

Ngā huarahi e wātea ana ki a koe hei Minita whai haepapa e puta ai ngā hua e pīrangitia ana i ngā hinonga Karauna.

Key levers available to you as the responsible minister to get the performance you want from statutory Crown entities



Te Kāwanatanga o Aotearoa
New Zealand Government

This document is a companion to the [Statutory Crown Entities: A Guide for Ministers](#). It is recommended that ministers seek advice before pursuing a particular course of action. The department supporting your role can advise you on the mix and timing of levers to help entities succeed.

Some levers are time-dependent, such as commenting on a draft SPE. Others may be used at any time, such as regular meetings with the chair or letters of expectation.

- Good practice convention
- Lever in legislation (usually in Crown Entities Act; a few are in Public Finance Act and Public Service Act)

Your role in board appointments, remuneration and removals

<p>Decide recruitment process: Decide who does board member recruitment, the scope of the process, and the skills required for the board.</p>	<p>Consult colleagues: Consult ministerial colleagues via the Cabinet Appointments and Honours Committee (APH).</p>	<p>Set remuneration: Set remuneration for board members of Crown agents and ACEs. The Remuneration Authority sets the fees for ICEs.</p>	<p>Appoint: Following referral to APH, make board appointments for Crown agents and ACEs. Recommend ICE board appointments to the Governor-General.</p>	<p>Send appointment letters: Send a clear, concise appointment letter stating what is wanted from each appointee.</p>	<p>Expect induction: Expect an agency and monitoring department induction for new appointees to occur, and consider attending and participating.</p>	<p>Expect self review: May set an expectation that board undertake an annual self-review and periodic independent evaluation and raise findings with the minister.</p>	<p>Reappoint: Must either reappoint or not reappoint serving board members.</p>	<p>Remove members: May remove board members for Crown agents and ACEs and recommend removals for ICEs to the Governor-General.</p>	<p>Court order: May get a court order requiring or restraining board or member in relation to Crown Entities Act or entity's enabling Act.</p>
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Your role in setting entity strategic direction and annual performance requirements

<p>Set expectations: Engage regularly with the chair/board on expectations for entity performance. You should expect the chair and monitor to achieve a constructive relationship.</p>	<p>Participate in or amend SOI: May comment on an entity's draft SOI and may require amendments to some parts of the final SOI.</p>	<p>Require SOI: May require a new statement of intent (SOI) at any time. An SOI may last up to 3 years, and must cover 4 years.</p>	<p>Extend or waive SOI: In certain circumstances, may grant an extension of time, or waive, the requirement for an entity to provide an SOI.</p>	<p>Participate in or amend SPE: May comment on a draft annual Statement of Performance Expectations (SPE), and may require amendments to a final SPE, excluding the forecast financial statements.</p>	<p>Adjust funding: May, subject to Cabinet consideration, adjust funding provided for the entity by the Crown (e.g. via appropriations, fees, levies, grants etc).</p>	<p>Agree reporting: Agree to interim reporting requirements with the board to ensure useful performance information is provided.</p>	<p>Give policy direction: May give a direction on government policy relating to an entity's functions and objectives. Crown agents must give effect to the direction. ACEs must have regard to the direction.</p>	<p>Policy direction (ICE): May only give a policy direction to an ICE if specifically provided for in an Act.</p>
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Your role in monitoring entity strategic direction and results

<p>Choose a monitor: When establishing an entity, choose a monitor or change through Cabinet agreement. (The role of a monitor is in the Crown Entities Act and is usually undertaken by a monitoring department.)</p>	<p>Engage with board and monitor: Engage regularly with the chair/board and receive analysis and advice from the monitor.</p>	<p>Request information: Request information on the entity's operations and performance at any time. May delegate the power to request information to the monitoring department. (Consequently, may wish to ensure the board understands its responsibility to provide clear and useful performance information.)</p>	<p>Review performance: May review a Crown entity's performance and operations at any time (s.132).</p>	<p>Central agency requests: May ask central agencies to undertake some work, via the central agency ministers.</p>	<p>Public Service Commissioner actions: May ask the Public Service Commissioner to act on a range of issues, under the Public Service Act, including integrity.</p>	<p>"No surprises": Have a "no surprises" policy in place with the entity.</p>
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Must: A legal requirement that needs to happen for the system to work

Should: An expectation that should happen to make the system work

May: A choice

Good practice convention

Lever in legislation (usually in Crown Entities Act; a few are in Public Finance Act and Public Service Act)

Ministers of Finance and for the Public Service

May set enduring expectations for all entities, the latest of which are available here: [Enduring Letter of Expectations – to Statutory Crown Entities | Te Kawa Mataaho Public Service Commission.](#)

May direct a category or group of 3 or more Crown entities to comply with a direction that supports a whole of government approach.

Must assist you to carry out your role and should form a positive standalone relationship with the chair and, via the chair, with senior management.

May administer appropriations, administer the entity’s establishing legislation, tender advice to you and any other functions, duties or powers in legislation.

Your monitor

Should invest in the monitoring function and help to improve the coordination of Crown entities within your portfolio.

Should provide advice on the appropriateness of entity strategic plans, including entity performance targets and measures.

Should provide on-going briefings that identify emerging and longer-term governance, capability and performance issues and risks.

Minister of Finance and you

May jointly approve the acquisition of securities, borrowing, guarantees, indemnities, and derivatives.

The Minister of Finance may require an entity to pay the Crown the whole or part of a net surplus. Before this happens the Minister of Finance must consult you, and you must consult the entity.

Minister for the Public Service and you

May request information from a group (at least 3) entities only for assessing the capability and performance of the public sector.

The Public Service Commission

The board must obtain the consent of the Public Service Commissioner on chief executive terms and conditions on which the Commissioner must provide advice and guidance.

The Public Service Commissioner may set minimum standards of integrity and conduct and issue guidance.

The Public Service Commission provides advice on the structures of government and how they work.

The Public Service Commissioner may draft government workforce policy for approval by the Minister for the Public Service with different applications to Crown agents, ACEs and ICES.

Minister of Finance Reporting and Financial Powers

May exempt certain outputs from some entity reporting requirements.

May require a Crown entity subsidiary and some multi-parent subsidiaries to publicly report on some aspects of their performance.

May exempt a multi-parent subsidiary whose investors include a TEI or School Board of Trustees from publicly reporting on some aspects of its performance.

May issue instructions that prescribe minimum requirements of information an entity or entities must publish.

May issue instructions that prescribe the non-financial reporting standards for an entity or entities.

May approve the use of bank accounts that don’t meet the credit rating test.

May approve a bank account being held outside of New Zealand.

May approve an entity holding money other than in New Zealand dollars.

May require an entity to pay a capital charge to the Crown.

