



TE TAI ŌHANGA  
THE TREASURY

# Crown Entities Act: Statement of Intent Guidance

April 2024

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# Contents

Purpose of this Guidance.....	2
Companion document of prompts and process suggestions.....	2
Entities subject to this Guidance.....	3
Statement of intent coverage.....	3
Audience for this Guidance .....	3
Questions and Feedback.....	3
Why is a Crown entity required to publish a statement of intent? .....	4
Crown entity performance reporting is vital for public accountability to Parliament..	4
The SOI provides the medium-term framework for understanding Crown entity performance and organisational health .....	5
When does a Crown entity develop and then provide their statement of intent?.....	7
What time period does a SOI cover? .....	7
When does the SOI come into force?.....	7
When is a new or amended SOI required? .....	7
Time extension due to a significant change in nature or scope or functions .....	8
Waiver where disestablishment or removal from the Companies Register is likely .	8
Timetables for providing a new or amended SOI.....	9
What content needs to be in a statement of intent? .....	17
Requirements for information in the statement of intent.....	17
Objectives, functions and intended operations .....	17
How the Crown entity intends to manage its functions and operations, and its organisational health and capability .....	18
Assessing performance .....	19
Any other matters .....	20
Signature on behalf of the Board .....	22
Keeping users in mind when selecting, developing, structuring and presenting information for intentions.....	23
PBE FRS 48's principles are relevant to the SOI.....	23
Who are the likely users of the SOI? .....	23
Crown entities should use their own judgement on how to structure their intentions.....	24
Clarity of presentation is essential to help users understand the SOI .....	25
How and when is a statement of intent presented to the House and published? .....	26
When does the responsible Minister present the statement of intent to the House?.....	26
Should the statement of intent be a standalone document or can it be presented to the House with other documents? .....	26
When and where do we publish the SOI?.....	26
Minimum Content Requirements and Expectations.....	27

# Purpose of this Guidance

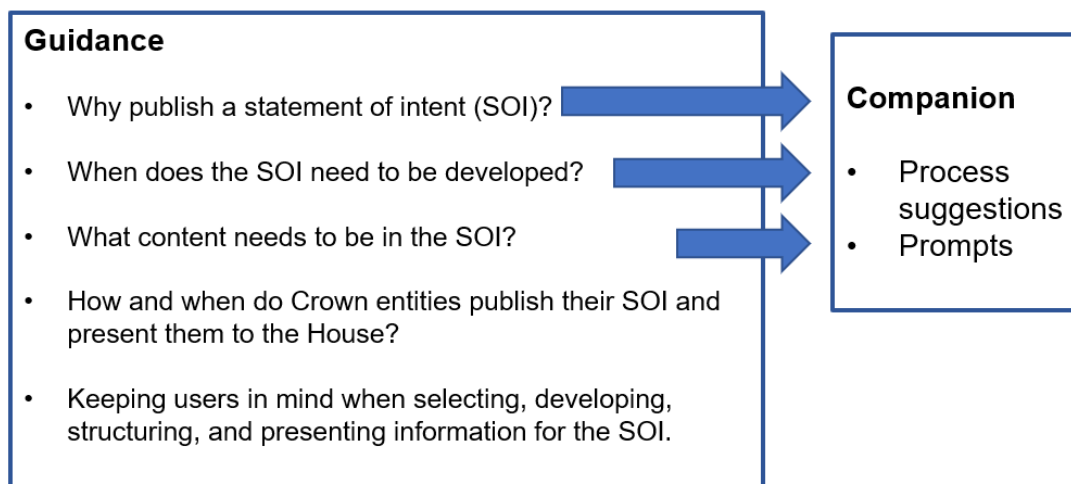
This guidance sets out the purpose of a Crown entity statement of intent (SOI), and the content and process requirements for a SOI. It provides information that will help Crown entities understand the requirements under the Crown Entities Act 2004 (CEA). The guidance covers these questions:

- Why is a Crown entity required to publish a SOI?
- When does the SOI need to be developed?
- What content needs to be in the SOI?
- How should departments keep users in mind when selecting, developing, structuring, and presenting information for intentions?
- How and when do Crown entities publish their SOI and have them presented to the House?

## Companion document of prompts and process suggestions

This guidance is also linked to a **companion document** which provides additional support for the sections outlined below. The companion document was developed to be a more flexible document that can be updated to reflect current and emerging developments, examples, and trends. The companion document is designed to help people fulfil the CEA’s requirements in ways that are meaningful for the Parliament, the public and the Crown entity itself. The companion has:

- suggestions on good practice processes which are associated with developing a SOI – such as strategic thinking, planning, and joined-up performance reporting within the Crown entity, and
- prompts that can help people new to developing a SOI lead a process that draws together the content for discussion with the relevant people inside the Crown entity.



## Entities subject to this Guidance

In this document “Crown entity” refers to any entity that is subject to the SOI requirement under the CEA, such as:

- statutory entities
- Crown entity companies and Crown entity subsidiaries, and
- companies listed on Public Finance Act 1989 schedule 4A, by virtue of Public Finance Act 1989 s 45OA(1)(n).

Schools and tertiary institutions are not subject to this guidance as sections 138 to 149 of the CEA are not in Schedules 3 and 4 of the CEA.

## Statement of intent coverage

### The Crown entity group

- A SOI must cover the Crown entity group; that is the parent and any subsidiaries. Separate SOIs are not needed for the parent or each subsidiary unless required by the Minister of Finance [s156A and s156B CEA].

### Multi-parent subsidiaries

- Multi-parent subsidiaries that are part-owned by school boards are required to produce their own SOI, unless an exemption has been granted by the Minister of Finance [s157 CEA].
- Other multi-parent subsidiaries (that is, those that are not part-owned by school boards) are not required to produce a SOI. The Minister of Finance can however require a SOI from the multi-parent subsidiary [s158 CEA].

## Audience for this Guidance

This document should be read by staff and their immediate managers in Crown entities who are involved with the planning, development, and finalisation of a SOI.

Senior leaders in Crown entities (such as those in Tier 2 and 3 positions) should also familiarise themselves with this document so they can better exercise their oversight and sign off roles.

## Questions and Feedback

You should use this document as your first point of reference for issues relating to the content and process of a SOI. Questions should be addressed to your monitoring department first, and then if necessary relevant Treasury contacts.

