Monitoring arrangements for transport sector Crown entities

Governance and Accountability Team,
Ministry of Transport

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Ministry of Transport
TE MANATŪ WAKA

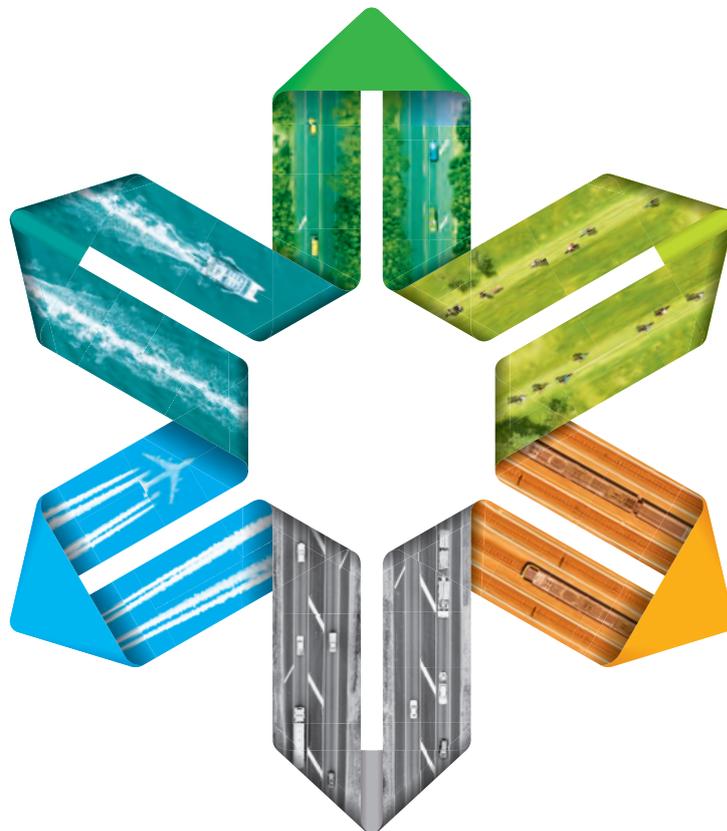Ensuring our transport system
helps New Zealand thrive

Ensuring our transport system helps New Zealand thrive

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Introduction

This document provides information for transport sector Crown entities on how the Ministry of Transport (the Ministry) monitors their performance. In particular, it covers the work of the Governance and Accountability team. It reflects guidance developed by The Treasury, the State Services Commission and other monitoring departments.

The transport sector Crown entities are:

- ▶ Civil Aviation Authority (CAA)
- ▶ Maritime New Zealand (MNZ)
- ▶ New Zealand Transport Agency (NZTA)
- ▶ Transport Accident Investigation Commission (TAIC)

The Crown entity boards govern the entity and are responsible for setting their strategic and performance objectives. The board must ensure that the entity acts in a manner consistent with its statutory obligations and Ministerial expectations.

Monitoring is important as the Crown entities are owned by the public and deliver key services, in some cases involving the investment of significant amounts of public money. There is a very clear expectation that the entities will operate efficiently and effectively.

This guide reflects the working arrangements between the Ministry and the Minister of Transport and the Associate Minister of Transport (where one is appointed). These arrangements may change or evolve over time and the Ministry will amend and update this guide as necessary.

Roles and responsibilities

ROLE OF MINISTERS

The role of the responsible Minister is defined in section 27 of the Crown Entities Act 2004. The role includes appointing board members, participating in setting strategic direction and performance expectations, and monitoring and reviewing performance.

The Minister of Transport often delegates some responsibilities to an Associate Minister of Transport, if the Prime Minister of the day has chosen to appoint one.

Ministers are accountable to the public for the performance of an entity. This can be through Parliamentary means (for example debates and Parliamentary questions), direct to the public through official correspondence and OIA requests etc, or through the media. This means that Ministers are often – and sometimes at short notice – called upon to respond to entity issues. That makes it important that Ministers are informed under the 'no surprises' policy.

A well performing board, with clear expectations from the responsible Minister, is fundamental for good performance from a Crown entity. If the Minister considers that an entity is not performing as expected, the Minister can choose not to reappoint a board member at the end of that member's term or can remove a board member or the entire board.

ROLE OF BOARDS

The role of the board is first and foremost to govern the entity effectively – it is accountable for overall performance.

Boards must keep Ministers informed in a timely manner of important initiatives and issues (this is known as the 'no surprises' policy). This is so that the Minister can be prepared, if called upon, to comment on issues and can brief any other Members of the Government involved. Such issues may include, for example, changes in key staff members, or decisions that might impact certain local or sector groups, such as regional office closures. The Chair can inform the Minister directly, through his/her office, or via the Ministry depending on the sensitivity and urgency of the matter.

In practice, to avoid delays in providing information under the 'no surprises' policy, the entity's chief executive or other managers often advise the Minister's office or the Ministry about potential issues.

Similarly, the entity is expected to keep the Minister informed of opportunities to make announcements about an entity's work. Such occasions could include, for example, the launch of new systems or groundbreaking ceremonies for new construction projects.

