



TE TAI ŌHANGA  
THE TREASURY

# Guidance for Creating a Statement of Performance Expectations (SPE) under the Crown Entities Act (CEA)

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# Purpose and audience

This guidance is for staff in Crown entities and other agencies (collectively called Crown entities for the purposes of this guidance) that are required to produce a statement of performance expectations (SPE) under the Crown Entities Act 2004 (CEA).

The guidance covers what a SPE is, the information a SPE contains, and the timetables for completing a SPE or an amendment to a SPE.

It sets out:

- the CEA's requirements
- how the requirements in the new service performance reporting standard PBE FRS 48 ('the standard') could be applied to SPEs, and
- information on content and timetable requirements

This version of the guidance also includes two new features:

- Prompts and challenges from entity monitors and practitioners, which point to good practice and important factors to plan for when developing your SPE.

These prompts and challenges are in sideboxes.

- Relevant extracts from [the 'It Takes Three' Expectations framework](#). This principles-based framework is a tool for Board members, monitoring Department and Crown entity staff, and chief executives build productive relationships and improve the way they work together.

The framework outlines the ideal roles, responsibilities, and operating expectations between entities, monitoring Departments, and Ministers. The annual performance expectations contained in SPEs support these.

Extracts are in grey boxes.

If you have questions, in the first instance talk to your monitoring Department.

General enquiries about this guidance can be emailed to:

[performanceinfo@treasury.govt.nz](mailto:performanceinfo@treasury.govt.nz).

# Why do agencies publish SPEs?

All Crown entities must produce a SPE to support accountability, transparency, and good performance. The purpose of a SPE is to:

- enable the responsible Minister to participate in setting the annual performance expectations of the Crown entity
- enable Parliament to be informed of those expectations, and
- provide a base against which actual performance can be assessed.

Understanding the respective roles and responsibilities of the Crown entity and its Board, monitoring Departments, and Ministers matters because all of them have a role in developing a SPE. The It Takes Three framework extracts below and throughout the document can help here by providing context and guidance on their respective roles at a high level.

## **Prompts and challenges from entity monitors and practitioners**

*“SPEs provide a firm basis for Departments to monitor entity performance. They are central to our work and form the contract between the Board and the Crown - Boards are accountable to their SPE!”*

*“A SPE with sound, robust performance information is effective for demonstrating stewardship and accountability.”*

*“How does your SPE sit as part of your agency’s performance management framework?”*

### **It Takes Three Expectations Framework, p9**

To support the principle of clear roles and responsibilities, all parties should understand the Crown Entities Act 2004 and the 'arm's-length' regime. Specifically, this means:

<b>The Crown entity</b>	<b>Monitoring department</b>
<i>Board understands its role as governor of the entity and primary monitor of entity performance</i>	<i>Recognises the primacy of the board’s role as monitor of entity performance</i>

### **It Takes Three Expectations Framework, p23**

To support the principle of trusted engagement, parties should build and maintain relationships, such as:

<b>The Crown entity</b>	<b>Monitoring department</b>
<ul style="list-style-type: none"> <li>• <i>recognises the Department’s different roles as ‘friendly critic’ and ‘supporter’</i></li> <li>• <i>fosters trusted working relationships with critical senior Department staff to facilitate the full, free and frank exchange of information on day-to-day and strategic activity</i></li> </ul>	<ul style="list-style-type: none"> <li>• <i>ensures Department staff understand and respect the ‘arm’s-length’ principle, and when the Department should be acting as ‘friendly critic’ or ‘supporter’</i></li> <li>• <i>builds its relationship-management capacity to ensure skilled, knowledgeable and credible staff manage and nurture relationships with the entity</i></li> </ul>

# How do SPEs fit within agency performance reporting?

Performance reporting is produced by agencies for different purposes - to support internal management and resource allocation, to support governance by Boards and Ministers, and to support accountability through external publication.

SPEs provide an important connection point between a Crown entity's strategic objectives, intended functions, reportable classes of outputs, and appropriations. SPEs are part of the suite of accountability documents Crown Entities produce. While SPEs should be able to be read as a stand-alone document, they should align with the Crown entity's strategy as expressed in its Statement of Intent, and with the Estimates of Appropriations and Supporting Information.<sup>1</sup>

SPEs are one element of an entity's performance reporting to support accountability and monitoring. They sit alongside other reporting Crown Entities may provide to Ministers and monitoring Departments such as programme, quarterly, and annual reporting.

## How should an agency's external performance reporting publications fit together?

The set of publications that agencies produce annually and at least once every three years should operate as a system, where each publication has relationships and connections to one another. It should be straightforward for users to see or find the 'lines of sight' between key sets of information in agency publications, such as through cross-referencing or other ways of showing consistency.