Feel free to ask questions or provide comments about how to improve this guidance to [performance.info@treasury.govt.nz](mailto:performance.info@treasury.govt.nz).

# Why is a Crown entity required to publish a statement of intent?

A Crown entity publishes a statement of intent (SOI) to support accountability to Parliament. SOIs are how Crown entities inform Parliament and the public of what the Crown entity's strategic objectives are over the medium-term, and how it will manage its functions and operations to achieve or contribute to these objectives. The SOI is part of a Crown entity's regular performance reporting.

The purpose of the SOI is to promote the accountability of a Crown entity by:

- enabling the Crown to participate in the process of setting the Crown entity's strategic intentions and medium-term undertakings
- setting out for the House of Representatives (the House) those intentions and undertakings, and
- providing a base against which the Crown entity's actual performance can later be assessed [s138 CEA].

It provides the Crown entity's Board with a mechanism for publicly setting out the Crown entity's strategic objectives and how it will achieve or contribute to these. The Board must ensure the Crown entity acts in a manner consistent with its current SOI<sup>1</sup>.

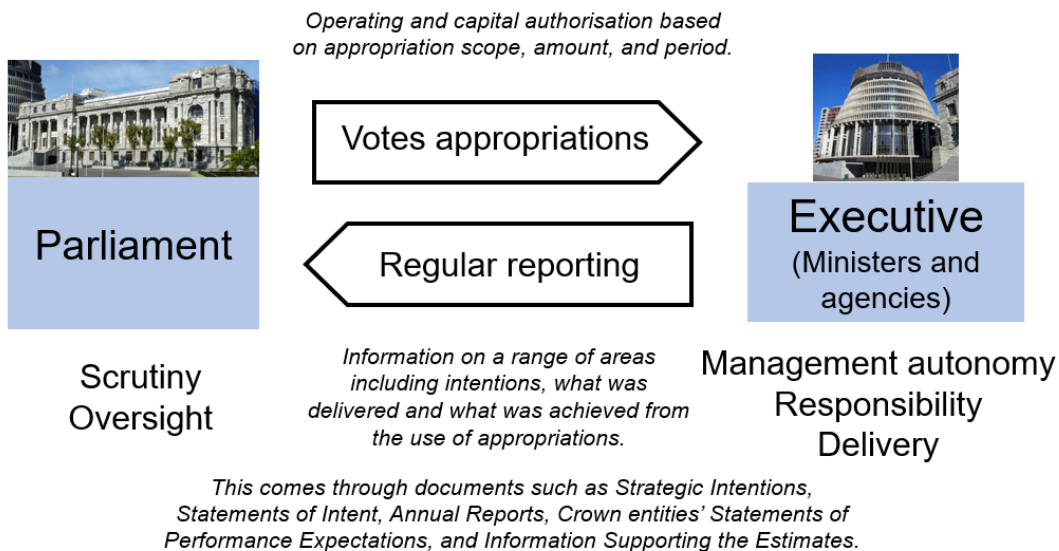
## Crown entity performance reporting is vital for public accountability to Parliament

Performance reporting is a key part of the public finance system and the public sector management system. Crown entities under these systems are responsible for setting their strategic objectives and what they intend to achieve with reportable classes of outputs, and then reporting annually on progress against their SOI and what was achieved with their reportable classes of outputs. Parliament sees this information when Crown entities produce publications such as the SOI, Statement of Performance Expectations and Annual Reports.

Ministers (and the agencies they are responsible for) have been provided with authority to spend money by the New Zealand public through Parliament. Performance reporting requires Crown entities to give an account for how this mandate has been given effect to. It provides transparency about the planned and actual use of public money, enabling scrutiny by Parliament as representatives of the public. Ultimately this reporting helps maintain trust and confidence in the public sector. This relationship is shown in the diagram below.

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<sup>1</sup> As set out in CEA s49 (for statutory entities), CEA s92 (for Crown entity companies), or CEA s92 as applied by Public Finance Act 1989 s45OA (for companies listed on Public Finance Act 1989 schedule 4A).



## The SOI provides the medium-term framework for understanding Crown entity performance and organisational health

The SOI provides the framework against which Parliament and the public can put into context the regular accountability information provided in Statements of Performance Expectations (SPEs), Estimates and Annual Reports. The SOI provides this through a medium-term articulation of what the Crown entity intends to achieve. The SOI shows how the Crown entity has considered and will demonstrate the differences and benefits New Zealand will get from the Crown entity's actions and associated use of resources.

The medium-term timeframe for the SOI matters because:

- most Crown entities, and their activities and operations, exist over many years, even though they are subject to annual 'renewal' of funding when Parliament authorises expenditure through appropriations, and
- most of what the public sector intends to achieve is rarely completed within a year. This means that understanding a Crown entity's performance requires assessing actual performance against the Crown entity's stated intentions over a longer period of time.

The SOI provides a foundation for the content of a SPE, and a platform against which the Crown entity must then report progress in its Annual Report. The SOI should provide enough information to ensure strong connections between the stated strategic objectives, functions and intended operations to the SPE's reportable classes of outputs. The narratives and performance frameworks used in a SOI give context to the information provided annually about the proposed use of resources in SPEs and the Estimates, and use of resources described in Annual Reports.

Crown entities are responsible for a significant proportion of government expenditure and service delivery, and services provided by Crown entities touch the lives of New Zealanders every day. Crown Entities must explain how they propose to manage their organisational health and capability because Parliament has an interest in knowing:

- how Crown entities are set up to achieve their strategic objectives
- how well positioned Crown entities are to serve the Government of the day while also being capable of meeting the demands of future governments, and
- how Crown agents (as part of the public service as defined in the Public Service Act 2020 section 10) uphold the Public Service's principles, including supporting stewardship. This can include showing how the Crown agent plans to support and sustain its long-term capability and people, institutional knowledge and information, systems and processes, and assets. Managing risk, resilience, and agility are also important components of organisational health.



# When does a Crown entity develop and then provide their statement of intent?

## What time period does a SOI cover?

The content of a SOI must cover a minimum of four financial years which must relate to the forthcoming financial year and at least the following three financial years.

## When does the SOI come into force?

A new SOI is in force from the later of [s144 CEA]:

- the date on which the final SOI is provided to the responsible Minister, or
- the first day of the period to which the SOI relates.

The SOI remains in force until a new SOI is in force, despite the end of the last financial year to which the SOI relates.