ROLE OF THE MINISTRY

The Ministry's monitoring role is defined in section 27A of the Crown Entities Act 2004. To deliver on its legislative role, the Ministry's Governance and Accountability team has developed the following vision:

We are influential trusted advisers who are critical friends supporting our entities to improve performance.
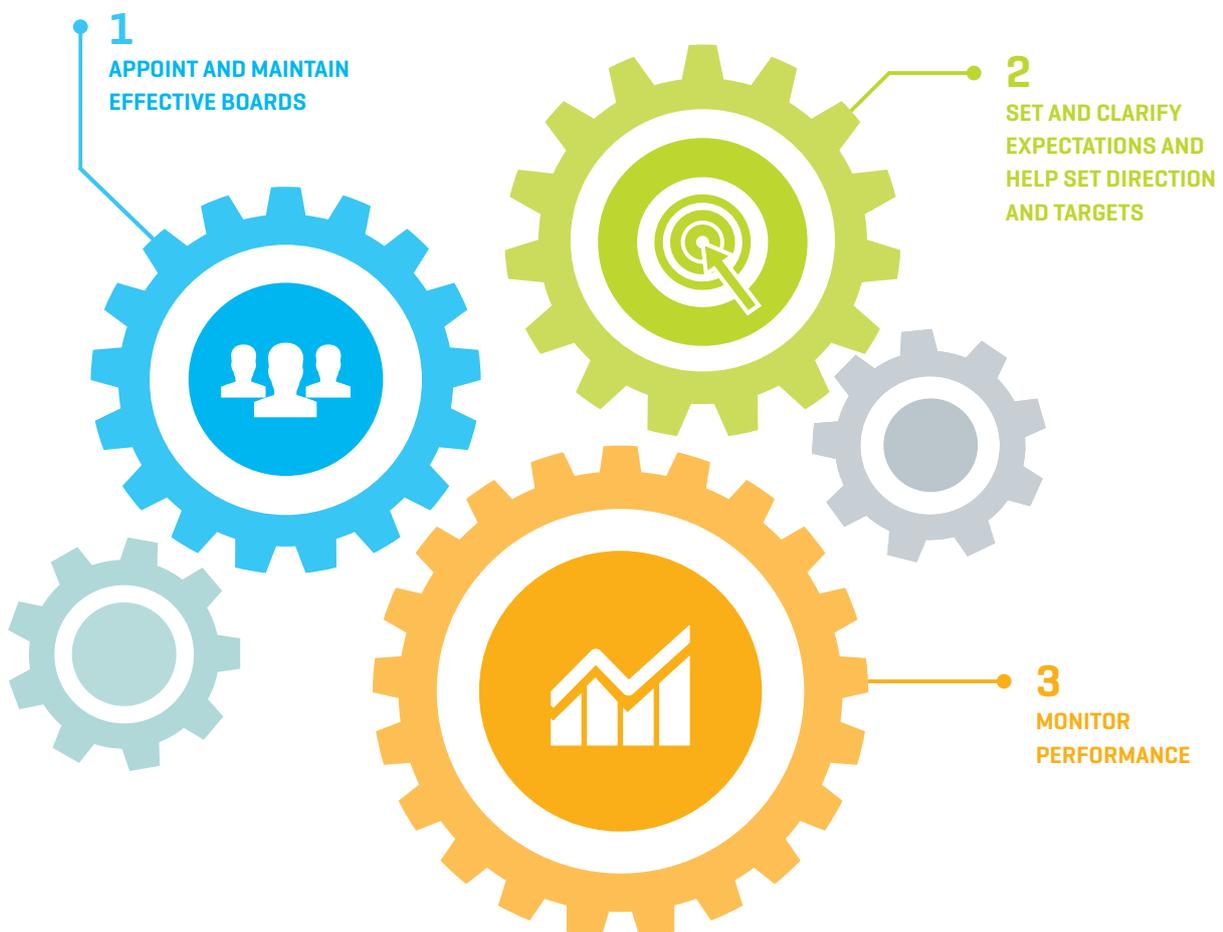
The Ministry seeks to engage with the entities as a 'critical friend' (at times acting as an adviser or sector leader) but at the same time it must not undermine the boards' direct line of accountability to the Minister, and must not prejudice its primary role as agent and trusted adviser to the Minister.

Key aspects of the monitoring role

In its monitoring role, the Ministry advises and assists the Minister with 1] appointments to each board, 2] helping to set and clarify expectations for each entity, and 3] reviewing the performance of the board and the Crown entity overall.

The next section of the guide discusses each component of how the Governance and Accountability team performs the Ministry's monitoring role. [See Annex 1 for a discussion of the roles of other government agencies].

Figure 1: Key aspects of the monitoring role

1
APPOINT AND MAINTAIN EFFECTIVE BOARDS

2
SET AND CLARIFY EXPECTATIONS AND HELP SET DIRECTION AND TARGETS

3
MONITOR PERFORMANCE
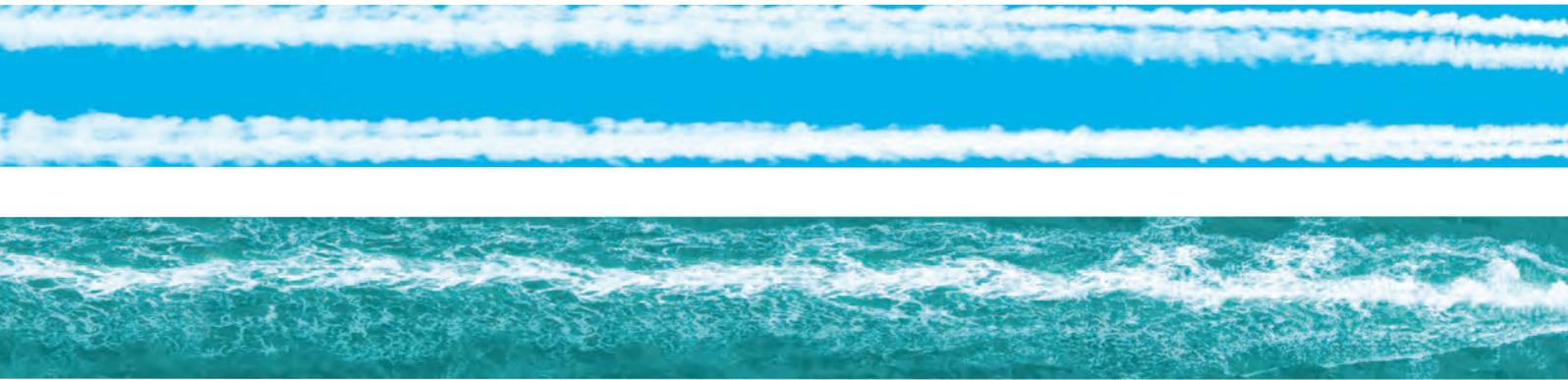
APPOINTING AND MAINTAINING EFFECTIVE BOARDS

Most Crown entities have 'boards' and 'chairs'. As an independent Crown entity (or "ICE"), TAIC is a 'Commission' and has a 'Chief Commissioner'. In this document we use the term 'board' and 'chair' to cover both.

