

## Glossary of public sector terms

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Agency	Synonym for 'organisation'. A blanket term that may include departments, Crown entities, State-owned Enterprises, PFA Schedule 4 organisations, PFA Schedule 4A and 5 companies, Offices of Parliament and the Reserve Bank.
Appropriations	A Parliamentary authorisation for Ministers of the Crown or an Office of Parliament to incur expenses or capital expenditure.
Autonomous Crown entity	Autonomous Crown entities (ACEs) are statutory Crown entities that must have regard to Government policy directions as distinct from giving effect to Government policy directions or being generally independent of Government policy.
Better Public Services Advisory Group	The Better Public Services Advisory Group was established by the government in May 2011 to provide advice on State sector reform. It reported to the government in November 2011 and its report was released on March 2012.
Code of conduct	Under the State Sector Act, the State Services Commissioner has issued a code of conduct covering the minimum standards of integrity and conduct that are to apply to the Public Service and most Crown entities.
Crown	Means the Sovereign and includes all Ministers of the Crown and all departments (including any of their departmental agencies). It does not include any other type of 'organisation' described in the definition of 'agency' above.
Crown agent	Crown agents are statutory Crown entities that must give effect to Government policy directions as distinct from having regard to Government policy directions or being generally independent of Government policy. Crown agents are those Crown entities most closely subject to ministerial control.
Crown entity	<p>Crown entities are stand-alone corporate bodies that are legally separate from the Crown. They are public bodies that operate at arm's-length from Ministers, but still an integral part of the State sector. Ministers have a key role in managing the Crown's interests in Crown entities, for example through their role in board appointments, setting direction and funding levels, and monitoring entity performance.</p> <p>Section 7 of the Crown Entities Act 2004 outlines the five categories of Crown entity:</p> <ul style="list-style-type: none"><li>• Statutory entities - bodies corporate established through legislation;</li></ul>

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- Crown entity companies – companies that are incorporated under the companies act and are wholly owned by the Crown, (e.g. Crown Research Institutes, TVNZ);
- Crown entity subsidiaries - companies that are controlled by Crown entities;
- School boards of trustees - as constituted under Part 9 the Education Act 1989; and
- Tertiary education institutes – polytechnics/institutes of technology, universities and wānanga established under part 14 of the Education Act 1989.

Department	The departments that comprise the Public Service are listed in the First Schedule to the State Sector Act. In addition to those departments, the Public Finance Act includes the New Zealand Defence Force, New Zealand Police, Office of the Clerk, Parliamentary Counsel Office, Parliamentary Service and the New Zealand Security Intelligence Service in the definition of department. The latter departments are also referred to as 'Non-State Sector Act departments' or 'Non-Public Service departments'.
Departmental agency	A new organisation form involving a specific operational delivery or regulatory function or functions placed within a host department. A Departmental Agency has a chief executive employed by the State Services Commissioner. The Departmental Agency's chief executive reports directly to the Minister responsible for the Departmental Agency, who may or may not be the same as the Minister responsible for the host department.
Departmental appropriations	Departmental appropriations are for outputs, other expenses, or capital expenditure incurred by a department.
Estimates of appropriation	A statement of the proposed expenses and capital expenditure to be incurred by the Crown or an Office of Parliament. The Government's request for appropriations, and supporting information, is presented to the House of Representatives at Budget time in formal documents known as the Estimates and Information Supporting the Estimates.
Functional leadership	Functional leadership may be defined as leadership, on a cross-agency or cross-system basis, of an aspect of business activity (for example, Procurement, ICT and Property). It is aimed at, <i>inter alia</i> , securing economies or efficiencies, improving services and service delivery, and developing expertise and capability across departments.
GAAP	Generally Accepted Accounting Practice.