When agency staff and leaders are planning for and producing one publication, they should be thinking about what this means for the other publications they are responsible for. For example, how can strategic intentions and SPEs be set up so the information can 'flow through' and be easily reported on in the Annual Report?

### **Prompts / challenges**

*"Does your SPE (and your SOI for that matter) show the relationships and interdependencies your entity has with other organisations and strategies to help achieve the expectations?"*

*"Remember that the SPE does not sit by itself - it also needs to reflect the complex operating environment entities work in, and it is part of a set of accountability documents."*

*"Have you checked how your SPE shows specific outcomes that are linked to your SOI? Here's a possible test – could an employee new to your agency see and understand what the links are?"*

*"SPEs are not a promotional tool for the entity with colourful photos. They are about accountability and performance. So let's ensure the indicators are up to scratch, and the links with SOI are clear. And make sure the users in Parliament and amongst the public find it useful too!"*

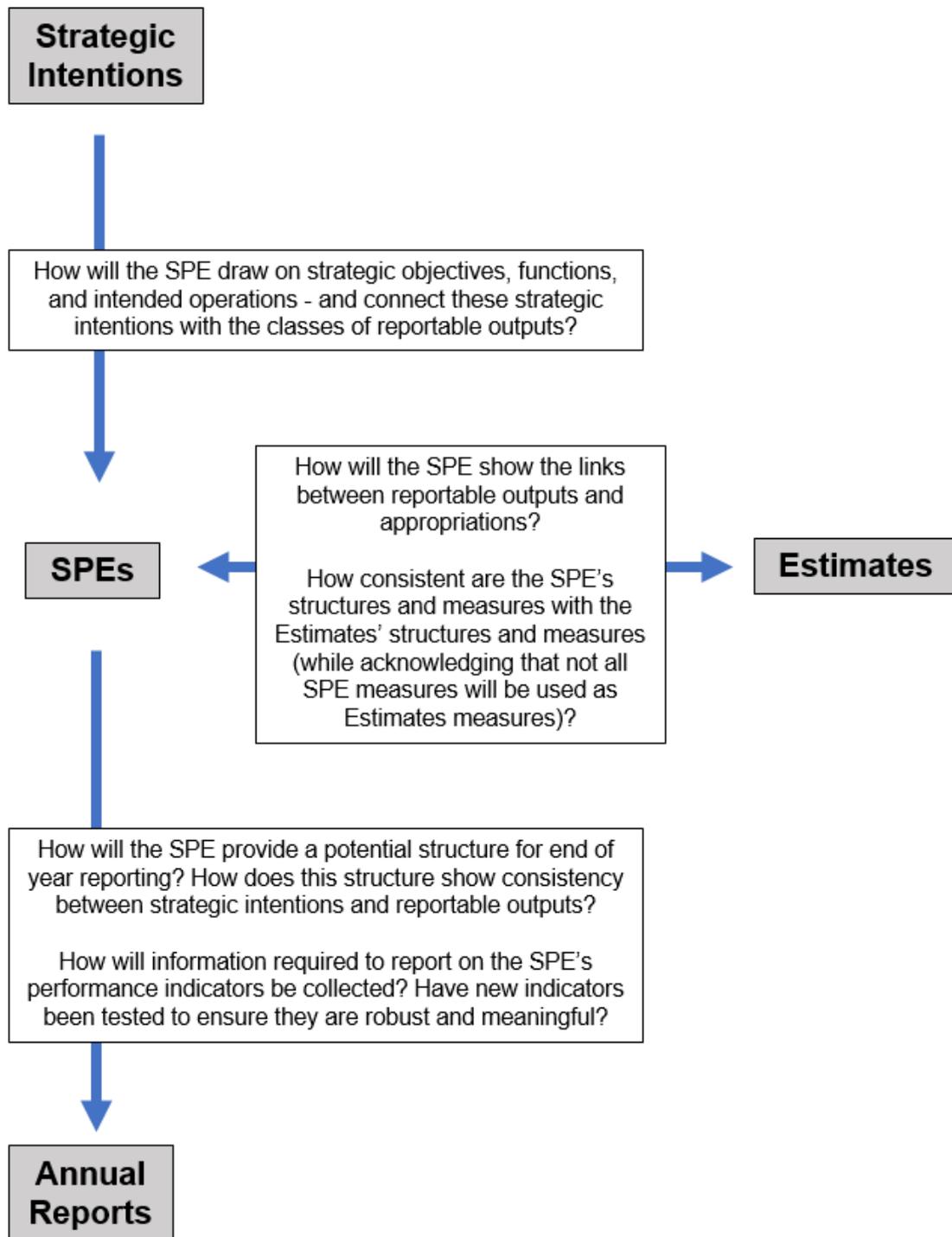
### ***It Takes Three Expectations Framework, p15***

*To support the principle of strategic alignment, all parties should engage on strategic aims and priorities. Specifically, this means Crown Entities and Departments should put systems in place to ensure ongoing review of the entity's multi-year SOI and annual SPE*

<sup>1</sup> See current [Treasury guidance on developing Strategic Intentions \(Statements of Intent\)](#). See current [guidance on Annual reports and end of year information on Appropriations](#).