## When is a new or amended SOI required?

A SOI generally lasts up to three years, however Crown entities should regularly review and update it where circumstances require. Crown entities should have regular discussions with their responsible Minister on the status of their SOI. In drafting a new SOI, Crown entities should consider how to write their SOI in a way to ensure it does not become false or misleading after a year or two.

There are various reasons why a Crown entity must provide a new or amended SOI, listed below:

Reason for providing new or amended SOI	CEA Section
The responsible Minister requires a new SOI.	s139A(1)
The existing SOI will expire (SOIs expire three years from the later of: the date on which the final SOI was provided to the responsible Minister, and the first day of the period to which the SOI relates).	s139(3) and s144
Amendments to a final SOI are directed by the responsible Minister.	s147(1)
Amendments to a final SOI are initiated by the Crown entity. A Crown entity must amend its final SOI if: <ul style="list-style-type: none"> <li>• information in the SOI is false or misleading in a material particular, or</li> </ul>	s148(2)(a)
<ul style="list-style-type: none"> <li>• the intentions and undertakings of the Crown entity are significantly altered or affected by: <ul style="list-style-type: none"> <li>○ a direction given by a Minister or a direction under s107 CEA</li> <li>○ any change in the law, or</li> <li>○ any other change in the operating environment.</li> </ul> </li> </ul>	s148(2)(b)(i) s148(2)(b)(ii) s148(2)(b)(iii)
A Crown entity may, instead of amending its final SOI, provide a new SOI to the responsible Minister.	s148(7)
<ul style="list-style-type: none"> <li>• A newly established Crown entity is required to provide a SOI.</li> </ul>	s140(1)

In certain circumstances, the responsible Minister can give a Crown entity an extension of time, or waive the requirement, for an SOI.

### **Time extension due to a significant change in nature or scope or functions**

The responsible Minister may grant an extension of up to one year for a new SOI to be provided if a significant change in the nature or scope of the Crown entity's functions is likely, and if the responsible Minister is satisfied that the extension will enable the Crown entity to improve the quality of its SOI [s139B(1) and (2) CEA]. In this case:

- The responsible Minister or monitoring Department and the entity discuss the possibility of the time extension.
- As soon as practicable after granting the exemption, the responsible Minister must notify the Crown entity of the extension and the reasons for granting it.
- As soon as practicable after receiving the notice of extension, the Crown entity must publish on its website the notice and the Minister's reasons for granting the extension.
- A statement of extension and the Minister's reasons for granting it must be included in the Crown entity's next annual report provided to the responsible Minister.
- The Crown entity must provide its draft SOI to its responsible Minister within the timeframe specified by the responsible Minister and the standard process then applies.

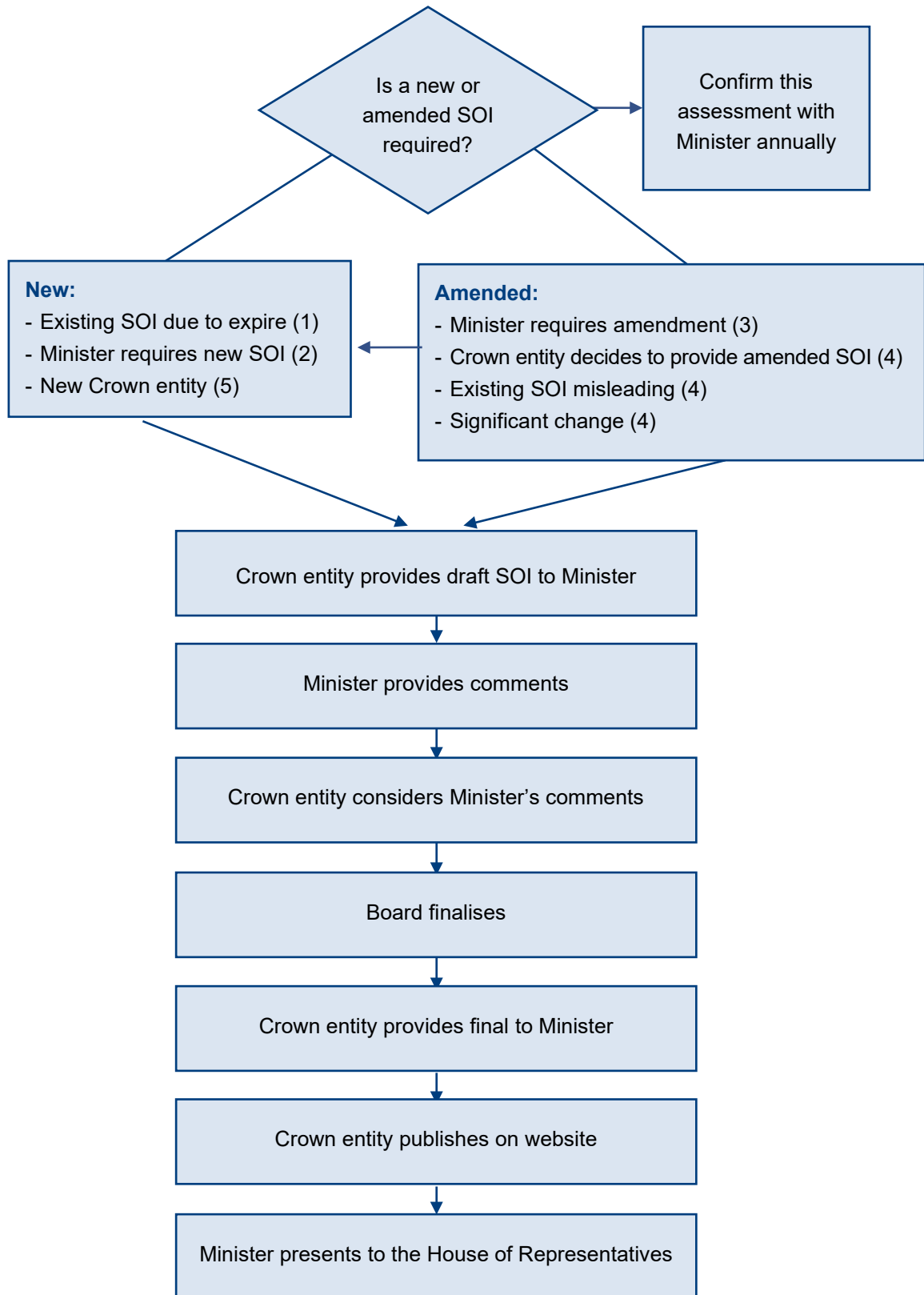
### **Waiver where disestablishment or removal from the Companies Register is likely**

The responsible Minister may grant a waiver for the requirement for a SOI where a Crown entity is likely to be disestablished, or in the case of a Crown entity company is to be removed from the register under the Companies Act 1993 [s139B(3) CEA]. In this case:

- As soon as practicable after granting the waiver, the responsible Minister must notify the Crown entity of the waiver and the reasons for granting it.
- As soon as practicable after receiving the notice of waiver, the Crown entity must publish on its website the notice and the Minister's reasons for granting the waiver.
- A statement of waiver and reasons for granting it must be included in the Crown entity's next annual report provided to the responsible Minister.

