



Title:	Enduring Letter of Expectations for Statutory Crown Entities		
Report No:	2024-0122		
Date:	18 April 2024	Security Level:	IN CONFIDENCE
Minister and Portfolio:	Hon Nicola Willis, Minister for the Public Service		

Purpose To provide you with talking points to update Cabinet Business Committee on the issuing of a new Enduring Letter of Expectations for statutory Crown entities.

Date of Cabinet meeting 22 April 2024

- In my capacity as Minister for the Public Service and of Finance, I am about to issue an Enduring Letter of Expectations (ELOE) to all statutory Crown entity boards (Crown agents, autonomous Crown entities and independent Crown entities).
- Statutory Crown entities are collectively responsible for:
 - delivering a significant number of public facing services that New Zealanders rely on
 - a significant proportion of total government expenditure
 - the management of approximately two thirds of the Crown's physical assets
 - over half the workforce employed in the public sector.
- We want Crown entities to focus on delivering better results and improved public services for New Zealanders, while managing within tight fiscal constraints.

Talking points

- In general, at a change of Government – the Ministers for the Public Service and Finance issue an Enduring Letter of Expectations (ELOE) to statutory Crown entity boards. Although not required under the Crown Entities Act, the ELOE is a useful lever for the Government to signal its long-term expectations and priorities of all statutory Crown entities.
- My letter aims to complement your own Crown entity-specific letters of expectation by focusing Crown entity boards on our priorities for the delivery of public services that include:
 - driving **greater value** from funds and using **reprioritisation to deliver better results**
 - understanding their **cost drivers and performance against key outcomes**, and be able to clearly account for these
 - continuous improvement incorporating **strong evidence and evaluation** practices and seeking to improve the efficiency and responsiveness of their services

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- to be clear about their **accountability for entity performance** – to expect greater scrutiny of all Crown funding and not expect the Budget to fund cost pressures
 - **maintaining trust and confidence** – give effect to the Code of Conduct for Crown Entity Board Members, including upholding the principle of political neutrality.
- I encourage you to ask your board chairs and monitoring department to ensure these expectations are factored into the planning and service delivery of Crown entities in your portfolios.
 - The Public Service Commission will also be engaging with monitoring departments to ensure these expectations are well understood and factored into their engagement with, and monitoring of, Crown entities.

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