Board members are appointed by the Minister of Transport, subject to Cabinet approval. For TAIC, Commissioners are appointed by the Governor-General, on the Minister's recommendation.

The Ministry advises the Minister on the appointment of Board members and manages the appointment process. The Ministry advises the Minister well in advance of terms expiring and recommends either:

▶ reappointment of a member whose term is coming to an end

▶ retirement and replacement with a new appointee, or

▶ allowing a member's term to continue (term extension).

The Ministry's board appointment process is outlined in Annex 2.

Board inductions

The Ministry arranges an induction process for new appointees. This session usually lasts for half a day and covers aspects such as the role and expectations of Crown entity directors, a background on the New Zealand transport sector, and the role of the Ministry in terms of both its policy and regulatory role and monitoring of Crown entities.

The entities, likewise, are expected to hold induction sessions with new board members to provide more detailed information about the Crown entity and the operations of the board.

The entities' and Ministry's induction processes are complementary and there will be liaison over their detail. This is an activity on which the entities and Ministry should, and generally do, work closely together.

Boards are expected to have in place procedures for matters such as the identification and management of conflicts, payment of board member expenses, conduct of meetings and the involvement of all members in board discussions. This guide does not discuss such matters. Guidance for boards is available in a number of the references outlined in Annex 3 (Sources of Information).

Board self-evaluation

Boards are expected to regularly evaluate their performance as a whole and that of individual members, and to advise the Minister and Ministry of the results of this assessment. This will help the Ministry when providing advice to the Minister on board reappointments. Some tools for board performance review are available from organisations such as the Institute of Directors.

Exit interviews

The Ministry conducts exit interviews with departing board members to ensure that their perspectives of the entity and the operating environment are noted.

Interaction with boards

Ministry representatives do not attend board meetings or receive meeting minutes as a matter of course. However, boards may invite Ministry representatives to meet with them if they wish, for example, if the board wishes to ask the Ministry about issues. At times, the Ministry may offer to meet with a board to discuss particular issues.

The Ministry generally holds a board forum event annually to which it invites board members from all transport sector entities. These are interactive opportunities for Ministers and Ministry representatives to discuss issues of interest across the portfolio and to hear the views of board members. These typically occur in the third quarter of the calendar year, although this will depend on ministerial availability.

SETTING AND CLARIFYING EXPECTATIONS

Clarity around expectations regarding priorities, scope, scale and performance is critical in order for boards and entities to perform. Effective communication of expectations happens through engagement between boards, Ministers and the Ministry. It is an essential part of 'business as usual'. There are also formal channels by which expectations are communicated and which form part of the annual monitoring cycle. These include:

- Letters of Expectations
- Statements of Intent
- Statements of Performance Expectations.

Letter of Expectations

The Minister of Finance and the Minister for State Services have issued an Enduring Letter of Expectations to the chairs of statutory Crown entities on behalf of the Government. This covers the generic expectations applying to all Crown entities and is available at:

http://ssc.govt.nz/expectations-letter-crown-entities-july12

In addition, the Minister of Transport expresses his/her expectations to boards each year through the annual Letter of Expectations[1]. This expression of expectations is intended to help the board as it develops its strategic plan and is a reference document that the board can consult regularly as it considers its plans and activities to ensure that they align with expectations.

The Letter of Expectations outlines the Government's priorities for the transport sector in the coming year and expectations that the entity will give effect to those priorities in the case of the CAA, the NZTA and MNZ as Crown agents. TAIC, as an independent Crown entity, would be expected to reflect the priorities in its activities in a more general sense.

The letter includes expectations specific to each entity such as the delivery of major work programmes or the need to address performance issues. These issues should already be well known to the entity and discussed in meetings with the Minister or Ministry, meaning the content of the letter should not come as a surprise. The letter may also contain expectations about providing information and working collaboratively with the Ministry and the Minister's office.

The entity's strategy and intended actions, in response to the Minister's expression of expectations, are expressed through the Statement of Intent and Statement of Performance Expectations.

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[1] Additionally, when considering expectations, the NZTA needs to respond to the Government Policy Statement on Land Transport.

STATEMENT OF INTENT (SOI)

Each entity must produce an SOI at least once every three years. The content of the SOI is set out in the Crown Entities Act 2004. The SOI outlines the entity's plans for the forthcoming year and at least the following three years.

The entity must submit its draft SOI to the Minister two months before the start of the next financial year, that is, by 1 May. Once an entity provides its draft SOI, the Ministry provides advice to the Minister on the draft SOI including any issues or areas of particular interest or concern. The Minister may provide comment to the board of the entity within 15 working days after receiving the draft SOI. It is then up to the board to consider the Minister's comments and to make any changes to the SOI before sending copies to the Minister's office for presenting in the House of Representatives. Once the SOI has been presented to the House of Representatives, the entity must publish its SOI as soon as practicable, but in any case not later than 10 working days after the Minister receives the SOI.

Under the Crown Entities Act, the Minister may formally direct the board to make changes to parts of the SOI, or to give effect to government policy. However, any concerns that the Minister may have with an SOI are usually resolved through discussion with the chair.

