



Ms Anna Kominik
Chair
Electricity Authority

Dear Anna,

DELIVERING FISCAL SUSTAINABILITY

The Coalition Government is committed to getting the government's books back in order and ensuring taxpayer funds deliver positive outcomes for New Zealanders. To help us achieve this we have established a Fiscal Sustainability Programme to embed a culture of responsible spending across Government, including in Crown entities.

Crown entities account for a significant proportion of government expenditure and service delivery. You and your boards have an important role in achieving results and outcomes from this expenditure. Boards must ensure their entities make the best use of Crown funding to deliver high quality services and you should expect enhanced scrutiny of Crown funding.

I expect all Crown entity boards to have a firm grasp of their entity's operations and cost drivers. Boards should review programmes regularly to assess whether they represent value-for-money. Programmes and activities that are not delivering results should be stopped and funding should be reprioritised or returned to the Crown.

Reducing reliance on contractors and consultants is a key priority as we work to get the books back in order. The Coalition Government is seeking savings of at least \$400 million a year in contractor and consultant expenditure across the public service and Crown entities. This represents a 17% decrease on the \$2.37 billion spent in 2022/23.

I expect that your board is providing active leadership to achieve a significant reduction in this type of expenditure, including taking action to realise immediate savings. I expect boards to engage closely with monitoring agencies to ensure effective and timely information is provided to allow Ministers to track progress. Your monitoring agencies will provide further guidance and detailed expectations in coming weeks.

Crown entity boards should be providing regular and robust reporting to monitoring agencies and responsible Ministers, demonstrating entities are driving value-for-money and prioritising spending towards improving outcomes for New Zealanders.

Thank you for your support as we deliver the changes needed to restore fiscal discipline and ensure expenditure is delivering real results for New Zealanders.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nicola Willis'.

Hon Nicola Willis
Minister of Finance
Minister for the Public Service