

# Ngā kupu a te Ratonga Tūmatanui

## Public Service Terminology



# Introduction

We use quite a bit of jargon in the public sector.

It can be hard to remember all of the terminology and abbreviations and you never know when you are going to come across new terms.

This is a quick reference guide to some of the most common terms used across public sector agencies.

We've included a mix of legal and conventional definitions.



## **Autonomous Crown entity**

One of the three types of statutory Crown entity (the other two are Crown agent and independent Crown entity). An autonomous Crown entity (ACE) is a body corporate named in Part 2 of Schedule 1 to the Crown Entities Act 2004. An ACE must 'have regard to' government policy that relates to its functions and objectives when directed by its responsible minister under section 104 of the Act.

## **Board**

Usually, the governing body of a body corporate (company or Crown entity). The Public Service Act also provides for interdepartmental executive boards (see below).

## **Business unit**

Part of a larger organisation given a level of autonomy by the organisation's chief executive or other decision-maker. It may have a separate ministerial portfolio/reporting relationship and/or separate branding (examples include Immigration New Zealand, Work and Income, Food Safety).

## **Cabinet**

The central decision-making body of executive government, comprising ministers of the Crown, as determined by the prime minister.

## **Central agency**

An unofficial term for three Public Service departments: Department of the Prime Minister and Cabinet, Public Service Commission, and the Treasury.

Their roles and responsibilities extend to and directly affect other agencies across central government. They work together (with other system leaders as appropriate) to:

- provide system-level coordination, a clear focus and strong leadership
- support central government to deliver better outcomes for New Zealanders

- assist the Government to develop its overall strategy for central government, including advice on how to improve the system and manage significant issues.

## **Central government**

Central government comprises the organisations with national level responsibilities, funding and/or governance arrangements (in contrast to local government).

## **Chief executive**

The head of a Public Service agency, or the chief executive officer of a body corporate

## **Commission of Inquiry**

A commission of inquiry is one of many bodies available to the government to inquire into various issues. Commissions report findings, give advice and make recommendations. While their findings are not legally binding, they can be highly influential. Commissions of inquiry have been a feature of New Zealand's governmental processes since the mid-19th century.

Commissions of inquiry are independent of the government. They must act strictly within their terms of reference and ensure their processes are within the law.

## **Crown**

In machinery of government terms, and for the purposes of the Public Finance Act 1989, the 'Crown' means the Sovereign and includes all ministers of the Crown, all Public Service agencies and all Non-Public Service departments. Because all departments are part of the same legal entity (the Crown), they cannot enter into legally binding contracts with each other.

Confusingly, Crown entities are established at arm's length and therefore not part of the legal Crown.

## **Crown agent**

One of the three types of statutory Crown entity (the others are autonomous Crown entity and independent Crown entity). A Crown agent is a body corporate named in Part 1 of Schedule 1 to the Crown Entities Act 2004. A Crown agent must 'give effect to' Government policy that relates to its functions and objectives when directed by its responsible minister under section 103 of the Act. Crown agents are included in the Public Service for the purposes of subparts 2 and 4 of part 1 of the Public Service Act 2020 regarding values and behaviours.

## **Crown company**

A generic term for a company established and owned or controlled by the Crown.

More specifically, a Crown company will be one of a:

- state-owned enterprise
- mixed ownership model company
- Crown entity company
- Public Finance Act 1989 Schedule 4A company

All Crown companies are also governed by the Companies Act 1993.

## **Crown entity**

An agency that belongs in one of the five categories of Crown entities defined in the Crown Entities Act 2004:

- statutory entity
- Crown entity company
- Crown entity subsidiary
- school board of trustees
- tertiary education institution

Every Crown entity is a body corporate that is legally separate from the Crown and operates at arm's-length from its responsible minister (or shareholding ministers in the case of Crown entity companies).

## **Crown entity company**

One of the five categories of Crown entity and a form of Crown company. A Crown entity company is incorporated under the Companies Act 1993, is wholly owned by the Crown, and is named in Schedule 2 to the Crown Entities Act 2004.

## **Crown entity subsidiary**

One of the five categories of Crown entity. A Crown entity subsidiary is a company incorporated under the Companies Act 1993 and is controlled in accordance with that Act by Crown entities. It is either a:

- subsidiary of another Crown entity
- multi-parent subsidiary of two or more Crown entities.

