

Ngā hinonga Karauna

Crown entities

Crown entities are an important part of government, set up at 'arm's length' from ministers to deliver a range of government services and make some decisions independently.

Crown Entity Resource Centre

The Crown Entity Resource Centre (CERC) supports statutory Crown entity performance, appointments, governance and monitoring.

Crown entity chief executive remuneration

We provide guidance to the boards of Crown agents, autonomous and independent Crown entities and TEIs on chief executive remuneration.

Cabinet Fees Framework

We provide advice and guidance to agencies on the interpretation and implementation of the Cabinet Fees Framework.

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What Crown entities are

Collectively, Crown entities are responsible for a significant proportion of government expenditure and service delivery. Services provided by Crown entities touch the lives of New Zealanders every day.

The legal basis for the way that Crown entities operate is set out in the Crown Entities Act 2004, with further requirements in other legislation including the Public Finance Act 1989 and Public Service Act 2020. In addition, each Crown entity is subject to its own founding legislation.

[Crown Entities Act 2004 – New Zealand Legislation](#)

[Public Finance Act 1989 – New Zealand Legislation](#)

[Public Service Act 2020 – New Zealand Legislation](#)

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Who the Crown entities are

Find a list of all Crown entities on our website.

[Public Service organisations](#)

There are several different types of Crown entity. These are described in section 7 of the Crown Entities Act 2004.

[Section 7, Crown Entities Act 2004 – New Zealand Legislation](#)

He aha te hinonga Karauna?

What the statutory Crown entities are

An important subset of Crown entities, the 'statutory entities', deliver a particularly wide range of government services. Statutory Crown entities fall into 3 categories, depending on their level of independence from ministers. These are:

- Crown agents – which must give effect to government policy when directed by the responsible minister.
- autonomous Crown entities – which must have regard to government policy when directed by the responsible minister.
- independent Crown entities – which are generally independent of government policy.

For clarity, we refer to statutory entities on this site as *statutory Crown entities*.

Te whakahaerenga o ngā hinonga Karauna

How statutory Crown entities operate

Statutory Crown entities must deliver services and functions in accordance with their establishment legislation. They are generally funded to do so through a combination of taxpayer funding, in some cases from fees, charges and levies on users, and in some cases from other sources.

Most statutory Crown entities are governed by boards appointed by a responsible minister. A small number of 'corporation sole' Crown entities have a sole member acting as the board and chief executive.

Statutory Crown entity 'independence' relates to their statutorily independent functions defined in their establishment legislation. They are not 'independent' of the Crown's ownership interest and may have to give effect to or have regard to a range of directions and policies and whole-of-government directions.

Specifically, statutory Crown entities are expected to respond to priorities and expectations set for them by their responsible minister. They are also subject to a wider range of policies, standards, requirements and expectations that apply to core government departments, including in areas such as integrity, employment relations and working across organisational boundaries in the delivery of services. These requirements and expectations may vary slightly, dependent on the type of statutory Crown entity.

Statutory Crown entity boards are accountable both to their responsible ministers, and to Parliament, for their performance and use of funds.

Crown entity board chairs

A Crown entity board chair provides effective leadership, governance and direction to the board and entity, consistent with the responsible minister's expectations. They ensure effective accountability and governance of the entity, consistent with the requirements of relevant legislation including the Crown Entities Act 2004. The Chair leads engagement with the responsible minister and the monitoring department.

Personal qualities and attributes maturity matrix

Research on the views of leading corporate and public sector board chairs reports that the personal qualities and attributes of board members matter a great deal to chairs.

Ministers usually seek specific skills, knowledge and experiences from preferred Crown entity board candidates. These 'technical' competencies do not provide the appointing Minister or Chair insight to the candidate's personal qualities and attributes that make them a good candidate for appointment. In other words, Ministers and chairs will be looking for people with the 'right' personal qualities and attributes to build a high performing board.

The maturity matrix below summarises the personal qualities and attributes of high performing public sector chairs and a parallel matrix for high performing board members (which can be printed on A3 for ease of reading). The matrix aims to achieve three main purposes:

- To improve thinking across departments about what good Crown entity governance looks like. Unlike private boards where directors take responsibility for recruiting new directors, public officials undertake this work on behalf of the appointing Minister.
- To provide board chairs with a tool to support their self-evaluation practices. Board Chairs have a range of evaluation options including the use of private consultants. This matrix provides chairs with stronger 'line of sight' to their board's public sector governance capability
- The matrix may assist departments who are developing long and shortlisted appointment recommendations to appointing Ministers. But it may add to the wider thinking about good recruitment practices and advice on who might add value to a board.

Some of the attributes may seem to be repetitive. They recognise that the way people describe a particular attribute may differ. This will help the user to cross check their interpretation of specific attributes.

[Personal qualities and attributes maturity matrix \(pdf, 234 kb\)](#)

Tā Te Kawa Mataaho kawenga

Te Kawa Mataaho Public Service Commission's role

Guidance on chief executive terms and conditions

We provide guidance to the boards of statutory Crown agents, autonomous and independent Crown entities, and Tertiary Education Institutions (TEIs) on chief executive terms and conditions including remuneration. The Public Service Commissioner has a statutory role in consenting chief executive terms and conditions as specified in section 117 of the Crown Entities Act 2004.

[Section 117, Crown Entities Act 2004 – New Zealand Legislation](#)

Reporting on chief executive pay

At the request of Cabinet, we have publicly reported on chief executive pay since 2010 to provide transparency for the public. This includes the chief executives of Crown agents and other statutory Crown entities, and TEIs.

