



30 June 2020

To Chairs of State 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 2020. Continuing the practice of previous governments, Ministers have reaffirmed their expectation that board members of State 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, and that this opportunity be taken to remind you of issues relating to State sector employees standing for election to Parliament.

Ministers' expectations of board members

Ministers' expectations are based on the principle that trust and confidence in the State 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, 21 August 2020, 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 very 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 his or her candidacy would have no adverse effect on trust and confidence in the State sector, he or she should discuss the situation with you and the monitoring department.

Ministers 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 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).

General Election Guidance for the State Services

Your board and staff members may also find it useful to refer to SSC's General Election Guidance <https://ssc.govt.nz/our-work/parliamentary-election-2020/> which sets out some common principles and obligations that apply to those working across the State sector.

The Guidance covers State servants 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 State 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 election-related matters, please consult with your monitoring department. If you have any questions about SSC's General Election Guidance, please contact election@ssc.govt.nz.

Yours sincerely



Peter Hughes
State Services Commissioner