In addition to our own appointment processes, we are frequently called upon to assist other agencies in candidate searches and appointment processes, and during the year we responded to 35 such requests.

A review of the fee levels paid to Crown company directors was completed during the year, with changes agreed by Cabinet in December 2005 and implemented from 1 January 2006. Overall this saw a 7.5% increase in the total fees paid to the boards, but within this there were a number of boards (typically of the larger companies) that received more significant increases, and several that received either a very modest, or no, increase. Given the volatility in the director remuneration benchmarks, Cabinet has directed CCMAU to move to an annual review process of fees, and therefore an additional review was carried out in the first half of 2006. Any further changes from this were not confirmed before the end of the year, and are likely to be considered by Cabinet in September 2006.

A significant new development for CCMAU during the year was the hosting of a number of functions for the directors of the companies and entities we monitor. We initially ran these on a trial basis in Auckland and Wellington in November 2005, following numerous requests from serving directors that we do so. Following very positive feedback we ran a further series in Auckland, Wellington and Christchurch in June 2006. The functions serve the joint purpose of facilitating networking among directors, and also providing a forum for board members to be briefed on relevant governance topics. We are very pleased with the positive response to this initiative, and will look to continue it going forward.

Maintaining and developing capability

Setting strategic direction

During the year good progress was made on a number of initiatives supporting our five organisational goals. This progress will continue in 2006/07.

Our focus is on building our capability – getting better at what we do and extending what we do. The key to our success is the performance of the companies and entities in our portfolio and how we use our unique position to influence this.

In 2005/06 we have continued to refine our products and codify our processes. Our involvement in a number of cross-sector policy-related issues has continued and we have sought to improve the clarity of our advice at every opportunity. We have also continued to assist the Government to set its ownership expectations for the various classes of companies and entities in our portfolio.

Managing our people

During the year we continued to fine-tune our staff policies to reflect commonly recognised best practice. For instance, we introduced new policies covering health and fitness, and child care and amended the policy regarding annual leave. A continuity, succession and recruitment plan was also completed as part of our human resource strategy.

Staff continued to take advantage of the opportunities to upskill and extend their industry knowledge through attendance at relevant conferences.

For most of the year CCMAU operated from temporary accommodation while our offices at No 1 The Terrace were refurbished. The return to a new, open plan environment in April 2006 was well received by staff. We now have a very modern workspace that is conducive to effective and open interactions among staff which support our “one CCMAU” objective.

We commissioned another staff climate survey towards the end of the year and it is pleasing to note that CCMAU’s overall index increased again compared with the previous year.

CCMAU employed 22 staff as at 30 June 2006, with one person on maternity leave. Of the total staff, one was seconded to the office of the Minister for SOEs. Staff turnover was 15% (30% in 2004/05) and the average length of service is now 3.49 years (2.74 years in 2004/05).

Improving communications and stakeholder relationships

Ministerial satisfaction is a key indicator of CCMAU’s performance and ability to produce outputs that make a difference. Throughout the year, Vote Ministers continued to express satisfaction with the quality of our advice.

We produced informative Briefings to the Incoming Ministers for CRIs and SOEs so that they had an immediate and clear understanding of their portfolios following the General Election. We received favourable comment from Ministers on these Briefings.

CCMAU has also played an active role in a monitoring departments group which was established to encourage and promote best practice monitoring for departments who support and interact with non-corporate Crown entities.

During the year we consolidated the development of the International Network of Government Ownership Agencies (INGOA), which CCMAU is leading. INGOA is now a well-established concept, with 26 international agencies having expressed an interest in participating in the Network. Of the 26, eleven have confirmed this interest and commitment by participating in the establishment meeting in Singapore in mid-2005, or contributing money to the development of a web site. CCMAU has a mandate to be the “lead agency” until 30 June 2007, and an Advisory Committee comprising CCMAU (NZ), Shareholder Executive (UK), Government Businesses and Financing Unit (Australia), Crown Agencies Secretariat (British Columbia, Canada), National Treasury (South Africa), and Khazanah (Malaysia) has been established to guide the operations of the Network.

We were pleased to be invited to present at the Corporate Governance in the Public Sector conference in Wellington in January 2006, on CCMAU’s experience of “Integrated Board Performance Monitoring”.



Murray Wright
Executive Director

CCMAU leadership team
– Adrian Wimmers,
Murray Wright, Janine
Stewart, Michael Moore,
James Cunningham and
Steve Rich.