## **Crown-owned company (historic)**

Prior to the enactment of the Crown Entities Act 2004 (CEA), the term referred to companies that were Crown entities (as distinct from state-owned enterprises). The CEA now defines Crown entity company as a category of Crown entity.

## **Crown Research Institute**

A Crown entity company whose constitution states that it is a Crown Research Institute for the purposes of the Crown Research Institutes Act 1992. Its purpose under the Act is to undertake research and it must operate in accordance with the principles in section 5 in fulfilling that purpose.

## **Department**

An agency that is part of the Crown as defined in the Public Finance Act 1989. Departments (and other Public Service agencies), all ministers of the Crown and the Sovereign constitute the legal Crown. Most departments are Public Service agencies, though a few departments are not part of the Public Service.

Irrespective of whether a department is named as a 'department', 'ministry', 'office', or some other title, legally they are all departments.

## **Departmental agency**

A type of Public Service agency (see separate entry). It is an operationally autonomous agency with its own appropriate minister and its own chief executive appointed by the Public Service Commissioner, although legally it is part of the host department.

## **Executive**

The prime minister, other ministers of the Crown and parliamentary under-secretaries. Frequently used more broadly to refer to the 'government', 'ministry' or 'government of the day'.

More broadly, the 'Executive Branch of Government' describes the individuals who technically make up the executive, as well as the variety of agencies, institutions and officers that comprise most of central government. Ministers are politically answerable for all of these in the House of Representatives.

## **Executive Council**

The body constituted by the Letters Patent as the formal and responsible advisers to the Sovereign and the Governor-General. Consists of all ministers of the Crown because ministers derive their power to advise the Sovereign and Governor-General from their membership of the Executive Council. Parliamentary under-secretaries are not members of the Executive Council.

## **Governor-General**

The Governor General is the representative of the Sovereign. They are appointed by the King on the advice of the Government of New Zealand.

The role of the Governor-General includes constitutional, ceremonial and community functions.

When travelling abroad, the Governor-General is seen as a de facto head of state and the representative of New Zealand.

## **Government reporting entity**

As defined in section 2 of the Public Finance Act 1989, Government reporting entity means:

- (a) the Sovereign in right of New Zealand
- (b) the legislative, executive, and judicial branches of the Government of New Zealand.

The main exclusions from this definition are:

- local government
- non-government organisations that ministers have an interest in, for example, making appointments.

## **House of Representatives**

The elected Chamber of Parliament. In accordance with the Electoral Act 1993, it is made up of members of Parliament elected to represent electorates and those elected from party lists. The House of Representatives is regarded as always in existence, notwithstanding that a term of Parliament has expired or been dissolved.

## **Independent Crown entity**

One of the three types of statutory Crown entity (the others are Crown agent and autonomous Crown entity). An independent Crown entity (ICE) is a body corporate named in Part 3 of Schedule 1 to the Crown Entities Act 2004. Ministers can only direct an ICE on government policy if that is specifically provided for in the ICE's own legislation.

## **Interdepartmental executive board**

A form of public service agency comprising a board of departmental chief executives established under Part 2 Subpart 1 of the Public Service Act 2020, to align and co-ordinate strategic policy, planning and budgeting for two or more departments.



## **Interdepartmental venture**

A form of public service agency led by a board of chief executives that delivers services or carries out functions relating to the responsibilities of more than one department, established under Part 2 Subpart 1 of the Public Service Act 2020.

## **Judiciary**

The Judiciary consists of all judges and courts. The role of the judiciary is to interpret and apply the law.

## **Legislature**

The Legislature consists of Members of Parliament and the Governor-General. The role of the Legislature is to make laws (legislation), and to scrutinise the Executive.

## **Local government**

Local government exists to enable democratic decision-making and action by, and on behalf of, clearly specified geographical local communities (in contrast to central government). Local government is structured into regional councils and territorial authorities (city and district councils).

A small number of territorial authorities, including the Auckland Council, also have the responsibilities, duties, and powers of a regional council: these are known as ‘unitary authorities’.

## **Memorandum of Understanding (MOU)**

A Memorandum of Understanding (MOU) is a formal written agreement between two or more parties that outlines the terms, conditions, and intentions of a collaborative or cooperative relationship.

