



Dear Board Chairs of Statutory Crown Entities

## Enduring Letter of Expectations

This letter replaces the previous enduring letter of expectations that was published on 26 July 2012. It sets out our expectations of all statutory Crown entities. This letter should be considered within the context of the Crown Entities Act and other relevant legislation.

### A unified value-based government for all New Zealanders

You and your board members are in your roles, not only because of your passion for the entity you lead and collectively govern, but because all New Zealanders need your help, your ideas and your enthusiasm.

Your Board is the steward of the Crown's ownership interest and the primary monitor of the entity's performance. We expect you to regularly and transparently report on entity performance, risks and opportunities to your Minister. In doing so, we expect you to have a constructive working relationship with your monitoring department.

We expect the way your Board goes about its work is grounded in acting in a spirit of service to everyone in our community and with integrity and care. This means you are open and transparent, managing the public's money and assets wisely and doing the right thing in all circumstances including managing conflicts.

As State sector employers we expect you to work with your agency's chief executive and management team to:

- ensure your workplaces are safe;
- ensure your workplaces are diverse and inclusive;
- make substantive progress to close any ethnic or gender pay gaps and narrow the gap between the highest and lowest earners in the workplace; and
- ensure that employees have a voice in their workplace, including through effective and productive relationships with any relevant unions.

We also expect you will continue to take account of the Government's Expectations on Employment Relations in the State Sector.

As a general rule, you should inform your Minister promptly of matters of significance within his or her portfolio responsibilities, particularly where these matters may be controversial or may become the subject of public debate.

### Supporting future-focussed Māori Crown relations

We expect your entities to embody the Government's good-faith and collaborative approach to Māori Crown relationships by:

- engaging appropriately and often with Māori on relevant issues;

- pursuing further opportunities for partnership with Māori entities and businesses;
- building staff Māori cultural capability including knowledge of tikanga Māori, te ao Māori, New Zealand history and how to address institutional racism;
- improving the Treaty-consistency of policy and practices (for example, considering where whanau-centred policies can be used); and
- supporting the Maihi Karauna by promoting and supporting the revitalisation of te reo Māori.

### **Contributing to improving wellbeing**

New Zealand needs a high performing public sector that is strongly focussed on improving current and future wellbeing. Although there are many definitions of wellbeing, we see it as people having the capabilities to live lives of purpose, balance and meaning to them.

Our desire is to embed a wellbeing approach across the public sector. All public sector agencies contribute to achieving our wellbeing vision in some way. We have identified three elements of a wellbeing approach that you should consider as you look at your direction and contribution and to be reflected in your external reporting. The three elements are:

- Taking a whole of government approach – stepping out of the silos of agencies and working seamlessly together to assess, develop and implement plans to improve wellbeing.
- Looking at intergenerational outcomes – focussing on meeting the needs of present generations at the same time as thinking about the long-term impacts on future generations.
- Moving beyond narrow measures of success and considering impacts, both positive and negative, across a broader set of areas.

A specific example is the recognition that the current and future wellbeing of New Zealanders is reliant on a stable climate and living within ecological limits. We expect the State sector to lead by example by taking active steps to reduce greenhouse gas emissions, improve energy efficiency and reduce waste outputs.

As Crown entities your performance plays a critical role in supporting and improving the wellbeing of New Zealand through what you deliver and in how you work to deliver it.

### **Public Service Reform**

We are in the process of modernising the public service, including reviewing the public finance system to achieve our wellbeing objectives. You will hear more on these reforms as they progress and have the opportunity to engage on their implementation. Our plan is to review this letter following the passage of the new Public Service legislation.

Yours sincerely



Hon Grant Robertson  
**Minister of Finance**



Hon Chris Hipkins  
**Minister of State Services**