OUTPUT PERFORMANCE – CCMAU

Statement of Objectives and Service Performance
section 45A Public Finance Act 1989

VOTES AT A GLANCE

Actual expenditure for 2005/06 by output class:

\$m	
1.0	Crown Company Monitoring Advice to the Minister for CRIs and Minister of Research, Science and Technology
2.5	Crown Company Monitoring Advice to the Minister for SOEs and Other Responsible Ministers

VOTE STATE-OWNED ENTERPRISES

Crown Company Monitoring Advice to the Minister for State-Owned Enterprises and Other Responsible Ministers

This class of outputs involves the provision of policy and ownership monitoring advice on the SOEs, Crown companies and Crown entities covered by Vote SOEs (collectively referred to below as "SOEs"). This includes:

- advising the Minister for SOEs and other responsible Ministers on the strategic direction of SOEs; the commercial and fiscal risks associated with Crown ownership; proposals to establish and restructure SOEs; and the processes and outcomes of significant SOE divestments and acquisitions
- providing advice which assists Ministers to set ownership objectives and targets for SOEs
- monitoring and advising Ministers of SOEs' performance against these objectives and targets
- providing policy advice on, and managing issues arising out of, the ownership of SOEs, including residual implementation issues
- managing, on behalf of responsible Ministers, the appointment of SOE directors and monitoring the performance of those directors and boards
- assisting responsible Ministers in the formulation of shareholders' expectations in relation to the governance practices and structures companies adopt.

Maintaining and enhancing the Crown's ownership interest in these entities contribute to the efficient management of the Crown's assets and liabilities.

Significant work completed during the year

- Completed the 2005/06 SOE business planning, which includes analysing and reporting on each company's draft SCI and business plan so that shareholding Ministers are able to provide informed feedback to boards. The 2006/07 SOE business planning round was also substantially completed by 30 June 2006.
- Completed a Briefing to the Incoming Minister for SOEs and other responsible Ministers that CCMAU advises under the purview of Vote SOEs.
- Completed Crown Company Quarterly Performance reports for the June, September, December and March quarters, which were presented to Cabinet.
- Completed long-term hold owners' reviews for Meridian and Airways; and the commencement of reviews for Genesis and NZ Post. The long-term hold reviews of Asure and AgriQuality were put on hold pending the outcome of an organisational review involving these two companies, which was still outstanding at year end.
- Completed a capital structure review of TVNZ, the appointment of a new Chair for the company, and the development of an expanded/enhanced shareholders' expectations document for it.
- Managed a number of company issues, and the provision of advice to Ministers on them, including:
 - the business case for CIAL's terminal redevelopment plan
 - the proposed implementation of free-to-air digital television
 - the impact on Meridian of the final Waitaki Water Allocation Board plan for allocating water in the Waitaki catchment
 - the proposed increase in dividend distribution ratio by Mighty River Power
 - energy regulatory issues affecting Transpower in particular
 - a number of smaller-scale acquisitions by SOEs.
- Completed a report on aviation industry developments and their implications for the Crown's aviation investments.
- Took a "lead agency" role in the establishment of an international best-practice sharing network of organisations with a similar role to that of CCMAU.
- Convened an SOE Chairs' meeting in May with the Minister for SOEs and other Ministers.
- Provided advice to Ministers on a number of appointments and governance issues, including:
 - completion of the 2006/07 SOE appointment round
 - completion of a directors' fees review for 2006/07
 - continuing active participation in the wider governance officials' forum
 - hosting two prospective directors' seminars
 - hosting a one-day induction seminar for new SOE directors
 - hosting a number of networking functions for serving directors to share issues of common interest
 - managing expressions of interest from candidates wishing to be considered for Crown governance roles
 - continuing to provide assistance to other agencies regarding nominations.