The diagram below provides key prompts for ensuring coherence and 'lines of sight' between the SPE and other performance reporting publications.

## Key prompts to ensure coherence and lines of sight between a Crown Entity's SPE and other performance reporting documents



## Constructive engagement and relationships help produce a meaningful SPE

A Crown entity will produce a meaningful SPE when:

- the Crown entity is clear on its strategy and performance framework, and
- there is constructive engagement between the board and its staff and the board and the Minister (or monitoring agency) on what is expected to be achieved in the coming year.

The SPE is a critical part of the entity setting out what it is going to deliver, and reporting on its progress and performance. This reporting enables the monitoring department and the Minister to fulfil their roles.

There will also be other types of performance information flows other than the SPE-related information. It is important that these are fit for purpose, being meaningful and timely but not overly burdensome.

The *It Takes Three* extracts below and on the following page reinforce the need to understand roles when developing a SPE, and tracking and reporting progress against a SPE.

### Prompts / challenges

*“Which teams or functions in your organisation do you talk to and exchange information with when you develop your SPE? For example, do the policy, monitoring, and finance teams work together on the SPE?”*

*“Regular engagement between an Entity’s Board, responsible Minister, and the monitoring Department is important to enable appropriate SPEs”*

*“The Board is legally accountable to the SPE. This is why two Board members sign it off. How have they engaged with the content they are signing off?”*

### *It Takes Three Expectations Framework, p17*

*To support the principle of efficient and effective monitoring, parties should ensure effective and customised performance monitoring.*

<b>The Crown entity</b>	<b>Monitoring department</b>	<b>The responsible Minister</b>
<ul style="list-style-type: none"> <li>• actively involves the Department in developing the framework for reporting on its annual and longer term performance</li> </ul>	<ul style="list-style-type: none"> <li>• ensures its monitoring practice:</li> <li>• seeks information that supports progress towards policy results</li> <li>• confirms that performance reporting data is aligned with the entity’s internal management data</li> <li>• sets a reporting timetable with proportional compliance costs that ensures performance is clearly demonstrated</li> <li>• supports the Minister’s relationship with the entity</li> </ul>	<ul style="list-style-type: none"> <li>• provides timely advice to the entity and Department on the entity’s output priorities for the next financial year</li> <li>• clarifies the Department’s monitoring priorities</li> <li>• clarifies their reporting expectations to the entity and Department</li> </ul>

**It Takes Three Expectations Framework, p18**

To support the principle of efficient and effective monitoring, parties should identify information critical to good performance assessment.

<b>The Crown entity and Monitoring department</b>	<b>Monitoring department</b>
before the beginning of each financial year, agree on the critical data set to ensure the entity is clear about data collection priorities and costs	approves the critical data set that informs the achievement of policy and operational goals

**It Takes Three Expectations Framework, p18**

To support the principle of efficient and effective monitoring, parties should assess performance-related information as follows.

<b>The Crown entity</b>	<b>Monitoring department</b>	<b>The responsible Minister</b>
<ul style="list-style-type: none"> <li>ensures the board receives high quality information on progress against goals in the annual SPE</li> <li>provides the Minister and Department with appropriate performance reports to an agreed timetable</li> <li>clearly informs the Minister about ongoing progress against strategic goals and performance expectations and reflects it in the annual report</li> </ul>	<ul style="list-style-type: none"> <li>works with the entity to ensure performance reports provide sufficient detail on progress against goals in the annual SPE</li> <li>develops metrics to identify strengths and weaknesses in the entity's performance</li> <li>provides the Minister with timely and practical advice on the entity's progress against strategic goals and performance expectations</li> <li>gives feedback to the entity on how performance reporting data is used</li> </ul>	<ul style="list-style-type: none"> <li>considers reports provided on the achievement of short- and longer term objectives</li> </ul>

# How could the new service performance reporting standard PBE FRS 48 apply to SPEs?

Government agencies will need to comply with the new standard for service performance reporting called *PBE FRS 48* ('the standard') in 2022 and beyond.

