



23 May 2023

To Chairs of Public Sector Agencies

Board members standing for Parliament

As is usual practice in an election year, the Government has considered its expectations of Board members who may be standing for Parliament in 2023. Continuing the practice of previous governments, Ministers have reaffirmed their expectation that board members of Public sector agencies will avoid conflicts of interest that may arise from their candidacy for election to Parliament.

Ministers have asked that these expectations be communicated to you.

Ministers' expectations of board members

Ministers' expectations are based on the principle that trust and confidence in the public sector must be maintained, while ensuring that individuals' rights to participate in the democratic process are respected. Ministers' expectations are as follows:

- Ministers expect board members to avoid potential, perceived or actual conflicts of interest, including conflicts that may arise from their candidacy for election to Parliament.
- In general, Ministers expect board members who have declared their intention to stand as candidates to stand down from their board positions with effect from Nomination Day, or such earlier date as may be determined.
- For clarity, 'stand down' means that the board member does not exercise the duties of office for the specified period of time and receives no remuneration for that period.
- Ministers recognised that given the large number, range, and disparate functions of the boards to which these expectations are being conveyed, some situations will need to be considered on a case-by-case basis. If an individual board member considers these expectations do not apply because their candidacy would have no adverse effect on trust and confidence in the public sector, they should discuss the situation with you and the monitoring department. In the event that you, as chair, wish to stand, you should discuss the matter with the board, monitoring department and your Minister.

Ministers also noted that, in general, most board members are expected to resign their positions upon being elected to Parliament. The Crown Entities Act 2004 addresses explicitly the situation for certain board members:

- Members of Parliament are disqualified from being board members of crown entity companies (s 89, Crown Entities (CE) Act).
- Appointed board members of statutory Crown entities (Crown agents, autonomous Crown entities, and independent Crown entities) immediately cease to hold office upon becoming Members of Parliament (section 45, Crown Entities Act).
- Elected members of statutory Crown entities may retain their board positions while concurrently serving as Members of Parliament (section 30(3), Crown Entities Act).

Conflict of interest post-election

If a board member stands down from his or her position, but is unsuccessful in being elected to Parliament, he or she is not prevented, post-election, from resuming duties relating to the position. However, conflicts of interest could continue post-election (e.g. if the board member remains high up a party list and thereby could become a Member of Parliament if a vacancy occurs, or if the board member's activities during the election campaign were such that his or her continued presence on the board constitutes a real or perceived conflict of interest). Board members and their chairs should be prepared to deal with such situations on a case-by-case basis.

General Election Guidance for the Public sector

Te Kawa Mataaho Public Service Commission has issued [General Election Guidance](#) which sets out some common principles and obligations that apply to those working across the public sector. Page five sets out the agencies the guidance applies to under the Public Service Commissioner's guidance mandate.¹ For agencies the guidance applies to please ensure the guidance is circulated to staff. For agencies that do not come within this mandate the guidance can still be a helpful resource for staff who are interested in knowing more about political neutrality.

The Guidance covers public sector staff standing for Parliament. While this is an employment matter and therefore ordinarily the responsibility of your entity's chief executive, I draw your attention to these provisions which describe requirements under the Electoral Act 1993 that are placed on some public servants if they are standing for Parliament.

Subsidiary companies

Ministers' expectations also apply to Board members of subsidiary companies. If your agency is the parent entity to any subsidiary companies, please alert them, as appropriate, to the contents of this letter and reinforce Ministers' expectations with those agencies.

Further clarification

If you have any questions about Ministers' expectations, please consult the office of your responsible Minister or monitoring department. If you have any other Election related queries you are also welcome to contact Te Kawa Mataaho at election@publicservice.govt.nz or phone (04) 495 6600.

Yours sincerely



Peter Hughes (he/him)

Te Tumu Whakarae mō Te Kawa Mataaho
Public Service Commissioner | Head of Service

¹ Some agencies receiving this letter do not come within the Public Service Commissioner's guidance mandate including, Crown Research Institutes and their subsidiaries, Public Finance Act 1989 Schedule 4 organisations, State-owned enterprises, and Tertiary education institutions.