Service performance

Performance Dimensions	Achieved?																
<p>Quality</p> <p>The Minister for SOEs and other responsible Ministers will expect advice to demonstrate a sound knowledge of the Crown company's business, the environment within which the company operates and the consequences of shareholder or company actions.</p> <p>All reports will comply with the generic quality standards for analysis and advice outlined on page 138. Output quality will be assessed as follows:</p> <ul style="list-style-type: none"> The Ministers will expect CCMAU to implement suitable quality control procedures to support the expectations for analysis and advice delivered under the relevant Votes. ✓ Managerial and peer (internal and external, where appropriate) review will be maintained to ensure that the quality standards are met. ✓ The Minister for SOEs will be formally requested, on a quarterly basis, to indicate his level of satisfaction with the overall quality of the outputs produced. More than satisfied 																	
<p>Quantity</p> <p>The quantity and nature of advice and operational services will be supplied on the basis agreed between the Minister for SOEs and the Executive Director of CCMAU (as amended from time to time) for 2005/06. ✓</p> <p>Quarterly and end-of-year reporting will enable the Minister to assess actual performance in output delivery against those expectations. ✓</p>																	
<p>Coverage</p> <p>A comprehensive range of services will be provided as agreed with the Minister for SOEs. These will include the capacity to react quickly and provide support for the Minister in Cabinet committees, including relevant briefings on significant issues and regular evaluation of the impacts of shareholder decisions and company actions on the Government's desired outcomes. ✓</p>																	
<p>Cost-effectiveness</p> <p>Analysis and advice will be delivered within the cost parameters agreed with the Minister for SOEs (or as subsequently modified by agreement). ✓</p>																	
<p>Timeliness</p> <p>Timeframes will be agreed between the Minister and the Executive Director of CCMAU for the financial year.</p> <ul style="list-style-type: none"> Advice will be delivered within the agreed and/or statutory timeframe so that Ministers have sufficient time to consider the issues and take appropriate action. Where agreed deadlines will not be met, extensions are to be formally requested. ✓ Ministerial correspondence (MCs), parliamentary questions (PQs), Cabinet agendas and Official Information Act requests (OIAs) will be responded to within agreed and/or statutory timeframes. ✓ CCMAU will respond appropriately to requests for attendance at Parliament during debates and at Cabinet and select committee meetings. ✓ Quarterly and end-of-year reporting will enable the Minister to assess actual performance in the timeliness of output delivery against those expectations. ✓ 																	
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2005/06	PQs	MCs	OIAs														
Estimated	120-160	160-180	12-20														
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Cost (\$000)

2005/06 Actual	2,480
Supp. Est. - Voted	2,553
Main Est.	2,448
2004/05 Actual	2,260

Actual 2005/06 output class expenditure was \$73,000 or 3% under Supplementary Estimates budgets.

The appropriation for this output class was increased by \$105,000 in the Supplementary Estimates owing to a fiscally neutral transfer from Vote CRIs to cover the actual allocation of overhead costs between the two Votes that fund CCMAU and by an increase to cover the costs of the State Sector Retirement Savings Scheme.

VOTE CROWN RESEARCH INSTITUTES

Crown Company Monitoring Advice to the Minister for Crown Research Institutes and Minister of Research, Science and Technology

This class of outputs involves the provision of policy and ownership monitoring advice on nine CRIs, the New Zealand Venture Investment Fund Limited (NZVIF¹) and the Advanced Network Co Ltd (ANCO²), and the provision of advice on the performance of the CRI Capability Fund, and includes:

- advising the Minister for CRIs and the Minister of Research, Science and Technology (RS&T) on the strategic direction of CRIs, NZVIF and ANCO respectively, and the commercial and fiscal risks associated with Crown ownership
- providing advice which assists the Minister for CRIs and the Minister of RS&T to set ownership objectives and targets for CRIs, NZVIF and ANCO
- monitoring and advising the Minister for CRIs and the Minister of RS&T of CRIs', NZVIF's and ANCO's performance against these objectives and targets
- providing policy advice on, and managing issues arising out of, the ownership of CRIs, NZVIF and ANCO, including residual implementation issues
- managing, on behalf of the responsible Ministers, the appointment of CRI, NZVIF and ANCO directors and monitoring the performance of those directors and boards
- assisting the responsible Ministers in the formulation of shareholders' expectations in relation to the governance practices and structures companies adopt.

Maintaining and enhancing the Crown's ownership interest in these entities contribute to the efficient management of the Crown's assets and liabilities. CRIs, NZVIF and ANCO have an important role to play in the New Zealand innovation system, thereby contributing to improving New Zealand's overall economic performance.

Significant work completed during the year

- Completed the 2005/06 CRI strategic planning round, which includes analysing and reporting on each company's draft SCI and strategic plan so that shareholding Ministers are able to provide informed feedback to boards. The 2006/07 CRI business planning round was also substantially completed by 30 June 2006.
- Completed a Briefing to the Incoming Minister for CRIs.
- Completed Crown Company Quarterly Performance reports for the June, September, December and March quarters, which were presented to Cabinet.
- Contributed to the 2006 Operating Framework for CRIs.