The standard provides principles-based requirements to selecting and presenting service performance information so that it is appropriate and meaningful to users. It requires agencies to present information useful for accountability and decision-making purposes.

**The standard applies to annual reports with implications for SPEs.** The standard must be applied to relevant information in most Crown entity 2022/23 annual reports. Information to which it must be applied is the end of year performance information on appropriations and, for Crown entities, the statement of performance. This reporting must comply with GAAP.

**Agencies need to consider the implications of the standard in developing their SPE documents.** This is because the 2022/23 SPEs set out the information for reporting in the 2022/23 annual report. This means agencies will need to ensure they take a rigorous approach to developing their service performance information for their 2022/23 SPE.

## What you should consider from the standard when developing your next SPE

Paragraph 15 (a) of the standard says:

*“An entity’s service performance information shall provide users with sufficient contextual information to understand why the entity exists, what it intends to achieve in broad terms over the medium to long term, and how it goes about this.”*

We therefore suggest you consider these questions when designing and producing your next SPE:

- How well does the performance information link to the broader contextual information on why the agency exists and what it intends to achieve?
- How does the structure of appropriations and output classes enable links to the agency’s wider goals and objectives?
- How well do your SPE development processes set you up well to comply with the new standard?
- Have you documented your judgements and reasons for selected and reporting performance information, to meet disclosure requirements?

For more guidance, read the Treasury guidance document '[Service Performance Reporting Standard \(PBE FRS 48\): Guidance for 2022/23 Estimates and statements of performance expectations](#)'.

There are some clear differences in the standard compared to previous requirements, and so the guidance is structured around these four focus areas:

- identifying and selecting appropriate and meaningful performance information (page 6 of the Treasury guidance)
- disclosing judgements made in the selection and/or reporting of performance information (page 12 and 23)
- requiring comparative performance information (page 15)
- requiring consistency of reporting (page 16).

For many agencies, their existing end of year performance reporting will already comply with many of the requirements set out in the standard.

For example, they may have existing criteria to select and evaluate performance. The standard's characteristics and requirements therefore provide a useful framework to prompt improvements in the criteria and how the criteria are used.

For more, use the template/process on page 21-23 in the Treasury guidance document '[Service Performance Reporting Standard \(PBE FRS 48\): Guidance for 2022/23 Estimates and statements of performance expectations](#)'

#### **Prompts / challenges**

*"When you are developing your SPE content and indicators, think about how progress against these indicators will be reported in the Annual Report. From my experience, it is better to use your judgement and tackle this balancing act earlier in the process rather than having to scramble at the last minute."*

*"The quality of your measures and indicators is critical to enable effective monitoring. When you develop your indicators, how could you use the standard PBE FRS 48 to consider how are they appropriate and meaningful?"*

# What needs to be in a SPE?

SPEs must contain:

- information on each reportable class of outputs for the financial year. This information covers what the class is intended to achieve and how performance will be assessed, as well as the expected revenue and proposed expenses for this class
- the annual forecast financial statements.

The content of the SPE will depend on various factors, including:

- any requirements of the Crown entity's legislation
- how the Crown entity is funded
- the information needs of users – for example, whether the responsible Minister and the Crown entity agree to include additional information (section s149H(a) of the CEA)
- if the Crown entity has any exemptions from reporting, and
- whether there are Crown entity subsidiaries.

SPEs should contain a range of accountability information beyond the non-financial performance information of output classes, such as information about activities which support the delivery of output classes, and narratives relating to commitments and initiatives. These could include, but are not limited to, information and relevant measures about how the Crown entity is:

- building relationships (including Crown-Māori relationships)
- continuing engagement with stakeholders
- improving its environmental sustainability
- maintaining and growing its organisational health and workforce capability, as outlined in its strategic intentions.

The CEA is flexible in how the performance of reportable classes of outputs can be described. SPEs must provide concise explanations of “what the class of outputs is intended to achieve” and “how performance of the class of outputs will be assessed”.<sup>2</sup>

## **Prompts / challenges**

*“How are we going in our journey to achieve our strategic objectives in the SOI and how does this year’s SPE fit into that journey?”*

*“How does the SPE acknowledge the context your entity works in – strategies, operations, expectations, directions, and more.”*

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<sup>2</sup> For more guidance, see the Treasury document ‘[Performance Expectations: How Performance Will Be Assessed](#)’ and pages 35-38 of the Treasury’s ‘[Technical Guide for Estimates, Supplementary Estimates, and Supporting Information](#).’

## Reporting on classes of outputs

There are reportable and not reportable classes of outputs. A Crown entity does not have to report on all of the outputs that it intends to deliver in a year. It only has to report on those that fall within the statutory definition of “reportable classes of outputs”.