In New Zealand, public service agencies commonly sign MOUs for the purpose of entering into negotiations or due diligence for a business purpose, partnerships, and joint ventures. In such instances, MOUs typically focus on an area of public interest or objective common to the respective agencies.

## **Minister**

A Member of Parliament appointed by the Governor-General to the Executive Council and then appointed as a Minister of the Crown with a warrant for each ministerial portfolio held by the minister.

The appointments are made on the recommendation of the prime minister. Ministers are members of the Executive Council.

## **Ministry**

A term that is used in two broad contexts:

- Many of New Zealand's Public Service departments have the legal name of 'Ministry of ...' or 'Ministry for ...'. The name does not alter or affect their legal form as departments. Historically, the name 'ministry' tended to designate a department whose primary functions relate to policy advice, whereas a 'department' primarily exercises operational, service delivery or regulatory functions. However, many departments/ministries carry out a mix of functions.
- 'Ministry' is also used more broadly as synonymous with 'government' and 'government of the day'.

## **Mixed ownership model company**

A form of Crown company named in Schedule 5 of the Public Finance Act 1989. These are publicly listed companies in which the Crown must have not less than 51% control.

## **Non-Public Service department**

A department that is not included in the list of Public Service departments in the Public Service Act 2020 - they are established under different legislation. They include:

- in the executive branch of government: NZ Defence Force, NZ Police, Parliamentary Counsel Office

- in the legislative branch of government: Office of the Clerk of the House of Representatives, Parliamentary Service.

These departments are part of the legal Crown and report as departments under the Public Finance Act 1989.

## **Office of Parliament**

There are currently three Offices of Parliament in New Zealand:

- the Controller and Auditor-General
- the Office of Ombudsmen
- the Parliamentary Commissioner for the Environment (and that Commissioner's office).

Their primary function is to act as a check on the executive, as part of Parliament's constitutional role of ensuring the accountability of the executive. An Office of Parliament may only perform functions that the House of Representatives itself might carry out.

## **Official Information Act (OIA) request**

People in New Zealand can request government information (official information) and can expect it to be made available unless there is a good reason to withhold it.

The Official Information Act 1982 (or OIA) enables citizens, permanent residents, visitors to New Zealand, and body corporates registered or with a place of business in New Zealand, to make a request for official information held by government agencies, including Te Kawa Mataaho Public Service Commission (the Commission).

## **Parliament**

The Sovereign (represented by the Governor-General) and the House of Representatives.

## **Parliamentary Under-Secretary**

A member of Parliament appointed as a Parliamentary Under-Secretary by the Governor-General, on the recommendation of the prime minister. They derive their authority solely from the Minister they are assisting, in accordance with a formal letter from the relevant minister.

## **Policy**

Policy is a set of decisions by public service agencies to influence, change, or frame a problem or issue that has been recognized as in the political realm by policy makers and/or the wider public.

Policies express the goals, decisions, and actions adopted by the government for political, social, and economic management.

Great policy advice is the foundation of effective government decision making. It underpins the performance of the economy and the wellbeing of all people in New Zealand.

## **Public sector**

A broad term that refers collectively to central and local government.

## **Public servant**

Under the Public Service Act 2020, a public servant is a person who is a chief executive of, or an appointee to a statutory position in, or an employee in the Public Service.

‘Public servant’ is also commonly used to refer to any person ‘paid out of public money’, such as any chief executive, statutory officer or employee in the public sector.

The Electoral Act 1993 uses a broad definition of public servant including those employed in the Education Service (State schools, tertiary institutions and registered kindergarten teachers).

## **Public Service**

The Public Service is defined in section 10 of the Public Service Act 2020 to mean Public Service agencies. The Act also includes Crown agents for the purposes of subparts 2 and 4 of part 1 of the Act relating to values and behaviours.

Other jurisdictions commonly use the term ‘civil service’, with varying degrees of scope as to which types of agencies are included or excluded.

## **Public Service Act 2020**

The Public Service Act 2020 sets out the principles and values for all public servants to follow, ensuring a unified Public Service that acts as a single team, with a spirit of service to the community.