STATEMENT OF PERFORMANCE EXPECTATIONS (SPE)

The SPE contains the annual performance information previously included in the SOI. As a result, entities do not need to produce a new SOI each year. However, the Minister has the option of requiring a new SOI at any time. The SPE covers the entity's forecast annual financial statements and service performance information.

The content required in an SPE is laid out in the Crown Entities Act. The entity must present its draft SPE at least two months before the start of the next financial year, that is, by 1 May each year. The Ministry provides a briefing to the Minister on the SPE and the Minister may provide comment to the board of the entity within 15 working days. It is then up to the board to consider the Minister's comments and to make any changes to the SPE before sending copies to the Minister's office for presenting to the House of Representatives.

MONITORING PERFORMANCE

The Governance and Accountability team monitors the performance of the Crown entities, with a focus on the viability of the organisation (for example, financial stability and capability/resourcing) and its ability to deliver services effectively and efficiently. The team monitors performance across a continuum of assessment tools (as outlined below in Figure 2), with a focus on expectation setting, performance assessment and reviews.

Figure 2: Continuum of assessment tools

EXPECTATION SETTING	INVESTIGATIONS ENQUIRIES	AUDITS VERIFICATION	PERFORMANCE ASSESSMENT	REVIEWS

IN THE FORM OF...

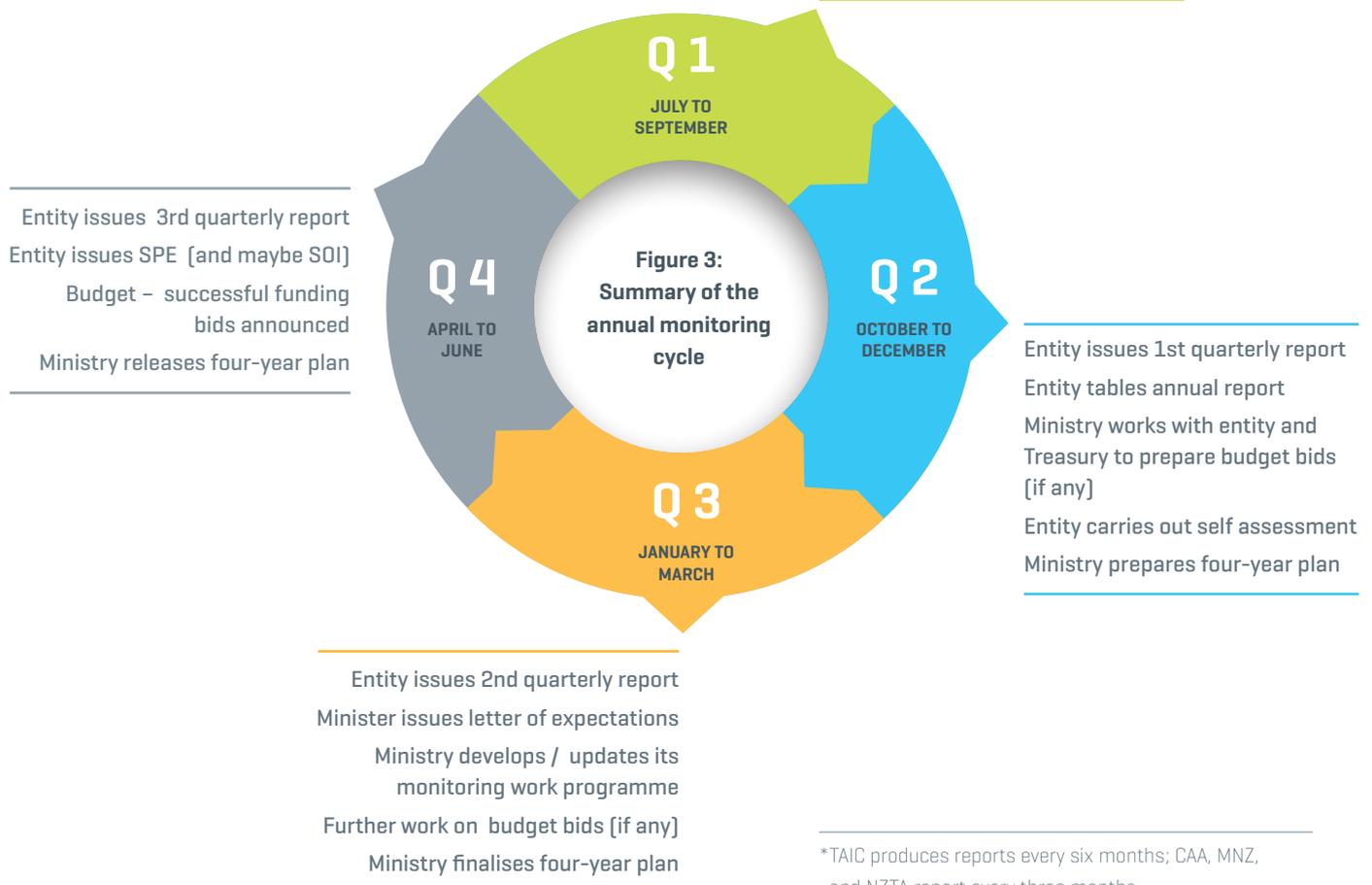| Minister's letter of expectations	Audits and investigations (often led by the Office of the Auditor-General)	Meetings with Minister	Funding reviews
Regular meetings between Minister and Chair		Formal reports	Self-assessments
		Interactions between Ministry and senior managers	Strategic reviews
			Performance Improvement Framework reviews

MONITORING CYCLE

The following diagram of the annual monitoring cycle shows the formal elements of regular performance assessment for each entity.

In addition to the above formal elements of the monitoring cycle, the Minister holds regular fortnightly or monthly meetings with the CAA, MNZ, the NZTA and TAIC. In performing its role, there are also regular meetings and other less formal interactions between the Ministry and the entities.