[Workforce Data – Senior leader remuneration \(pdf\)](#)

Cabinet Fees Framework

We provide advice and guidance to agencies on the interpretation and implementation of the Cabinet Fees Framework and review the Framework on behalf of Cabinet every 3 to 4 years.

[Cabinet Fees Framework](#)

Code of conduct

Under the Public Service Act 2020, statutory Crown entities and their boards are subject to a range of requirements and standards set by the Public Service Commissioner, including a code of conduct for board members.

[Code of conduct for Crown entity board members](#)

Administering the Act in relation to Crown entities

Together with the Treasury, we jointly administer the Crown Entities Act 2004. The Commission administers the parts of the Act that detail establishing, governing, and operating Crown entities. As part of this, we take a system leadership role by providing guidance on good practice in the operation of statutory Crown entities. The Treasury administers the part of the Act that details Crown entity reporting and financial obligations (see below).

Ngā tino wāhanga e toru i te whakahaerenga o ngā hinonga Karauna

The 3 key players in the operation of statutory Crown entities

The following are the 3 key players in the operation of each statutory Crown entity. An operating expectations framework is set out in the Commission's guidance document 'It Takes Three'.

- The responsible minister – appoints statutory Crown entity boards (or in the case of independent Crown entities, makes recommendations to the Governor-General to appoint). The responsible minister also sets expectations on delivery priorities and performance, holds the board to account, and is answerable to Parliament for the performance of the statutory Crown entity. Decisions on funding a statutory Crown entity, including the amount of taxpayer funding they receive and the level of any fees, charges or levies, are generally set by Cabinet or (in some cases) by Parliament.
- The statutory Crown entity board – governs the statutory Crown entity to deliver against legal requirements and ministerial expectations, within the budget that has been made available to it. The board appoints and holds their chief executive to account, and makes specific decisions for which it has statutory independence. The board is also responsible for monitoring and reporting on the statutory Crown entity's performance and its use of funds, and is accountable to the responsible minister and Parliament.
- The monitoring department – provides advice to the responsible minister on the statutory Crown entity's performance. Statutory powers of the monitor (if delegated by minister) are generally limited to requesting information from the board. The monitor also assists the responsible minister in making board appointments, and conducts other tasks such as administering the relevant funding appropriation.

Enduring letter of expectations, statutory Crown entities, Crown entity boards, responsible Ministers

The Enduring Letter of Expectations to Statutory Crown Entity Boards (ELOE) is issued by the Ministers of Finance and for the Public Service in their capacity as being jointly responsible for the Crown Entities Act 2004 (CEA). The ELOE provides a non-legislative lever for the Government to communicate its long-term vision for and general expectations of all statutory Crown entities. An ELOE can serve to underpin entity specific letters of expectation from Ministers responsible for Crown entities. It can influence the performance and behaviour of Crown entities, especially in relation to the cost-effective delivery of services and outcomes, and the integrity with which they perform their duties and functions.

[Read the current letter \(pdf, 238 kb\)](#)

Tā te Hinonga Karauna pārongo, aratohu hoki

Crown entity information and guidance

Guidance for ministers

[It Takes Three](#) – the overall operating expectations framework.

[A guide for ministers](#) – comprehensive guide for ministers for engaging with Crown entities.

[Board Appointments and Induction Guidelines](#) – sets out best practice appointment processes.

[Personal qualities and attributes maturity matrix for high performing Crown entity board chair and members \(pdf, 234 kb\)](#)

[Key levers for appointments and remuneration](#)

Guidance for Crown entity boards

- [It Takes Three](#) – the overall operating expectations framework

Crown entity boards

- [Board member induction slide pack](#)
- [Resource for Preparation of Governance Manuals – Guidance for Statutory Crown Entities](#)
- [Code of conduct for Crown entity board members](#)
- [Statutory Crown Entities and the Public Service Act 2020 \(pdf, 237 kb\)](#)
- [Personal qualities and attributes maturity matrix for a high-performing Crown entity board chair and member \(pdf, 294 kb\)](#)

Expectations and requirements

- [Indicator letter of Expectations \(pdf, 294 kb\)](#)
- [Government Workforce Policy Statement \(pdf, 256 kb\)](#)
- [“All of Government” Requirements and Expectations on Statutory Crown Entities](#)

Guidance for monitoring and appointing departments

Monitoring

- [The Foundations of Good Practice: Guidelines for Crown Entity Monitoring \(pdf, 3 kb\)](#)
- [It Takes Three](#) – the overall operating expectations framework

Appointments and induction

- [Board Appointments and Induction Guidelines](#) – sets out best practice appointments processes
- [Board member induction slide pack](#)
- [Personal qualities and attributes maturity matrix for a high-performing Crown entity board chair and member \(pdf, 294 kb\)](#)
- [Cabinet Facts Framework](#)
- [“All of Government” Requirements and expectations on statutory crown entities](#)

Crown entity reporting and financial obligations

The Treasury provides guidance aimed at Crown entities for preparing the required accountability documents as detailed in part 4 of the Crown Entities Act 2004.

[Part 4 Crown Entities Act 2004 – New Zealand Legislation](#)

This guidance includes:

- [Crown Entities Act: Statement of Intent Guidance – The Treasury](#)
- [Guidance for Creating a Statement of Performance Expectations \(SPE\) under the Crown Entities Act \(CEA\) – The Treasury](#)
- [Preparing the Annual Report and other End-of-Year Performance Reporting: Guidance for Crown Entities – The Treasury](#)

It Takes Three: Operating Expectations Framework

The Crown entity system relies on ministers, entities and monitoring departments working well together. Effective engagement requires clarity about respective roles and responsibilities and a shared understanding of how legislative obligations are put into practice.

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