### Reportable classes of outputs

- A reportable class of outputs is a class of outputs that:
  - the Crown entity proposes to supply in the financial year, and
  - that is directly funded (**in whole or in part**) by:
    - the Crown in accordance with an appropriation for the purpose, or
    - by grants distributed under any Act, or
    - by levies, fees, or charges prescribed by or under any Act, and
  - that has not been exempted by the Minister of Finance under the Act.

### Other classes of outputs

- There are 2 reasons why a Crown entity may not be required to report on a class or classes of outputs:
  1. The classes of outputs are not funded in the manner described above. Where this is the case, Crown entities need to state in the SPE any class or classes of outputs the entity will supply that are not reportable. This is to assist readers to understand the scope (not the detail) of other activities the Crown entity is involved with and to align the SPE with the strategic intentions described in the Crown entity’s SOI.
  2. The Minister of Finance has exempted a class or classes of outputs for 1 or more financial years from being reported in the SPE. In giving a reporting exemption, the Minister of Finance must be satisfied that:
    - the class of outputs is not material to the SPE
    - the class of outputs will be adequately reported on to the House elsewhere, or
    - for any other reason, the exemption does not unreasonably compromise the accountability for the performance of the Crown entity.
- Where a Crown entity believes a class of outputs qualifies for a reporting exemption, the Crown entity should provide its monitoring agency with a case for the exemption.

#### **Prompts / challenges**

*“The SPE is a key way of ensuring the entity’s accountability (through the Board) to responsible Ministers, and department monitors – but not the only way. Monitors and entities need to both mutually understand and agree on the various ways they can achieve shared accountability goals.”*

*“Not all measures your agency uses need to go in the SPE – sometimes they can fulfil their purpose of accountability and transparency just as well when they are included in regular internal management reporting, quarterly reporting to the Minister, or reports to the Board. Quantity is not always quality!”*

The case should include whether an exemption is also being requested from the end-of-year “statement of performance” and the proposed period of the exemption(s). The monitoring agency should form a view of the Crown entity’s request, and then discuss the request with the relevant Treasury Vote team. The responsible Minister, informed by the monitoring agency’s view, may then write to the Minister of Finance seeking the exemption.

- The SPE needs to identify each exemption the Minister of Finance has granted.

## Subsidiary reporting

- A SPE, which includes the forecast financial statements, is required for the Crown entity group only. The obligation to prepare the SPE sits with the parent, and the subsidiary does not need to prepare its own SPE, unless:
  - the Minister of Finance specifically requires separate reporting from the subsidiary (the Minister may also require additional reporting by the parent), or
  - the entity is a multi-parent subsidiary and one or more of the parents is a school board of trustees or tertiary education institution
- **Subsidiaries that are part-owned by school boards of trustees or tertiary education institutions** are required to produce their own SPE, unless an exemption has been granted by the Minister of Finance. The Minister of Finance may exempt these types of multi-parent subsidiaries from producing a SPE if the Minister is satisfied that it would be unduly onerous for the multi-parent subsidiary to produce its own SPE and the exemption is consistent with maintaining reasonable public accountability of the multi-parent subsidiary. The exemption can be for any period of time.

## Generally accepted accounting practice (GAAP)

Crown entities need to be mindful of where and which GAAP requirements will apply at year-end when deciding how to demonstrate performance (s 149E(3)(a) of the CEA).

# How should SPEs be structured and formatted?

The structure of the SPE is for each Crown entity to decide, as the SPE needs to reflect the nature and complexity of each entity's particular functions and reporting requirements.

We recommend entities develop their SPE in a format that:

- best meets the information needs of their users, particularly Ministers and Members of Parliament, and
- provides an appropriate basis and structure for their Annual Report, since that document will report on information in the SPE and Estimates (as shown in the diagram on page 7).

The new service performance reporting standard's characteristics of relevance and understandability will help entities make decisions here. Service performance information should be communicated to users simply and clearly. The amount of information and the level of detail presented can affect understandability. These prompts could be helpful:

- Is there too much information which risks swamping the reader?
- Is there too little for a user to understand the activities and the level of performance?
- Is the information easy enough to understand or highly technical (although that may be necessary)?

In any case, this service performance information should be communicated to users simply and clearly. SPEs should be plain in style, concise, relevant, and accessible. Information may, for example, be presented in the form of graphs, tables, narrative, infographics, explanatory comments in 'pop-up' boxes or similar.

A responsible Minister may also, by written notice to one or more Crown entities, specify the particular form in which any information in the statement of performance expectations must be disclosed (s149H(b))

A SPE must also meet the requirements for Parliamentary papers to be presented to the House, as outlined at [Presenting papers to the House of Representatives](#).