Information Supporting the Estimates	The Information Supporting the Estimates is organised by sector and provides a statement of responsibility and performance information for each appropriation.
Independent Crown entity	Independent Crown entities (ICEs) are statutory Crown entities that are generally independent of Government policy as distinct from giving effect or having regard to Government policy.
Mixed Ownership Model companies	Mixed Ownership Model (MOM) companies are listed in Schedule 5 of the Public Finance Act 1989. This model applies to companies majority controlled by the Crown, and minority controlled by persons other than the Crown.
Multi-category appropriations	A single appropriation made up of multiple categories (which can be different types of expenditure including output expenses, other expenses, and non-departmental capital expenditure) that all contribute to the same overarching purpose. This is similar to the multi-class output appropriation (MCOA), but is more flexible as it is not limited to output expenses.
Multi Class Output Appropriation (MCOA).	The Minister of Finance can agree that more than one specified class of outputs be supplied under a single appropriation.
Net assets rule	The requirement in section 23 of the PFA for Parliamentary confirmation of the level of each department's net assets each year.
Non-departmental appropriations	Non-departmental appropriations relate to transactions on behalf of the Crown with parties outside the legal Crown. For example, purchasing outputs from, and making transfer payments to, outside parties, and investing capital in other entities or persons.
Offices of Parliament	The primary function of an Office of Parliament is to be a check on the Executive, as part of Parliament's constitutional role of ensuring accountability of the Executive. An Office of Parliament must discharge functions which the House itself might appropriately undertake. Currently there are three Offices of Parliament: Office of the Controller and Auditor-General, Parliamentary Commissioner for the Environment, and Office of the Ombudsmen.
Outcomes	The impacts on, or the consequences for, the community or society of the outputs or activities of the Government
Outputs	Goods or services provided by departments and other entities. Outputs are a variety of types, including policy advice, administration of contracts and grants, and the provision of specific services.

Permanent legislative authority	Also known as a Permanent Legislative Appropriation, PLA, or permanent expenditure authority, this is an authority contained in statute that continues in effect until repealed by Parliament. An example of a PLA is in relation to departmental capital expenditure, where a PLA is used to authorise the purchase or development of departmental assets funded from a department's balance sheet.
Public sector	The public sector comprises the State sector ('central government') and all local authorities ('local government'), including council-controlled organisations.
Public Service	The Public Service comprises the departments listed in the First Schedule to the State Sector Act. Any Departmental Agencies hosted within a Public Service department are also part of the Public Service. Sometimes described as the first, or inner, tier of the 'three tier State', the other two tiers being Crown entities and State-owned enterprises. Narrower than both 'State sector' and 'public sector'.
Responsible Minister	The Minister accountable to Parliament for the financial performance of a department or Crown entity. In relation to an Office of Parliament, the Speaker is the responsible Minister.
Public Finance Act Schedule 4 organisations	PFA Schedule 4 has a list of miscellaneous organisations, including Fish and Game Councils and Reserve Boards, which are subject to certain provisions of the Crown Entities Act (specified in the Schedule).
Public Finance Act Schedule 4A companies	Schedule 4A of the Public Finance Act has a list of companies in which the Crown is the majority or sole shareholder, and which are not listed on a registered market. PFA schedule 4A companies are treated as Crown entities for the purposes of directions under the section 107 of the Crown Entities Act 2004, and various sections of that Act relating to financial powers also apply (as specified in the Schedule).
State-owned enterprise (SOE)	SOEs are businesses (typically companies) listed in the First Schedule to the State-Owned Enterprises Act 1986. SOEs operate as a commercial business but are owned by the State. They have boards of directors, appointed by shareholding Ministers to take full responsibility for running the business.
State sector	The State sector comprises all organisations that are included in the 'Government reporting entity' and are referred to in s 27(3) of the Public Finance Act 1989, namely: Public Service departments and departmental agencies; other departments under the PFA; Offices of Parliament; State-owned enterprises; Crown entities; organisations listed on schedule 4 of the PFA; companies listed on Schedule 4A and Schedule 5 of the PFA; and the Reserve Bank of New Zealand. A comprehensive list of State sector agencies is available at: <a href="http://www.ssc.govt.nz/state_sector_organisations">www.ssc.govt.nz/state_sector_organisations</a> .

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State services

A term defined in section 2 of the State Sector Act 1988. It is a broad definition that, essentially, includes departments, most Crown entities and other organisations that are "*instruments ... of the Government of New Zealand*". "Government of New Zealand" is interpreted (consistent with the definition of "Government" in the Public Finance Act 1989) as the Executive branch of government.

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Vote

A grouping of one or more appropriations that are the responsibility of one or more Ministers of the Crown and are administered by one department.

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Source: *Briefing to the Finance and Expenditure Committee on the State Sector and Public Finance Reform Bill 2013* (Appendix), see: [http://www.parliament.nz/en-nz/pb/sc/documents/advice/50SCFE\\_ADV\\_00DBHOH\\_BILL11610\\_1\\_A317887/initial-briefing](http://www.parliament.nz/en-nz/pb/sc/documents/advice/50SCFE_ADV_00DBHOH_BILL11610_1_A317887/initial-briefing).