

Overview of the 2013 Amendments to the Crown Entities Act

The purpose of this guidance is to overview the July 2013 amendments to the Crown Entities Act 2004. Some of the Crown Entities Act provisions, and in particular the reporting ones, apply to agencies that are not Crown entities. It is up to each organisations to be clear on their legislative framework.

Changes to the Crown Entities Act (effective upon enactment)

The changes to the Crown Entities Act: support sector leadership by:

- strengthening the alignment of Crown entities through expanded Board duties for statutory Crown entities
- supporting functional leadership by expanding the scope for the use of directions to support a whole of government approach
- formalising the role of the monitor and the ability of the Minister of State Services to request information.

Related links: For all amendments see:

Crown Entities Amendment Act 2013:
<http://www.legislation.govt.nz/act/public/2013/0051/latest/DLM5326903.html?src=qs>

Public Finance Amendment Act 2013:
<http://www.legislation.govt.nz/act/public/2013/0050/latest/DLM5326005.html?src=qs>

Changes to the Crown Entities Act (effective 1 July 2014)

In the 2014/15 financial year, the legislative changes streamline and improve the planning and reporting provisions to provide for more meaningful reporting with a results focus through:

- enabling strategic intentions to be captured in Statements of Intent that can last for up to three years
- reporting meaningfully on what is intended to be achieved and what was achieved
- the flexibility to table accountability documents together and/or present separately identifiable reports within a sector overview, providing the opportunity to tell a more meaningful and integrated performance story.

Changes for Crown entity groups

The Crown Entities Act was already based on group reporting to Parliament. The key changes for Crown entity groups are:

- The Minister of Finance has a new power whereby the Minister may require additional reporting from any member of the group (ie, the parent or the subsidiary) where it is necessary or desirable to enhance public accountability of the individual member of the group.

- The requirement for each subsidiary to prepare its own financial statements and have these audited has been removed which reduces compliance costs. These financial statements were never tabled in Parliament and were required even if the subsidiary was not active.

Public Finance Act 1989 (PFA) Schedule 4A Companies

The amendments to the Public Finance Act apply the governance and reporting requirements for Crown Entity Companies to PFA Schedule 4A companies. PFA Schedule 4A companies will also benefit from the amendments to the CEA reporting requirements.