



# Cabinet

## Minute of Decision

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### State Sector and Crown Entities Reform Bill: Approval for Introduction

**Portfolio**                      **State Services**

On 12 February 2018, following reference from the Cabinet Legislation Committee (CBC), Cabinet:

- 1        **noted** that on 20 December 2017, CBC, having been authorised by Cabinet to have Power to Act [CBC-17-MIN-0565] agreed, subject to the report-back to the relevant Cabinet committee for final confirmation of policy, that:
  - 1.1        the Crown Entities Act 2004 be amended to:
    - 1.1.1        require the boards of Crown agents, autonomous Crown entities and independent Crown entities to obtain the State Services Commissioner's written consent to the terms and conditions of employment for a chief executive;
    - 1.1.2        insert provisions to the effect that future appointments of chief executives of Crown agents, autonomous Crown entities and independent Crown entities may be for a term of not more than 5 years, including eligibility for reappointment from time to time;
  - 1.2        the State Sector Act 1988 be amended to:
    - 1.2.1        provide explicitly for the State Services Commissioner to set standards of integrity and conduct by issuing a code of conduct that applies to Crown entity board members collectively and individually;
    - 1.2.2        bring the Commissioner's investigatory powers under the ambit of the Inquiries Act 2013, including consequential amendments to the State Sector Act to the effect that:
      - 1.2.2.1        there is greater consistency in the manner in which inquiries and investigations are conducted across government;
      - 1.2.2.2        there is a consistent approach to the Commissioner's investigatory and inquiry powers, when dealing with agencies in the State services outside the public service;
- 2        **confirmed** the final policy to be implemented by the State Sector and Crown Entities Reform Bill, as detailed in paragraph 1 above;

- 3 **noted** that a bid has been submitted for the 2018 Legislation Programme proposing a category 2 priority for the State Sector and Crown Entities Reform Bill (must be passed in the year);
- 4 **noted** that the Bill provides for greater integrity and accountability in the management of the State services by providing for strengthened and more consistent regulation of the conduct and remuneration of employees at the most senior level and a more consistent approach to the State Services Commissioner's investigatory and inquiry powers when dealing with agencies in the State services outside the public service;
- 5 **approved** the State Sector and Crown Entities Reform Bill [PCO 20910/2.7] for introduction, subject to the final approval of government caucuses and sufficient support in the House of Representatives;
- 6 **agreed** that the Bill be introduced on 12 February 2018;
- 7 **agreed** that the government propose that the Bill be:
- 7.1 referred to the Governance and Administration Committee for consideration;
- 7.2 enacted by 27 September 2018.

Michael Webster  
Secretary of the Cabinet

*Secretary's Note: This minute replaces LEG-18-MIN-0008. Cabinet agreed to the recommendation from LEG to confirm the policies included in the Bill (paragraph 2).*

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**Hard-copy distribution:**  
Prime Minister  
Deputy Prime Minister  
Minister of State Services