Entity issues 4th quarterly report*

Entity prepares annual report

Entity discusses any potential budget bids with Ministry

Ministry hosts forum for all entities

Entity issues 3rd quarterly report

Entity issues SPE (and maybe SOI)

Budget – successful funding bids announced

Ministry releases four-year plan

Q 1
JULY TO SEPTEMBER

Q 4
APRIL TO JUNE

Figure 3: Summary of the annual monitoring cycle

Q 2
OCTOBER TO DECEMBER

Q 3
JANUARY TO MARCH

Entity issues 1st quarterly report

Entity tables annual report

Ministry works with entity and Treasury to prepare budget bids (if any)

Entity carries out self assessment

Ministry prepares four-year plan

Entity issues 2nd quarterly report

Minister issues letter of expectations

Ministry develops / updates its monitoring work programme

Further work on budget bids (if any)

Ministry finalises four-year plan

*TAIC produces reports every six months; CAA, MNZ, and NZTA report every three months.

CROWN ENTITY ASSESSMENT FRAMEWORK

The Ministry has developed the following Crown Entity Assessment Framework, which is designed to provide a transparent and consistent approach to the monitoring of transport Crown entities. Figure 4 outlines the elements that the Ministry will use to form a view on entity performance and to identify issues and risks relevant to its monitoring activities.

The Ministry's approach to performance monitoring is both retrospective and prospective. It is not just about the results that an entity has already produced, but also whether the entity will remain on the right course to continue to produce the desired results. Risks to performance need to be identified as soon as possible and the board is accountable for performance including how it will address any risks.

Figure 4: Crown Entity Assessment Framework

PERFORMANCE DIMENSION	OBJECTIVES
Alignment (to legislation and government priorities) — Doing the right thing	▸ Alignment with legislated objectives and requirements ▸ Alignment with Government objectives ▸ Clarity of role and purpose
Leadership — (The Board) Being accountable and demonstrating leadership	▸ Board is well-prepared to perform ▸ Sets appropriate targets ▸ Good performance oversight ▸ Holding to account
Organisation — (The entity having the) Right capability and capacity	▸ Operational excellence ▸ Financial management ▸ Risk management ▸ Information management and reporting ▸ Best people for the job ▸ Engagement across the sector ▸ Culture
Results — (The entity) Performing to expectations	▸ Achieves results ▸ An efficient and effective regulator/operator ▸ Contributes to sector outcomes

FORMAL REPORTING

Quarterly reports	Each entity produces a quarterly report (for TAIC it is a six-monthly report, reflecting the smaller scale of its activities).
	These reports are produced for the Minister, although an entity can choose whether to make its quarterly reports public. Quarterly reports are due one month after the end of the quarter.
	The quarterly reports provide information to the Minister on progress against financial and non-financial targets, key initiatives and risks and organisational health.
	The Governance and Accountability team consults with other relevant teams in the Ministry, e.g. the policy team or safety team, and produces a briefing for the Minister. The briefing provides a summary of the performance reported by the entity and provides the Ministry's view on performance, risks, issues and any areas of concern. From 2016/17, the Governance and Accountability team intends to anchor its advice around the Crown Entity Assessment Framework dimensions outlined above to ensure advice is transparent and consistent.
	The Ministry will ask the entity to check the factual accuracy of its draft briefing. The quarterly reports may provide the basis for discussion during the next regular meeting between the entity and the Minister.
Annual report	Each entity is required to produce an annual report. Although the required content is laid out in the Crown Entities Act, entities may provide further information given that the annual report is used for wider information purposes.
	Entities provide a draft of their annual report to the Ministry in order that it can brief the Minister on its contents and consider whether any information is likely to attract particular attention when the report is published. Whilst the Ministry will consider whether anything obvious is missing from the content of the report (and alert the entity to this), responsibility for the report rests with the board of the entity.
	When the final report is available, the Ministry will provide a briefing to the Minister summarising the content of the annual report, analysing the entity's performance and highlighting any risks and issues. The Ministry will ask the entity to check the factual accuracy of its draft report. The annual report may form the basis for discussion at the next regular meeting between the entity and the Minister and/or Ministry.
	The entity must provide its final report to the Minister no later than 15 working days after receiving its audit report, which is usually in mid- to late-October. The Minister must present the report in the House of Representatives within five working days of receiving the annual report or, if the House is not sitting, as soon as possible after the next sitting commences.

FOUR-YEAR PLAN

Like other government departments, the Ministry is required to produce a four-year plan each year that provides a medium-term perspective in the context of the Ministry's long-term vision. The plan enables the Ministry's leadership team to set out where the Ministry is heading and provides the basis for the Ministry's annual business planning processes.

The four-year plan includes the Ministry's views about each transport Crown entity. The Ministry engages with each entity when developing these views and intends to use the Crown Entity Assessment Framework to inform its assessment. The four-year plan also includes information on the Ministry's appropriations and, therefore, non-departmental funding for the entities.

The four-year plan is finalised by the Ministry after each year's Budget in May.

Relationships

REGULAR MEETINGS WITH MINISTERS

Ministers meet regularly with Crown entities' Chairs, Chief Executives and senior managers as appropriate. Ministry representatives attend these meetings. The meetings provide an opportunity to discuss performance, issues and major initiatives.

Entities provide an agenda to the Minister's office for each meeting, copied to the Ministry.

The Ministry provides an *aide memoire* for each meeting. In preparing its *aide memoires*, the Ministry commits to checking facts with the entity but there is no expectation that the Ministry will share its entire *aide memoire* with the entity. This is to maintain the Ministry's ability to provide free and frank advice to the Minister.

REGULAR MEETINGS WITH THE MINISTRY

Ministry officials meet regularly with Crown entities' Chairs, Chief Executives and senior managers as appropriate. The frequency and attendees of these meetings depend on the entity and the nature of issues that need to be discussed. The meetings are an opportunity to review progress between regular quarterly (six-monthly for TAIC) reports, to discuss any risks or issues and to catch up on other activities such as funding reviews or budget bids.