# When does a SPE need to be produced or amended, then published and presented?

The timetables below provide Crown entities with the four scenarios they may encounter when producing a SPE or amending a SPE.

Crown entities must publish the SPE (and any amendments to it) on their website once it has been provided to the responsible Minister, unless the Minister has delayed publication during the pre-Budget period.

Your Crown entity's circumstances could reflect one of these four timetables:

- standard
- amendment directed by responsible Minister
- amendment initiated by Crown entity
- newly established Crown entity.

## Standard timetable

This timetable must be used before the start of each financial year so that the final SPE is available before the start of the upcoming financial year [s149C(1) and s149I CEA].

### Prompts / challenges

*"If you know your upcoming year's expectations will be affected by upcoming Budget decisions - build in enough time between the Budget and the end of the financial year to engage with your Minister, the Board, and your department monitor on any required updates to your almost final content."*

*"Although Ministerial feedback is only one part of developing your expectations...you need to consider whether you have reflected Ministerial feedback adequately in your SPE? Where have you not, and why? Also note that Ministerial or enduring Letters of Expectations are not substitutes for SPEs"*

Step	Action	Timeframe	CEA Reference
1.	Crown entity discusses with the responsible Minister (or monitor) the Minister's expectations	Usually within the 4 months before the draft SPE is due. This would usefully occur at the conclusion of the annual review by the Crown entity of its strategy.	n/a
2.	Crown entity provides draft SPE to responsible Minister	No later than 2 months before the start of the financial year to which the SPE relates.	s149I(2)(a) (i) CEA
3.	Responsible Minister comments	Not later than 15 working days after receiving the draft SPE.	s149I(2)(b) CEA
4.	Crown entity considers comments	The Crown entity must consider comments (if any) on the draft SPE as soon as practicable after receiving them, but in any case before the start of the next financial year.	s149(2)(c) CEA

Step	Action	Timeframe	CEA Reference
5.	Board finalises SPE	The SPE is final when it is dated and signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member.	s149E(3)(b) and (c) CEA
6.	Crown entity provides final SPE to responsible Minister	Having considered the comments and finalised the SPE, the Crown entity must provide the final SPE as soon as practicable before the start of the financial year to which the SPE relates.	s149I(2)(c) (i) CEA
7.	Crown entity publishes final SPE on entity's website  May be published in a document that includes any other statement or information, whether they relate to entity or not, but only if each statement is separately identifiable within that document	As soon as practicable after providing the final SPE to the responsible Minister.	s149L(1) CEA  s149L(4) CEA
	The responsible Minister <b>may require</b> the Crown entity not to publish the final SPE in the pre-Budget period if the final SPE relates to a period commencing on or after the next Budget	The pre-Budget period is the 3 months before the Minister of Finance delivers the next Budget or if the Minister of Finance gives less than 3 months' notice of the next Budget, the period commencing on the day the Minister of Finance gives notice and ending when the Minister of Finance delivers the Budget.	s149L(2) CEA  s136 CEA (interpretation)
8.	Responsible Minister (or another entity's responsible Minister) presents final SPE to the House  The SPE may be presented in a document that includes any other statement or information, whether they relate to the entity or not, but only if each statement is separately identifiable within that document (s149L(4) CEA)	Present the final SPE in the same document as the Crown entity's annual report for the previous financial year.  <b>OR</b>	s149L(3)(a) CEA s149L(5)
		Present the final SPE in any other document, but not later than the date the Crown entity's annual report is presented.	s149L(3)(b) CEA

## Amendments directed by responsible Minister

This timetable must be used when the responsible Minister directs a Crown entity to amend the **final SPE** [s149J(1) CEA]

The responsible Minister cannot direct an amendment in respect of the forecast financial statements [s149J(2) CEA].

Step	Action	Timeframe	CEA Reference
<b>Notification of direction for an amendment</b>			
1.	Consultation with entity on directed amendment	The responsible Minister must consult with the entity before giving a direction. <i>(Good practice would be to discuss the specific nature and timing for the amendment.)</i>	s115(1) CEA
2.	The responsible Minister gives the direction	Post consultation.	s149J(1)
<b>Prepare amendment</b>			
3.	Crown entity provides draft amendment to responsible Minister	If required, within timeframe agreed with the Minister.	n/a
4.	Responsible Minister comments	If required.	n/a
5.	Crown entity considers comments, if any	If required, within timeframe agreed with the Minister.	n/a
6.	Crown entity finalises amendment	The amendment is final when it is dated and signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member.	s149J(4)
7.	Crown entity provides final amendment to responsible Minister	As soon as practicable after the amendment is finalised.	n/a