## Timetables for providing a new or amended SOI

The following diagram provides a high-level overview of the process for providing a new or amended SOI. The following five subsections (with numbered references in the boxes below) then provide specific information on the different timeframes depending on the situation.



## 1. Standard timetable for providing a new SOI

This timetable must be used when the Crown entity provides a new SOI to their responsible Minister [s146].

The new SOI must cover a minimum of four financial years which must relate to the forthcoming financial year and at least the following three financial years.

Step	Action	Timeframe
1	Crown entity provides SOI to responsible Minister	No later than two months before the start of the first financial year to which the SOI relates.
2.	Responsible Minister comments on draft SOI	Not later than 15 working days after receiving the draft SOI.
3.	Crown entity considers comments	The Crown entity must consider the responsible Minister's comments (if any) as soon as practicable after receiving them, but in any case before the start of the first financial year to which the SOI relates.
4.	Board finalises the SOI	The SOI is final when it is signed on behalf of the Board by two members, or in case of a corporation sole, by the sole member.
5.	Crown entity provides final SOI to responsible Minister	The Crown entity must provide the final SOI as soon as practicable after receiving and considering the Minister's comments, but in any case before the start of the first financial year to which the SOI relates.
6.	Crown entity publishes final SOI on its website and the responsible Minister presents final SOI to the House	Go to section 'How and when is a statement of intent presented to the House and published?'

## 2. Timetable when the responsible Minister requires a new SOI

This timetable must be used when the responsible Minister requires the Crown entity to provide a new SOI. This can be requested at any time [s139A CEA].

The new SOI must cover a minimum of four financial years which must relate to the forthcoming financial year and at least the following three financial years.

The Minister may require the new SOI to also relate to the remainder of the current financial year.

Step	Action	Timeframe
1.	The Crown entity should discuss what the timeframe might be with the responsible Minister or monitor	As soon as the Crown entity is aware that a new SOI is to be produced.
2.	Crown entity provides the draft SOI to responsible Minister	Within the timeframe agreed with the responsible Minister.
3.	Responsible Minister comments on draft SOI	Not later than 15 working days after receiving the draft SOI.
4.	Crown entity considers comments	The Crown entity must consider the comments (if any) as soon as practicable, but no later than 25 working days after receiving the comments.
5.	Board finalises the SOI	The SOI is final when it is signed on behalf of the Board by two members, or in case of a corporation sole, by the sole member.
6.	Crown entity provides final SOI to the responsible Minister	As soon as practicable after receiving and considering any comments from the responsible Minister, but in any event not later than 25 days after receiving the comments.  If the responsible Minister does not provide comments within the 15 working days, the Crown entity must provide the final SOI to the responsible Minister not later than 25 working days after the 15 working days period.
7.	Crown entity publishes final SOI on its website and the responsible Minister presents final SOI to the House	Go to section 'How and when is a statement of intent presented to the House and published?'

### 3. Timetable for amendments to a final SOI directed by the responsible Minister

This timetable must be used when the responsible Minister directs a Crown entity to amend any provision in the final SOI. The responsible Minister may direct a Crown entity to amend any of the following information that is included in the SOI [s145(d) and s147(1)]:

- the strategic objectives that the Crown entity intends to achieve or contribute to
- the nature and scope of the Crown entity's functions and intended operations
- how the Crown entity proposes to manage its functions and operations to meet its strategic intentions
- how the Crown entity proposes to assess its performance
- identify any process to be followed for the purposes of s100 (Acquisition of shares or interests in companies, trusts, and partnerships etc).

The amendment to the SOI is in force from the effective date of the direction.

Step	Action	Timeframe
1.	The responsible Minister must consult with the Crown entity before giving a direction	The consultation period is up to the responsible Minister(s147(2) and s115(1) CEA). <i>Good practice would be to discuss the specific nature of the proposed direction and timing by when the amendment is required.</i>
2.	The responsible Minister issues the direction	Post consultation.
3.	Crown entity provides draft amendment to responsible Minister	If required, within timeframe agreed with the responsible Minister.
4.	Responsible Minister comments on draft amendment	If required.
5.	Crown entity considers comments if any	If required, within timeframe agreed with the responsible Minister.
6.	Board finalises amendment	The amendment is final when it is signed on behalf of the Board by two members, or in case of a corporation sole, by the sole member, but is in force from the effective date of the Minister's direction.
7.	Crown entity provides final amendment to responsible Minister	Timeframe agreed with the responsible Minister or as soon as practicable.

Step	Action	Timeframe
8.	Crown entity publishes final amendment on its website and the responsible Minister presents final amendment to the House	<p>As soon as practicable after the amendment is finalised, except as follows.</p> <ul style="list-style-type: none"> <li>• The Crown entity must not publish an amendment and the Minister must not present amendment before the final SOI has been published and presented under s149 CEA.</li> <li>• If Parliament is not in session, as soon as possible after the commencement of the next session of Parliament, the responsible Minister must present a copy of the amendment to the House.</li> <li>• If the amendment will come into force on or after the next Budget day, the responsible Minister may require the Crown entity to not publish the amendment in the pre-Budget period and the responsible Minister need not present in the pre-Budget period.</li> </ul> <p>The pre-Budget period is the three months ending when the Minister of Finance delivers the next Budget or if the Minister of Finance gives less than three months' notice of the next Budget, the period commencing on the day the Minister of Finance gives notice and ending when the Budget is delivered.</p>

#### 4. Timetable for amendments to a final SOI initiated by the Crown entity

This timetable must be used when the Crown entity chooses to amend its final SOI [s148(1) CEA]. It must also be used when the Crown Entity is required to amend its SOI because the SOI has become misleading or because the entity's intentions and undertakings in the SOI are significantly altered or affected by a Ministerial direction, change in law, or change in the entity's operating environment. A Crown entity may also provide a new SOI to its responsible Minister instead of amending its final SOI.