A good flow of additional information is required between entities, the Ministry and Ministers to enable performance assessment. This requires a positive and constructive two-way relationship between the entity and the Ministry. Mutual trust, respect and co-operation are fundamental to this relationship. The entity should be comfortable sharing its information with the Ministry and knowing that it will be interpreted and used appropriately. At the same time, the Ministry should be open and honest in terms of its view of each entity's performance.

The Ministry's primary relationship is with the board of each entity because the board is appointed by the Minister and is accountable to the Minister for entity performance. Boards delegate day-to-day responsibility for their entities' activities to chief executives who in turn appoint managers and staff. The Ministry will have a secondary relationship with such chief executives, managers and staff.

Entities may wish to provide their Ministry Governance Adviser with opportunities to learn about their activities and the sectors in which they work. This could include, for example, invitations to attend stakeholder sessions or conferences hosted by the entity or visits to, for example, ports, road construction sites, etc.
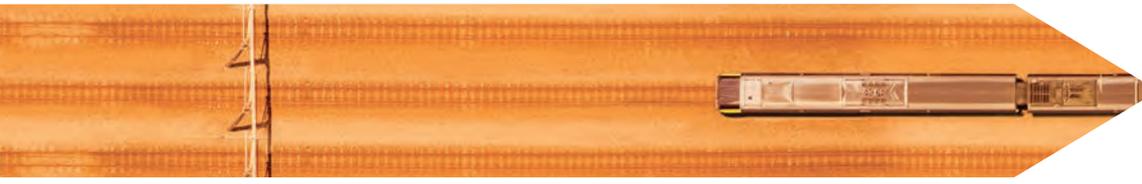
Funding reviews

Some entities are subject to regular reviews of their fees and levies (at three- to five-yearly intervals) to ensure that they remain current and appropriate. This is done under the Transport Sector Funding Review Programme. The involvement of the Ministry in general in such reviews could be to assess only, assist, or carry out a review. The Governance and Accountability team has additional interest in the impact that any changes in revenue resulting from a review may have on an entity's resourcing and financial position.

Usually with such reviews the entity will prepare a consultation document outlining future funding proposals (for example, changes in fees or levy funding from the relevant part of the transport sector). The Ministry will provide feedback as the entity prepares this document. The Ministry will prepare a briefing for the Minister and a Cabinet paper seeking approval for the entity's release of the consultation document. Following consultation and finalisation of proposals, the Ministry will prepare a briefing for the Minister and a Cabinet paper on the results of the consultation and any recommended changes to fee and levy regulations.

Role of other government agencies

Some other government agencies also have an interest in the performance of the Crown entities.

▶ **The Treasury** manages the process through which Crown funding is provided to the entities. The Ministry works with the Treasury to prepare budget bids for funding for new initiatives, and the Treasury provides advice to the Minister of Finance on these bids. Treasury is also responsible for preparing the Budget documents, four-year plans, baseline updates and the Estimates.

▶ The **State Services Commission** (SSC) is interested in the performance of Crown entities in general and, in particular, in the ability of the Ministry to monitor its Crown entities and to provide sound advice to Ministers. The SSC is responsible for the fees framework that establishes the amounts paid to board members.

▶ The **Department of the Prime Minister and Cabinet** (DPMC) keeps a watching brief on most issues and will want to be briefed when the Prime Minister may need advice on particular issues.

▶ The **Office of the Controller and Auditor-General** (OAG) is responsible for auditing Crown entities and is concerned that Crown entities are effective and efficient. The OAG can also carry out performance audits and independent inquiries.

▶ Departments such as the Ministry for Women and Te Puni Kōkiri are asked to nominate candidates for board vacancies. They are concerned to ensure that women and Maori are considered for board positions.

▶ The Ministry often consults other departments when issues may impact on other portfolios. For example, the Ministry for the Environment for issues relating to oil spills and the Ministry of Business, Innovation and Employment for issues relating to health and safety.