Step	Action	Timeframe	CEA Reference
8.	Crown entity publishes final amendment on its website and responsible Minister presents final amendment to the House	<p>As soon as practicable after the amendment is finalised.</p> <p><b>BUT</b></p> <p>The Crown entity must not publish an amendment before publishing the final SPE under section 149L, and</p> <p>Responsible Minister must not table an amendment to a SPE before tabling a copy of the SPE under section 149L</p> <p>If Parliament is not in session, as soon as possible after next session of Parliament, responsible Minister must table copy of amendment.</p> <p><b>OR</b></p>	<p>s149M(1)(a) and (b) CEA</p> <p>s149M(2)(b) – (d) CEA</p>
	The responsible Minister <b>may require</b> the entity not to publish in the pre-Budget period if the amendment will come into force on or after the next Budget day and	The pre-Budget period is the 3 months before the Minister of Finance delivers the next Budget or if the Minister of Finance gives less than 3 months' notice of the next Budget, the period commencing on the day the Minister of Finance gives notice and ending when the Minister of Finance delivers the Budget.	<p>s149M(2)(a)(i) CEA</p> <p>s136 CEA (interpretation)</p>
	If the amendment will come into force on or after the next Budget day, the responsible Minister need not present the amendment in the pre-Budget period, but should present as soon as practicable after that period	The pre-Budget is the 3 months ending when the Minister of Finance delivers the next Budget or if the Minister of Finance gives less than 3 months' notice of the next Budget, the period commencing on the day the Minister of Finance gives notice and ending when the Minister of Finance delivers the Budget.	<p>s149M(2)(a)(ii) CEA</p> <p>s136 CEA (interpretation)</p>

## Amendments to the final SPE initiated by Crown entity

This timetable must be used when –

- the Crown entity decides to amend its SPE [s149K(1) CEA], or
- a Crown entity must amend its SPE. A Crown entity must amend its SPE if:
  - the information contained in the final SPE is false or misleading in a “material particular” (a legal term which essentially means a material way or relating to material facts), or
  - the intentions and undertakings in the final SPE are significantly altered or affected by:
    - a direction given to the entity by a Minister, or
    - a direction under s107 CEA, or
    - any change in the law, or
    - any other change in the operating environment.

### **Prompt / challenge**

*“Remember, the board can always change their SPE if there are material changes in the operating environment or relevant laws and directions that applies to the entity.”*

Step	Action	Timeframe	CEA Reference
1.	Crown entity advises Minister of the need for an amendment	As soon as practical after becoming aware that an amendment is required.	n/a
2.	Crown entity provides draft amendment to responsible Minister	As soon as practical after the entity becomes aware of facts that gives rise to an obligation for change.	s149K(3) CEA s149K(4)(a) CEA
3.	Responsible Minister provides comments to the entity	Not later than 15 working days after receiving the draft amendment.	s149K(4)(b) CEA
4.	Crown entity considers the responsible Minister’s comments (if any)	As soon as practicable after receiving the comments.	s149K(4)(c) CEA
5.	Crown entity finalises amendment	The amendment is final when it is dated and signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member.	s149K(5)
6.	Crown entity provides final amendment to responsible Minister	As soon as practicable, after finalising the amendment.	s149K(4)(c) CEA
7.	Go to Step 7 of the ‘Standard’ timetable.		

## Newly established entity timetable

This timetable must be used when a department is newly established and provide a SPE as if it were the start of the year [s149D(1) CEA].

Step	Action	Timeframe	CEA Reference
1.	Crown entity provides draft SPE to responsible Minister  If the Crown entity is established during the last 4 months of its financial year, the responsible Minister may require the first SPE to the period from the date on which entity is established until the end of the entity's full financial year	As soon as practicable after establishment and within the timeframe specified by the responsible Minister.	s149D(2)(a) and (b) CEA and s149I(2)(a)(ii)
2.	Responsible Minister comments	Not later than 15 working days after receiving draft SPE.	s149I(2)(b) CEA
3.	Crown entity considers the responsible Minister's comments (if any)	As soon as practicable after receiving the comments.	S149I(2)(c)
4.	Crown entity finalises SPE	The SPE is final when it is dated and signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member.	s149E(3)(b) and (c)
5..	Crown entity provides final SPE to responsible Minister	As soon as practicable, but not later than 25 working days after receiving comments.  OR	s149I(2)(c)(ii)(A) CEA
		If responsible Minister does not provide comment within 15 working days, must consider comments (if any) on the draft and complete the final SPE not later than 25 working days after the end of that period.	s149I(2)(c)(ii)(B) CEA
6.	Go to Step 7 of the 'Standard' timetable.		