The amendment to the SOI is in force on date that the final amendment is provided to responsible Minister. However an amendment does not change the effective date of the SOI, which remains the later of the date that the final SOI was provided to the responsible Minister, and the first day of the period to which the SOI relates.

Step	Action	Timeframe
1.	Crown entity talks to the responsible Minister about the required amendment(s) for the SOI and proposed timeframe	As soon as the Crown entity is aware that an amendment to their SOI is required or desirable.
2.	Crown entity provides draft amendment to responsible Minister	As soon as practical after the Crown entity becomes aware of facts that give rise to an obligation for change.
3.	Responsible Minister comments on draft SOI	Not later than 15 working days after receiving the draft amendment.
4.	Crown entity considers any comments from the responsible Minister	The Crown entity must consider the comments (if any) as soon as practicable.
5.	Board finalises amendment	The amendment is final when it is signed on behalf of the Board by two members, or in case of a corporation sole, by the sole member.
6.	Crown entity provides final amendment to responsible Minister	As soon as practicable after considering any comments, the Crown entity must provide the final amendment to the responsible Minister.



Step	Action	Timeframe
7.	Crown entity publishes final amendment on its website and the responsible Minister presents final amendment to the House	<p>As soon as practicable after the amendment is finalised, except as follows.</p> <ul style="list-style-type: none"> <li>• The Crown entity must not publish an amendment and the Minister must not present an amendment before the final SOI has been published and presented under s149 CEA.</li> <li>• If Parliament is not in session, as soon as possible after the commencement of the next session of Parliament, the responsible Minister must present a copy of the amendment to the House.</li> <li>• If the amendment will come into force on or after the next Budget day, the responsible Minister may require the Crown entity not to publish the final SOI in the pre-Budget period.</li> </ul> <p>The pre-Budget is the three months ending when the Minister of Finance delivers the next Budget or, if the Minister of Finance gives less than three months' notice of the next Budget, the period commencing on the day the Minister of Finance gives notice and ending when the Budget is delivered.</p>

## 5. Timetable for newly established entity

This timetable must be used when a Crown entity is newly established. The SOI must cover a minimum of four financial years which must relate to the forthcoming financial year and at least the following three financial years [s139 (2) CEA].

Step	Action	Timeframe
1.	The responsible Minister may give directions to a Crown entity at any time before the SOI is in force. The directions can only be on matters referred to in s141(1) and (2)(a), (b), (d) and (e) CEA.	The directions apply as if they were the Crown entity's SOI until the Crown entity's SOI is in force.
If directions are to be given, go to step 1a. If no directions are to be given go to step 2.		
1a	The responsible Minister must consult with the Crown entity before giving a direction	The consultation period is up to the responsible Minister (s140(5) and s115(1) CEA).
1b	The responsible Minister gives the direction	Post consultation.
1c	The responsible Minister publishes the direction in the <i>Gazette</i> and presents a copy of the direction to the House	As soon as practicable after giving the direction.
2.	Crown entity provides draft SOI to responsible Minister	Within the timeframe specified by the responsible Minister.
3.	Responsible Minister comments on draft SOI	Not later than 15 working days after receiving the draft SOI.
4.	Crown entity considers comments	The Crown entity must consider the comments (if any) as soon as practicable, but no later than 25 days after receiving them.
5.	Board finalises the SOI	The SOI is final when signed on behalf of the Board by two members, or in case of a corporation sole, by the sole member.
6.	Crown entity provides final SOI to the responsible Minister	The Crown entity must provide the SOI as soon as practicable after receiving the responsible Minister's comments, but in any case no later than 25 days after receiving them.  If the responsible Minister does not provide comments within the 15 working days, the Crown entity must provide the final SOI to the responsible Minister not later than 25 working days after the 15 working days period.
7.	Crown entity publishes final SOI on its website and the responsible Minister presents final SOI to the House	Go to section 'How and when is a statement of intent presented to the House and published?'

# What content needs to be in a statement of intent?

This section sets out the legislative requirements for a SOI's content and provides guidance on how to fulfil these requirements. We recommend using the **companion document** to this guidance alongside this section, as it will provide:

- **prompts that can help people new** to developing a SOI lead a process that draws together the content for discussion with the relevant people inside the Crown entity. Using the prompts can help people fulfil the Act's requirements in ways that are meaningful for the Crown entity, and
- **suggestions on good practice processes** which are associated with developing a SOI – such as strategic thinking, planning and ensuring joined-up performance reporting within the Crown entity.

## Requirements for information in the statement of intent

### Objectives, functions and intended operations

**The Act provides that the content of a statement of intent must, for the period to which it relates:**

*“set out the strategic objectives that the entity intends to achieve or contribute to” s141(1) CEA*

*“explain the nature and scope of the entity's functions and intended operations” s141(2)(a) CEA*

#### How to fulfil these requirements

These two requirements provide the starting point for the statement of intent. They require Crown entities to outline why the Crown entity exists, its medium-term objectives, and what it intends to do to achieve these objectives.

##### *Strategic objectives*

The information on the Crown entity's strategic objectives (s141(1)) should clearly inform Parliament and the public what benefits New Zealand will get from the Crown entity's use of funding (both from the Crown and from users) and management of resources. It should answer the questions of “What difference will the Crown entity make?” and “What will Parliament and the public see as the Crown entity makes progress with its intentions?”.

The information should reflect discussions between the Crown entity and its responsible Minister regarding expectations, policies, priorities and desired results.

The Crown entity's explanation could cover: the impacts, results, goals, and/or outcomes which relate to these objectives; its role as an actor operating in complex systems' relevant intervention logics and performance frameworks.

Many of the government's desired outcomes and specific priorities cross agency boundaries so most Crown entities need to collaborate with others to achieve their SOI. This means that the SOI should show the objectives to which Crown entities contribute which are shared or jointly agreed with other Crown entities and/or departments. Ideally, they show the landscape of wider strategies and objectives to which the Crown entity contributes so Parliament, the public and the Crown entity's stakeholders can see the connections among the various strategies, plans and work programmes.