The roles of the various agencies are summarised in the diagram below.
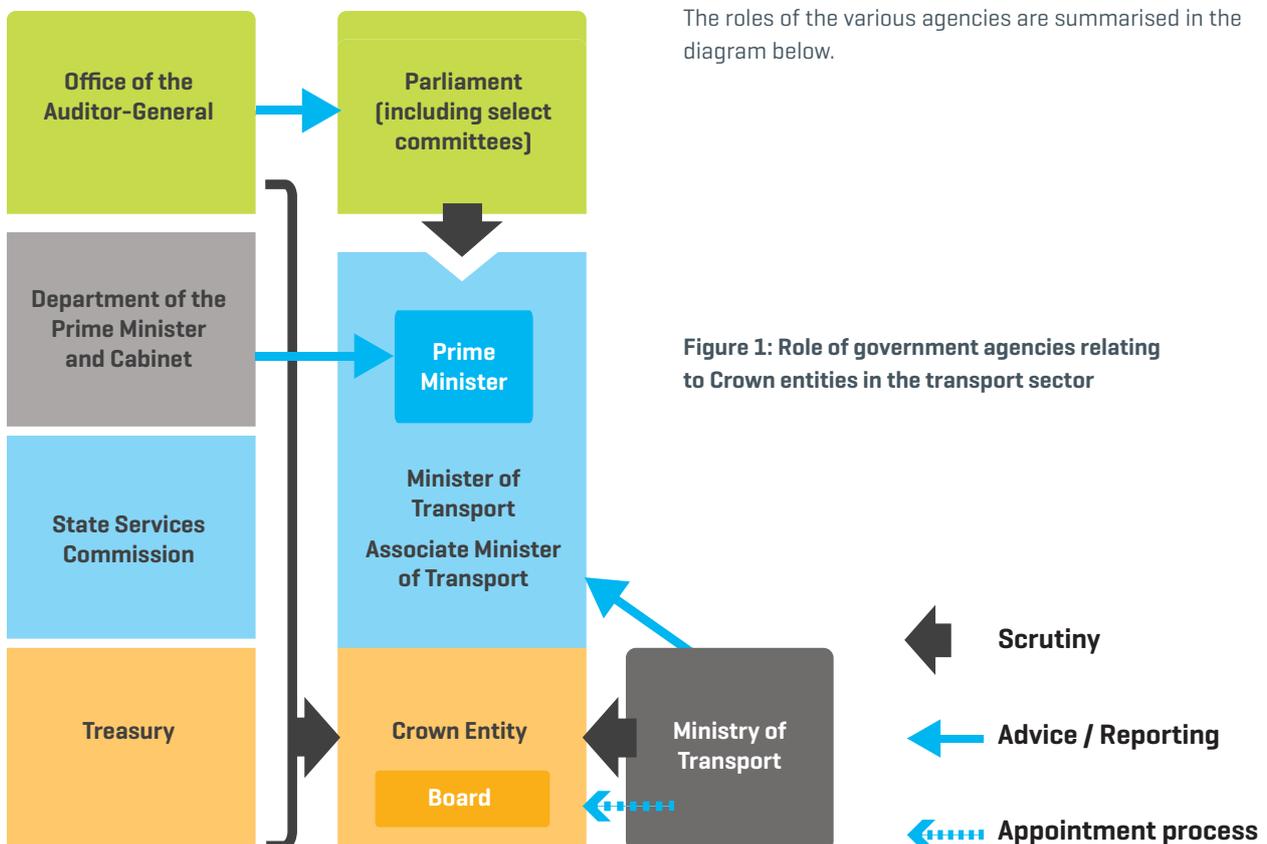

Figure 1: Role of government agencies relating to Crown entities in the transport sector

Ministry of Transport Appointment Process

New appointments

For new appointments, the process is as follows.

1. The Ministry works with the chair to identify skills required of new members and advises the Minister accordingly. The Minister gives approval to commence the appointment process.

2. The Minister calls for nominations from his/her Caucus colleagues and any government support parties. The Ministry calls for nominations from agencies such as the Ministry for Women, the Treasury, Te Puni Kōkiri and from the board itself. The Ministry places advertisements in places such as on its website, www.jobs.govt.nz, and through the Institute of Directors and the Ministry may also approach potential candidates directly. Current Board members can also propose candidates. The Ministry also contacts sector representatives calling for nominees.

3. Candidates can nominate themselves or they can be nominated by other people or organisations.

4. The Ministry receives CVs and develops a long list, in consultation with the chair (except where a chair is retiring and a new chair is being sought). The Ministry consults with the Minister and develops a short-list. Short-listed candidates are interviewed by Ministry representatives and the chair. The Ministry carries out background and referee checks, including checking for any potential conflicts of interest, and makes a recommendation to the Minister.

5. The Ministry prepares a paper for the Minister to take through the Appointments and Honours Committee (APH) and then through Cabinet for approval. The reappointment process also requires a paper to APH.

6. The Ministry contacts the successful nominee, completes required paperwork, and advises the chair and entity's CEO. The Ministry advises unsuccessful candidates.

7. Board remuneration is set by the Cabinet approved 'Fees Framework', not by the Ministry (for TAIC, remuneration is set by the Remuneration Authority). Entities pay board remuneration from their own budgets.

The Minister appoints the chair and, where appropriate, a deputy chair.

Reappointments

Board members may be reappointed. However, it is rare for a member to serve more than two terms. Whether an existing member is reappointed depends on many factors, for example, the required skills for the board (which may change depending on issues faced by the entity and the entity's performance), the member's contribution and how long he/she has been on the board. Even though a board member is making a highly positive contribution, there is often a desire to free up positions for other potential directors in the Crown sector or to use the opportunity of a term expiry to achieve diversity of skills and backgrounds on a board.

The process for reappointment is similar to the appointment process, that is, consultation with support parties and Caucus colleagues, paper through APH and Cabinet, etc.

If a member is reappointed, his/her term may not necessarily be for the full three or five years as consideration may need to be given to staggering expiry dates. This is to avoid potential future situations where the terms of multiple members may end at the same time as this could risk significant loss of experience and institutional knowledge.

Term extensions

Board members are appointed with a fixed term end date. However, once they reach the end of their term they automatically continue in the role, in line with the Crown Entities Act, unless they are formally reappointed or the Minister advises them that their term has come to an end. No formal action or approval is required. We refer to these situations as 'term extensions'.

Keeping a member in place may be appropriate while the process continues for new appointments and new appointees are not yet in place.

Sources of information and useful documents

CROWN ENTITIES IN THE TRANSPORT SECTOR

Civil Aviation Authority	www.caa.govt.nz
Maritime New Zealand	www.maritimenz.govt.nz
New Zealand Transport Agency	www.nzta.govt.nz
Transport Accident Investigation Commission	www.taic.org.nz

FOR OR ABOUT BOARDS

Cabinet Office	Appointments process and appointments papers *http://cabguide.cabinetoffice.govt.nz/appointments-process-appointments-papers*
Department of the Prime Minister and Cabinet	Appointment of public servants to statutory boards *www.dpmc.govt.nz/cabinet/circulars/co02/5*
Institute of Directors	Director vacancies *www.iod.org.nz/Membership/Looking-for-board-appointments/DirectorVacancies* Four Pillars of Governance Best Practice *https://www.iod.org.nz/FourPillars* Tools for board performance review *www.iod.org.nz/Services-for-boards/BetterBoards*
Ministry for Culture and Heritage	Crown Entities Act 2004: An overview for Board members *www.mch.govt.nz/sites/default/files/Crown-Entities-Act-2004-Overview.pdf* Governance e-manual *www.mch.govt.nz/research-publications/our-research-reports/governance-e-manual/governance-e-manual*
Ministry of Business, Innovation and Employment	CRI toolkit (useful information for CRI directors, some of which has more general application) *www.mbie.govt.nz/info-services/science-innovation/research-organisations/crown-research-institutes/cri-toolkit*
Remuneration Authority	Fees for TAIC *http://remauthority.govt.nz/clients-remuneration/independent-officers-and-boards/*