## Annex: Checklist of SPE content requirements

The table below provides an overview of the content of a SPE that is required by the CEA.

Where a Crown entity is established by or under an entity's Act, the entity's Act may supplement, or expressly modify, or negate the provisions of the CEA for the entity or its subsidiaries [s4 CEA]. It is up to each entity to modify the checklist as necessary for its circumstances. All statutory references in the table below are to the CEA.

Content	Reference	Comment	Completed or n/a
Title	n/a	Title should name the Crown entity and the financial year. It should also state it is a SPE if it is part of a document that contains other information.	
GAAP	s149E(3)(a)	The SPE must comply with generally accepted accounting principles (GAAP), where applicable.	
Crown entity groups	s156A s156B	A SPE is required for the Crown entity group only, unless the Minister of Finance specifically requires <b>separate additional</b> reporting from the parent or the subsidiary.	
Multi-parent subsidiaries	s157	Multi-parent subsidiaries that are part-owned by school boards of trustees or tertiary education institutions are required to produce their own SPE, unless an exemption has been granted by the Minister of Finance.	
	s157A	Other multi-parent subsidiaries (ie, those that are not are part-owned by school boards of trustees or tertiary education institutions) are not required to produce a SPE unless the Minister of Finance specifically requires <b>separate additional</b> reporting from the multi-parent subsidiary.	
Reportable classes of outputs identified	s136 s149E(1)(a)	<p>A reportable class of outputs is a class of outputs the Crown entity proposes to supply in the financial year and that is directly funded (in whole or in part):</p> <ul style="list-style-type: none"> <li>• by the Crown in accordance with an appropriation for the purpose,</li> <li>• by grants distributed under any Act, or</li> <li>• by levies, fees, or charges prescribed by or under any Act,</li> </ul> <p>and which has not been exempted from the reporting requirements.</p>	

Content	Reference	Comment	Completed or n/a
Information required on each reportable class of outputs	s149E(1)(a)	Each reportable class of outputs must be identified.	
	s149E(2)(a)	For each reportable class of outputs, the statement must have a concise explanation of: “ <a href="#">what the class of outputs is intended to achieve</a> ”.	
	s149E(2)(b)	Identify the expected revenue and proposed expenses for each reportable class of outputs <i>Good practice is for the information on expected revenue to distinguish between revenue from the Crown and from other sources. Entities should also state the expected surplus or deficit for each reportable output class.</i>	
	s149E(2)(c)	Each reportable class of output must have a concise explanation of how the performance of the class of outputs will be assessed.	
Exemptions for classes of outputs	s149E(1)(b)	Identify each exemption granted by the Minister of Finance under section 149F(1) CEA.	
Other activities that will not be reported	s149E(1)(c)	State whether the entity proposes to supply any class of outputs that is not a reportable class of outputs.	
Forecast financial statements prepared in accordance with GAAP (which includes any Crown entity subsidiaries)	s149E(1)(d) and s149G(1)	These statements, <a href="#">as specified in PBE FRS 42</a> , are: <ul style="list-style-type: none"> <li>• Statement of Forecast Comprehensive Income</li> <li>• Statement of Forecast Changes in Equity</li> <li>• Statement of Forecast Financial Position</li> <li>• Statement of Forecast Cash Flows.</li> </ul>	
	s149G(2)(a)	Statement of all significant assumptions underlying the forecast financial statements, <a href="#">see PBE FRS 42</a> .	
	s149G(2)(b)	Additional information and explanations needed to reflect the forecast financial operations and financial position.	
Agreed additional information	s149H(a)	The responsible Minister and the Crown entity can agree to include additional information in the SPE.	

Content	Reference	Comment	Completed or n/a
Minister of Finance instructions	s174(a) and (b)	The CEA permits the Minister of Finance to issue instructions that prescribe the non-financial reporting standards that Crown entities must apply, and the form in which Crown entities must provide the information that they are required to present to the House.	n/a
Inclusion of a creative commons licence	CAB Min (10) 24/5A	As well as placing a copyright statement on your SPE entities are also encouraged to insert a licence setting out the terms by which this copyright work can be re-used. Please refer to the New Zealand Government Open Access and Licensing Framework. For assistance refer to: <a href="https://www.data.govt.nz/toolkit/policies/nzgoal/">https://www.data.govt.nz/toolkit/policies/nzgoal/</a> or email <a href="mailto:opendata@stats.govt.nz">opendata@stats.govt.nz</a>	
Board signatures	s149E(3) (b) and (c)	A SPE must be signed on behalf of the board by 2 members, or in case of a corporation sole, by the sole member. Once signed it is the final SPE.	