### *Functions and intended operations*

The term 'function' in relation to a Crown entity other than a statutory entity is defined in section 10 of the CEA. For a statutory entity, their functions are defined in section 14 of the CEA. Functions can include, but are not restricted to, functions set out in the entity's legislation or related legislation, and functions given to the entity by way of a Ministerial direction where legislation allows this.

Information which addresses operations would lead to an account of the Crown entity's activities, services, and/or key work programmes, and how they contribute to the Crown entity's SOI. This information should enable the public to make a link between a Crown entity's SOI and the reportable output classes outlined in the SPE.

## **How the Crown entity intends to manage its functions and operations, and its organisational health and capability**

**The Act provides that the content of a statement of intent must, for the period to which it relates:**

*"explain how the entity intends to manage its functions and operations to meet its strategic intentions" s141(2)(b) CEA*

*"explain how the entity proposes to manage its organisational health and capability" s141(2)(c) CEA*

### **How to fulfil this requirement**

To meet this requirement, Crown entities should provide information which outlines how the Crown entity organises itself to achieve its objectives. The areas covered in this information are likely to overlap and therefore address both clauses s141(2)(b) and (c), and could include:

- organisational values and desired ways of working
- who the Crown entity works with and how in order to achieve objectives
- how the Crown entity is set up and structured
- organisational health, and
- current and future capabilities.

Crown entities should use their judgement to assess which areas are significant enough to include in their intentions, based on what areas are significant to achieving strategic objectives, and the Crown entity's range of functions and operations. This is likely to change over time as Crown entities develop different intentions with respect to improving their operations.

Information could include outlining existing internal organisational strategies and plans in areas such as: risk management, investment and asset management, capital, data and digital, Māori capability, diversity equity and inclusion, health and safety, and workforce.

Information relevant to organisational health could include how a Crown entity plans to support and sustain its long-term capability and people, institutional knowledge and information, systems and processes, assets, and legislation.

## Assessing performance

**The Act provides that the content of a statement of intent must, for the period to which it relates:**

*“explain how the Crown entity proposes to assess its performance”*  
s141(2)(d) CEA

### How to fulfil this requirement

#### *Why this requirement matters*

Having a reliable basis for tracking and reporting performance over time is a key component of successful strategy development, organisational planning and fulfilling accountability obligations. One way of viewing this in the context of public sector performance is:

- establishing clear pathways towards the agency’s strategic objectives, and
- assessing the degree to which the agency is progressing towards these strategic objectives.

Performance assessment supports leaders and staff inside the agency to:

- understand to what extent they are on track to achieve the agency’s strategic objectives
- follow up on the delivery of agreed plans and activities
- make adjustments based on actual performance and changes to the operating environment, and
- demonstrate achievement of results and value for money to Ministers, Parliament and the public.

*Agencies should use their judgement on what framework(s) they use and maintain a focus on users when fulfilling this requirement*

Many frameworks and methods are available that can assist agencies to assess performance. Agencies will need to use their judgement (and ideally, disclose their judgements where they are significant) when setting out how they intend to assess performance.

It may be appropriate for agencies to use more than one framework to assess performance if they have a range of different functions and operations. For example, operations that focus on delivery of frontline services may warrant different ways of assessing performance compared to policy- or stewardship-related functions.

We recommend using PBE FRS 48's principles-based requirements to think about the selection and presentation of how performance will be assessed. Agencies are encouraged to consult internally and externally to test that their chosen approach is understandable, meaningful, and able to be implemented and verified. For more, see the section 'Keeping users in mind when selecting, developing, structuring, and presenting information for intentions.'

### *Information on assessing performance should support strong connections between SOIs, SPEs and Annual Reports*

SOIs should enable a strong connection to the Statement of Performance Expectations and annual reports by showing how the Crown entity will assess performance over the medium-term as well as the short-term. This information should show at a high level the connections between the different elements of an entity's performance such as resource use, delivery, and achievement. This information might also cover the processes that support delivery, organisational health and resilience, and the management of risks. Achieving strong connections also means:

- SPEs should draw on SOI content. SPEs also provide a base against which actual performance can be assessed with a shorter-term focus. It should be clear how performance in the short-term is contributing towards performance over the medium to longer term.
- Annual report development will become more straightforward when Crown entities think and plan for how they will report on progress in relation to their strategic intentions when developing their SOI. Relevant information from the SOI and SPE should 'flow through' to the annual report.

For more information see the companion section 'Planning for upcoming SI/SOI presents an opportunity to ensure joined-up performance reporting'.

## **Any other matters**

**The Act provides that the content of a statement of intent must, for the period to which it relates:**

*"identify any process to be followed for the purpose of section 100"*  
141(2)(e) CEA

*"set out and explain any other matters... that are reasonably necessary to achieve an understanding of the entity's strategic intentions and capability"*  
s141(2)(f)(i) CEA

*"set out and explain any other matters... that the entity is required to include in its statement of intent under this Act or another Act."*  
s141(2)(f)(ii) CEA

## How to fulfil this requirement

Further matters may arise from:

- ongoing engagements with the responsible Minister and any other relevant Minister(s) during the development of the SOI
- scope of the SOI including any Crown entity subsidiaries, and
- the Crown entity’s establishing legislation which may supplement, modify, or negate the SOI provisions of the CEA for the Crown entity or its subsidiaries.

The table below also outlines possible ‘other matters’.

Other Matter	Commentary
Strategic and operating environment	<p>An explanation of the operating environment (for example economic, fiscal, social, technological, and environmental conditions) and how the Crown entity anticipates the operating environment might change can provide useful context for understanding the Crown entity’s strategic objectives, its intended operations, and longer term work programmes.</p> <p>For example, the intentions could discuss any new requirements and expectations from the Government of the day on how agencies should operate – such as fiscal sustainability, and environmental sustainability – and how these sources of direction would affect the department’s objectives, functions, and operations.</p> <p>It may also be worthwhile to:</p> <ul style="list-style-type: none"> <li>• show the landscape of strategies and plans the Crown entity is responsible for or contributes to. Some will link to who the Crown entity works with.</li> <li>• discuss how the Crown entity is an actor interacting with many other actors in complex systems, given most Crown entities operate within or seek to affect change on systems and policy issues which may be complex, open-ended and unpredictable (sometimes called ‘wicked problems’).</li> </ul>
Agency Capability Reviews (ACR) and responses	<p>The intentions should outline where a Crown entity is taking any measures to address substantive issues resulting from an ACR, or to achieve necessary shifts in strategic direction and capability to achieve the Crown entity’s desired future state.</p>
Investment Management and Asset Performance in Departments and Other Entities Cabinet Office circular CO (23) 9	<p>This circular sets out Cabinet’s expectations for the management of investments and both physical and intangible assets by departments, Crown entities, and PFA Schedule 4A companies. It outlines the investment management system, system expectations, Crown entity operational requirements, and roles and expectations of other parties involved in the system.</p> <p>Agency plans, intentions, delivery, and intended benefits related to this circular will be relevant to providing the medium term framework envisaged in the SOI.</p> <p>For assistance contact <a href="mailto:investmentmanagement@treasury.govt.nz">investmentmanagement@treasury.govt.nz</a></p>