State Services Commission	Fees framework (for Crown agents)
	www.ssc.govt.nz/sites/all/files/CO_(09)5(2).pdf
	Board appointment and induction guidelines
	www.ssc.govt.nz/board-appointment-guidelines
	Information for new members of Crown entity boards
	www.ssc.govt.nz/sites/all/files/induction-module1-updated-june09.ppt
	Resource for preparation of governance manuals
	www.ssc.govt.nz/sites/all/files/Guidance-Statutory-Crown-Entities-Governance-Manuals-March2014_0.pdf
The Treasury	Board Appointments, Induction and Professional Development
	http://www.treasury.govt.nz/statesector/boardappointments/induction

OTHER MONITORING GUIDES AND INFORMATION

Crown Entities Act 2004 and other Governing Legislation	Available at www.legislation.govt.nz
Enduring Letter of Expectations	http://ssc.govt.nz/expectations-letter-crown-entities-july12
Monitoring and Governance Network	https://psi.govt.nz/home/communities/magnet/
Office of the Auditor-General	How government departments monitor Crown entities
	www.oag.govt.nz/2009/crown-entities/docs/crown-entities.pdf
State Services Commission	It takes three: Operating Expectations Framework June 2014
	www.ssc.govt.nz/it-takes-three-operating-expectations-framework
	Statutory Crown Entities: A Guide for Departments
	www.ssc.govt.nz/sites/all/files/stat-crown-entities-guide-for-departments.pdf
The Treasury	Guidance on the Monitoring of State-Owned Enterprises, June 2011
	http://www.treasury.govt.nz/statesector/commercial/guidance/msoe-combined.pdf
	Owner's Expectations Manual, July 2012
	www.treasury.govt.nz/statesector/commercial/guidance/owners-expectations-manual/comu-oem12.pdf

Reporting and legislative framework

Entity	CAA, Maritime NZ, NZTA
	Crown agents (Part 1, Schedule 1, CE Act)
	TAIC
	Independent Crown Entity (Part 3, Schedule 1, CE Act)
Governing legislation	Civil Aviation Act 1990 (CA Act)
	Maritime Transport Act 1994 (MTA)
	Maritime Security Act 2004 (MSA)
	Ship Registration Act 1992 (SRA)
	Land Transport Management Act 2003 (LTM Act)
	Transport Accident Investigation Commission Act 1990 (TAIC Act)
	Crown Entities Act 2004 (CE Act)
	Health and Safety at Work Act 2015 (HSW Act)
Objective and functions	For CAA: s72AA (objective) and s72B (functions) of the CA Act
	For Maritime NZ: s430 (objective) and s431 (functions) of the MTA
	For NZTA: s94 (objective) and s95 (functions) of LTM Act
	For TAIC: s4 (purpose) and s8 (functions) of TAIC Act
Role of the board	s25 CE Act
Members duties	s26 CE Act
Responsible Minister	Minister of Transport
Responsible Minister's role and responsibilities	s27 CE Act
Ministerial powers of direction	ss103, 107 and 147 CE Act
	but, s105 means there is no power to direct independent Crown entities on government policy unless provided in another Act
Reporting requirements	Part 4 of the CE Act
Expectations letters	Sent by Ministers in December where possible, but no later than February
Crown entity provides draft SOI/SPE to Minister	ss146 and 149I CE Act – submitted by 1 May
Content of draft SOI/SPE	ss141 and 149E, CAB Min(10) 24/5A re. copyright

Entity	CAA, Maritime NZ, NZTA
	Crown agents (Part 1, Schedule 1, CE Act)
	TAIC
	Independent Crown Entity (Part 3, Schedule 1, CE Act)
Minister's comments on draft SOI/SPE	ss146(2)(b) and 149I(2)(b) CE Act – not later than 15 working days after receiving the draft SPE/SOI
Crown entity considers Minister's comments on draft SOI/SPE	ss146(2)(c) and149I(2)(c) CE Act – as soon as practicable after receiving comments
Crown entity provides final SOI/SPE to Minister	ss146(2)(c) and 149I(2)(c) CE Act – as soon as practicable before the start of the financial years to which the SOI/SPE relates
Crown entity publishes SOI/SPE on website	ss149(1) and 149L(1) CE Act – as soon as practicable after providing the final SOI/SPE to the responsible Minister
Minister presents SOI/SPE to the House	ss149(3) and 149L(3) CE Act
Quarterly reports expected by Ministers	Yes – one month after the end of the quarter
Crown entity delivers annual report to Minister	s150(1)(b) CE Act – no later than 15 working days from receipt of the audit report of the Auditor General (which must be provided within 4 months from the end of each financial year)
Content of annual report	s151 CE Act
Minister presents annual report to the House	s150(3) CE Act – within 5 working days of receipt or, if Parliament is not in session, as soon as possible after the commencement of the next session of Parliament
Crown entity publishes annual report on website	s150(4) CE Act – as soon as practicable following tabling and no later than 10 working days after receipt by the Minister
Expectations re appearances before select committees	Yes
Restrictions on financial powers	ss158 to 164 CE Act
Subject to Official Information Act 1982	Yes
Applicability of State Services Commission's "State Servants, Political Parties and Elections: Guidance"	Yes

Ministry of **Transport**
TE MANATŪ WAKA