1 During the year, the Minister for Economic Development assumed responsibility for NZVIF.

2 During the year ANCO changed its name to REANZ.

- Led a cross-departmental initiative to develop policy options relating to CRI technology transfer and commercialisation activities. This resulted in a policy framework being approved by Cabinet and included in the 2006 Operating Framework for CRIs.
- Managed a number of company issues, and provided advice to Ministers on them, including:
 - the sale of Agvax Developments Ltd by AgResearch Ltd (AgResearch)
 - AgResearch's purchase of intellectual property and shares in new entities arising from the restructure of the Ovita sheep research consortium
 - a risk analysis of IRL based on its financial position in late 2005
 - the sale of IRL's Auckland property
 - a request from NZVIF to exceed the 15% portfolio limit imposed by Cabinet on the VIF programme
 - an application from New Zealand Institute for Crop & Food Research Ltd for \$3.0 million EIF monies.
- Completed a working paper on a target cost of equity for CRIs.
- Facilitated the establishment of the Seed Co-investment Fund and the resulting adjustments to NZVIF expectations and reporting requirements.
- Worked alongside MoRST and the Treasury to establish and incorporate REANNZ, and worked with REANNZ to ensure that its inaugural public accountability documents were acceptable.
- Completed a set of CRI-specific research application indicators, for implementation from 1 July 2007.
- Completed a review of EIF guidelines, as part of the EIF Steering Group.
- Completed a review of the consent and notification levels and information guidelines for significant transactions by CRIs.
- Took a "lead agency" role in the establishment of an international best-practice sharing network of organisations with a similar role to that of CCMAU.
- Provided advice to Ministers on a number of appointments and governance issues, including:
 - completion of the appointment process for the new REANNZ board
 - completion of the 2006/07 CRI appointment round
 - completion of a directors' fees review for 2006/07
 - continuing active participation in the wider governance officials' forum
 - hosting two prospective directors' seminars
 - hosting a one-day induction seminar for new CRI directors
 - hosting a number of networking functions for serving directors to share issues of common interest
 - managing expressions of interest from candidates wishing to be considered for Crown governance roles
 - continuing to provide assistance to other agencies regarding nominations.

Service performance

Performance Dimensions	Achieved?																
<p>Quality</p> <p>The Minister for CRIs or the Minister of RS&T will expect advice to demonstrate a sound knowledge of the business, the environment within which the organisation operates and the consequences of shareholder or CRI or fund actions.</p> <p>All reports will comply with the generic quality standards for analysis and advice outlined on page 138. Output quality will be assessed as follows:</p> <ul style="list-style-type: none"> The Ministers will expect CCMAU to implement suitable quality control procedures to support the expectations for analysis and advice delivered under the relevant Votes. ✓ Managerial and peer (internal and external, where appropriate) review will be maintained to ensure that the quality standards are met. ✓ The Minister for CRIs will be formally requested, on a quarterly basis, to indicate their level of satisfaction with the overall quality of the outputs produced. More than satisfied 																	
<p>Quantity</p> <p>The quantity and nature of advice and operational services will be supplied on the basis agreed between the Minister for CRIs and the Executive Director of CCMAU (as amended from time to time) for 2005/06. ✓</p> <p>Quarterly and end-of-year reporting will enable the Minister to assess actual performance in output delivery against those expectations. ✓</p>																	
<p>Coverage</p> <p>A comprehensive range of services will be provided as agreed with the Minister for CRIs. These will include the capacity to react quickly and provide support for the Minister in Cabinet committees, including relevant briefings on significant issues and regular evaluation of the impacts of shareholder decisions and company actions on the Government's desired outcomes. ✓</p>																	
<p>Cost-effectiveness</p> <p>Analysis and advice will be delivered within the cost parameters agreed with the Minister for CRIs (or as subsequently modified by agreement). ✓</p>																	
<p>Timeliness</p> <p>Timeframes will be agreed between the Minister and the Executive Director of CCMAU for the financial year.</p> <ul style="list-style-type: none"> Advice will be delivered within the agreed and/or statutory timeframe so that Ministers have sufficient time to consider the issues and take appropriate action. Where agreed deadlines will not be met, extensions are to be formally requested. ✓ Ministerial correspondence (MCs), parliamentary questions (PQs), Cabinet agendas and Official Information Act requests (OIAs) will be responded to within agreed and/or statutory timeframes. ✓ CCMAU will respond appropriately to requests for attendance at Parliament during debates and at Cabinet and select committee meetings. ✓ Quarterly and end-of-year reporting will enable the Minister to assess actual performance in the timeliness of output delivery against those expectations. ✓ 																	
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2005/06	PQs	MCs	OIAs														
Estimated	20-40	30-50	4-8														
Actual draft replies	43	38	3														
% answered by due date	100	100	100														

Cost (\$000)

2005/06 Actual	970
Supp. Est. - Voted	981
Main Est.	1,068
2004/05 Actual	957

Actual 2005/06 output class expenditure was \$11,000 or 1% under Supplementary Estimates budgets.

The appropriation for this output class was decreased by \$87,000 in the Supplementary Estimates owing to a fiscally neutral transfer to Vote SOEs reflecting the actual allocation of overhead costs between the two Votes that fund CCMAU, offset by an increase to cover the costs of the State Sector Retirement Savings Scheme.