Other Matter	Commentary
Equal Employment Opportunities	<p>Section 118(1) of the CEA requires Chief Executives of Crown entities to:</p> <ul style="list-style-type: none"> <li>• operate a personnel policy that complies with the principle of being a good employer</li> <li>• make that policy (including the equal employment opportunities programme) available to its employees</li> <li>• ensure its compliance with that policy (including its equal employment opportunities programme), and</li> <li>• report in its annual report on the extent of its compliance.</li> </ul> <p>The requirement to be a good employer and to operate an EEO policy does not mean there is an equivalent content requirement for strategic intentions (unlike for annual reports).</p> <p>Where relevant, we recommend including information on the department's plans to maintain or improve equal employment opportunities because this contributes to a public understanding of how the department manages its functions and operations.</p>

Crown entities are also required to identify any process to be followed for any proposed acquisition of shares or other interests in companies, trusts, partnerships, joint ventures or similar, excluding Crown entity subsidiaries, under s100 of the CEA.

## Signature on behalf of the Board

**The Act provides that the content of a statement of intent must:**

*“be in writing, be dated, and be signed on behalf of the board by 2 members or, in the case of a corporation sole, by the sole member”*  
s141((3)(a) CEA

### How to fulfil this requirement

As well as dating and signing the SOI, Board members (including chairs) of the Crown entity may wish to personalise their commitment to the SOI by including an introduction. Crown entities have used a range of ways to demonstrate this commitment such as forewords, introductions, and Board statements.



# Keeping users in mind when selecting, developing, structuring and presenting information for intentions.

This section outlines how the principles and characteristics of the PBE FRS 48 Service Performance Reporting Standard (to be referred to as ‘the standard’ or ‘PBE FRS 48’) can be helpful when Crown entities set up and develop the content and presentational elements of their SOI. While the standard must be applied to reportable classes of outputs, it is relevant but not required for other performance reporting like the SOI.<sup>2</sup> We encourage Crown entities to use the standard to create more appropriate and meaningful information for users.

## PBE FRS 48’s principles are relevant to the SOI

PBE FRS 48 provides principles-based requirements for selecting and presenting service performance information so that it is appropriate and meaningful to users.

The new standard should be considered when developing new SOI because it can help with clearly describing objectives and intentions, and in making an assessment of the Crown entity’s progress in relation to its strategic intentions in annual reports.<sup>3</sup> Parts of the standard particularly relevant to the SOI include:

- qualitative characteristics such as relevance, understandability, and comparability (as stated in [paragraph 9 of the standard](#))
- pervasive constraints on information such as materiality, cost benefit and balance, and
- [paragraphs 15 to 19 of the standard](#) which provide a possible starting point on how to give effect to the CEA requirements for reporting on progress towards the SOI and other performance reporting in the annual report. These paragraphs cover areas like contextual information, service performance activities, and contextualising the information provided depending on the Crown entity’s circumstances.

## Who are the likely users of the SOI?

To best meet the information needs of their users, we recommend Crown entities ‘stand in the shoes of users’ when selecting and structuring performance information.

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<sup>2</sup> The standard must be applied for end-of-year reporting on appropriations (Departments and Crown entities) and the statement of performance (Crown entities), which can form part of annual reports. However, other performance information included in annual reports on operations or progress against strategic intentions is not required to comply with PBE FRS 48. For more, see [Treasury circular 2023/09: Guidance for applying PBE FRS 48 service performance reporting to annual reports and end-of-year reporting](#).

<sup>3</sup> For more, see page 8 onwards of [this Treasury guidance on applying PBE FRS 48](#). This section provides information on considering the qualitative characteristics and pervasive constraints when selecting appropriate and meaningful performance information. While the guidance linked in this footnote is about applying the standard to Estimates and Statements of Performance Expectations, this information could also be applied to the selection of performance information for SOIs.

The ideas conveyed in paragraphs IN4 and IN5 of the [standard's introduction](#) provide one starting point to think about the potential interests and needs of users. While the exact nature of users' interests in service performance information will be influenced by a number of factors, most users are likely to have common interests such as whether an entity has used funds for the purpose intended, and what it has achieved with the resources available to it.

Although these paragraphs focus on the users of general purpose reports like annual reports, they are relevant to this guidance because strategic intentions should provide a framework for users to understand annual reports.

The primary users for the SOI are Parliament and the Crown entity's responsible Minister. This is because:

- Parliament acts as the representatives of the public, as well as the 'funder' and 'owner' of the Crown entity (by voting to approve expenditure that a Crown entity uses and by having an interest in how well the Crown entity is operating), and
- the responsible Minister is involved with setting the SOI and medium-term undertakings.

The SOI is published online by the Crown entity after being tabled in Parliament, so other key users would include:

- other organisations in the public service like departments and specified agencies
- non-governmental organisations, and other stakeholders who work with the Crown entity
- current and prospective staff, and
- interested members of the public.

### **Crown entities should use their own judgement on how to structure their intentions**

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

One approach is to develop a meaningful 'performance story' about what a Crown entity delivers, why it delivers this, and what difference it intends to make to New Zealand (such as in the economy, different communities, society, and/or the environment). Some Crown entities have recently used a series of key prompts to organise their strategic intentions, as outlined below. These prompts can be linked to the **companion document's** prompts which can help practitioners develop content for the SOI.

- Who are we?
- Why do we exist?
- What do we do?
- How do we operate?
- Who do we work with?