The Act provides a modern legislative framework that enables a more adaptive, agile and collaborative Public Service and includes stronger recognition of the role of the Public Service in supporting the partnership between Māori and the Crown.

## **Public Service agency**

A public service department, departmental agency, interdepartmental executive board or interdepartmental venture established under subpart 1 of part 2 of the Public Service Act 2020. They are listed individually in the relevant part of schedule 2 of the Act.

## **Public Service Commissioner**

The Public Service Commissioner is the Head of Service, and leads the Public Service and wider public sector agencies to work as one system to deliver better services and better outcomes.

The Commissioner is appointed by the Governor-General on the recommendation of the prime minister.

The role of the Commissioner is defined in the Public Service Act 2020 — to provide leadership of the Public Service, including the performance and integrity of the system, and is supported by 2 statutory Deputy Public Service Commissioners who have the same powers, functions and duties as the Commissioner.

### **PFA Schedule 4 organisation**

An organisation named in Schedule 4 to the Public Finance Act 1989, but not included in the Crown Entities Act 2004.

### **PFA Schedule 4A company**

A form of Crown company named in Schedule 4A to the Public Finance Act 1989. These are non-listed companies in which the Crown may hold anywhere between more than 50% and 100% of the issued ordinary shares in the capital of the company.

### **Select Committee**

Select Committees are groups of Members of Parliament (MPs) that undertake work in certain areas for the House of Representatives. Select Committees focus on big national topics like “health” or “justice”. Each one has about eight MPs from different parties in Parliament.

### **School board of trustees**

One of the five categories of Crown entity. They are a body corporate constituted as a board of trustees under subpart 5 of part 3 of the Education and Training Act 2020. It is the board of trustees, not the school, which constitutes the Crown entity. It is possible for one board to govern more than one school.

### **State-owned enterprise**

A State-owned enterprise (SOE) is a form of Crown company and is a body corporate named in Schedule 1 to the State-Owned Enterprises Act 1986.

Its statutory objective is to operate as a successful business, including being as profitable and efficient as comparable businesses not owned by the Crown and also exhibiting a sense of social responsibility. All shares must be held by ministers.

## **State sector**

An alternative name for 'central government'.

## **State servant**

The term 'state servant' generally includes any person who is a chief executive of, or an appointee to a statutory position in, or an employee in an agency in the State services (this interpretation excludes board members).

## **State services**

The term 'State services' is defined in section 5 of the Public Service Act 2020. Essentially, it includes 'all instruments of the Crown in respect of the Executive Government of New Zealand':

- Public Service agencies listed in Schedule 2 of the Act
- non-Public Service departments in the executive branch: NZ Defence Force, NZ Police, Parliamentary Counsel Office
- Crown entities
- the education service (except tertiary institutions)
- PFA Schedule 4 organisations
- PFA Schedule 4A companies

The Reserve Bank is included by interpretation.

## **Statutory Crown entity**

Statutory Crown entities are bodies corporate established by or under an Act. They are one of the five categories of Crown entity and these are named in Schedule 1 to the Crown Entities Act 2004. There are three types of statutory Crown entities: see entries for Crown agent, autonomous Crown entity, independent Crown entity.

## **Tertiary institution**

One of the five categories of Crown entity. A tertiary institution is a body corporate established as an institution under subpart 3 of part 4 of the Education and Training Act 2020, that is, a university, wānanga or the New Zealand Institute of Skills and Technology.

## **Whole of government**

A term with many meanings, depending on context. For example:

- multi-agency, sectoral or inter-sectoral alignment with government's goals or contribution to shared results (including planning, funding and delivery processes)
- a direction to support a whole of government approach can be issued under section 107 of the Crown Entities Act 2004
- a reference to all the constituent parts of executive government
- a reference to the executive, legislative and judicial branches of government
- a reference to all the agencies in central and local government: synonymous in this sense with public sector.



If you want to explore more, feel free to check out these links to other glossaries:

Te Kawa Mataaho Public Service Commission [List of Glossaries in the public service](#)

New Zealand Parliament [Glossary - New Zealand Parliament](#)

Parliamentary Counsel Office [Glossary - New Zealand Legislation](#)

More information is available at the [Department of the Prime Minister and Cabinet](#).

You can keep coming back to refer to this guide as much as you need or take a printout for easy access.