## Clarity of presentation is essential to help users understand the SOI

No formats are prescribed, so Crown entities should use their judgement to find the best and most meaningful ways to express their strategic intentions. The qualitative characteristics of the PBE Conceptual Framework can help Crown entities arrive at informed judgements in this area, particularly regarding the characteristic of understandability (see paragraphs 8 and 9 of the standard). This could include working with colleagues in communications-related roles, to ensure that:

- the amount of information presented is concise, coherent, and easy-to-understand
- the information is in 'plain language' wherever appropriate. It is likely that documents containing information on strategic intentions will be "relevant documents" for the purposes of the Plain Language Act 2022. This requires the responsible agency to take reasonable steps to ensure the use of plain language. Plain language is defined in section 5 of the Act to mean language that is appropriate to the intended audience and is clear, concise, and well organised
- even where an agency may consider the Plain Language Act 2022 does not apply, it is good practice to observe principles of plain language where appropriate – without changing the meaning of technical wording where such wording is necessary
- the information is supported by diagrams, infographics, graphs, and tables where useful.

The SOI must be clearly labelled as the Crown entity's information on its SOI as required under Part 4 of the CEA. This is particularly important if the SOI is included in another document such as the Crown entity's annual report.

# How and when is a statement of intent presented to the House and published?

Once the SOI is finalised the Crown entity provides the SOI to their responsible Minister. The Minister then presents it to the House, and the Crown entity must publish it online.

## When does the responsible Minister present the statement of intent to the House?

The responsible Minister (or other Minister) must present the SOI to the House after the responsible Minister receives it, but not later than the date on which the annual report is presented [s149(3) CEA].

A Minister other than the responsible Minister may present the information on strategic intentions, if the information is in a document that includes other information and that other Minister is responsible for presenting that other information [s149(5) CEA].

Crown entities need to ensure that their SOIs meet the requirements for Parliamentary papers to be presented to the House, as outlined at [Presenting papers to the House of Representatives](#).

## Should the statement of intent be a standalone document or can it be presented to the House with other documents?

A Crown entity has options on how they publish and present their SOI. It may be presented in a standalone document or a document that includes other information like an annual report.

The SOI can be in the same document as the Crown entity's annual report for the financial year prior to the first full year to which the SOI relates. In other words if the first full year of the SOI is 2024/25 then the SOI can be presented in the 2023/24 annual report. This option allows Parliament to review performance and strategy concurrently for more informed debate during the Select Committee financial review process.

It could also be presented with other relevant documents like a sector report within which the Crown entity falls.

It is important that a Crown entity's SOI is clearly identifiable. If the Crown entity has published or presented its SOI in a document which also contains other information, this information needs to be clearly identified both within the document and on its cover. [s149(4) CEA].

## When and where do we publish the SOI?

A Crown entity must publish its SOI on its website as soon as practicable, after providing the SOI to the responsible Minister [s149(a) CEA].

However, the responsible Minister may require the Crown entity not to publish in the pre-Budget period [s149(2) and s136 CEA]. The pre-Budget period is the three months ending when the Minister of Finance delivers the next Budget or, if the Minister of Finance gives less than three 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.

# Minimum Content Requirements and Expectations

Content	Reference	Comment	Page numbers
Period of time the SOI must cover	s139(2) and (3) and s129A(3) CEA	At a minimum, the SOI must cover the next four financial years.  If the responsible Minister requires a new SOI, the SOI may also cover the current financial year.  The Crown entity must provide a SOI at least once in every 3-year period.	
	n/a	The SOI should clearly identify the period to which the SOI relates to, for example by using start and finish dates on the cover.	
Strategic objectives	s141(1) CEA	The SOI must set out the strategic objectives the Crown entity intends to achieve or contribute to (the Crown entity's strategic intentions).	
Nature and scope	s141(2)(a) CEA	The SOI must explain the nature and scope of the Crown entity's functions and intended operations.	
Functions and operations	s141(2)(b) CEA	The SOI must explain how the Crown entity intends to manage its functions and operations to meet its strategic intentions.	
Organisational health and capability	s141(2)(c) CEA	The SOI must explain how the Crown entity proposes to manage its organisational health and capability.	
Assessing performance	s141(2)(d) CEA	The SOI must explain how the Crown entity proposes to assess its performance.	
Process in relation to acquisitions	s141(2)(e) CEA	The SOI must identify any process to be followed for any proposed acquisition of shares or other interests in companies, trusts, partnerships, joint ventures or similar, excluding Crown entity subsidiaries, under s100 of the CEA.	
Other matters	s141(2)(f)(i) CEA	The SOI must set out and explain any other matters that are reasonably necessary to achieve an understanding of the Crown entity's strategic intentions and capability.	

Content	Reference	Comment	Page numbers
Equal Employment Opportunities	s118(1) CEA	<p>Section 118(1) of the CEA requires Chief Executives of Crown entities to:</p> <ul style="list-style-type: none"> <li>operate a personnel policy that complies with the principle of being a good employer</li> <li>make that policy (including the equal employment opportunities programme) available to its employees</li> <li>ensure its compliance with that policy (including its equal employment opportunities programme), and</li> <li>report in its annual report on the extent of its compliance.</li> </ul> <p>Where relevant, the intentions should include information on the entity's plans to maintain or improve equal employment opportunities.</p>	
Other statutory reporting requirements	s141(2)(f)(ii) CEA	The SOI must set out and explain any other matter that the Crown entity is required to include in its SOI under the CEA or any other Act.	
Agreed additional information	s145(a) CEA	The responsible Minister and the Crown entity can agree to include additional information in the SOI.	
Form of information	s145(b) CEA	The responsible Minister may, by written notice to the Crown entity, require information to be disclosed in the SOI in a specified form.	
Regulations	s173 CEA	The Governor-General by Order in Council, on the recommendation of the Minister of Finance, may make regulations requiring Crown entities to include additional information in an SOI.	n/a <sup>4</sup>
Minister of Finance instructions	s174(a) and (b) CEA	The Minister of Finance may 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 to the House.	n/a <sup>5</sup>
Inclusion of a creative commons licence	Cabinet Expectation <a href="#">CAB Min (10) 24/5A</a>	As well as placing a copyright statement in an SOI, Crown entities are encouraged to insert a licence setting out the terms by which this copyright work can be re-used. 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> .	

<sup>4</sup> To date, no such regulations have been issued.

<sup>5</sup> To date, no such instructions have been issued.

Content	Reference	Comment	Page numbers
Board signature	s141(3)(a), s148(5) CEA	The SOI (or amendment) must be in writing, dated, and signed on behalf of the Board by two members or, in the case of a corporation sole, by the sole member.	