



Standard model	Manages assets and administers appropriations (variations on standard model)	Operates with separate strategic intentions (variations on standard model)
<p>Host department</p> <ul style="list-style-type: none"> • A host department administers votes and appropriations. • A host department chief executive is responsible for the financial management, financial performance and financial sustainability of a department, including any departmental agencies it hosts. <p>Departmental agency</p> <ul style="list-style-type: none"> • A departmental agency can either use an appropriation: <ul style="list-style-type: none"> ○ under direction from the appropriation minister, in which case the departmental agency chief executive becomes responsible for what is achieved with the appropriation. ○ under delegation from the host department's chief executive, in which case the host department chief executive remains responsible for what is achieved with the appropriation. • A departmental agency can also incur expenses against another department's appropriation. <p>The Treasury has guidance on administration and use of appropriations. Administration and Use of Appropriations, Technical Guidance for Departments (PDF) – The Treasury</p>	<p>Departmental agency</p> <ul style="list-style-type: none"> • A departmental agency can manage assets and liabilities. • A departmental agency can administer appropriations. A departmental agency is treated as a department under the Public Finance Act 1989, so can administer appropriations, except for where a department cannot manage assets and liabilities under section 24(2) of the Public Service Act 2020. Section 24(2), Public Service Act 2020 – New Zealand Legislation Section 7C(5), Public Finance Act 1989 – New Zealand Legislation • A departmental agency chief executive is responsible to the responsible minister for the departmental agency's financial management, financial performance and financial sustainability of the departmental agency. • A departmental agency chief executive is responsible to the appropriation minister for what is achieved with appropriation. 	<ul style="list-style-type: none"> • Standard model applies.
<p>Host department</p> <ul style="list-style-type: none"> • Must publish and present information on strategic intentions for the whole department including any departmental agency it hosts. Section 38(6), Public Finance Act 1989 – New Zealand Legislation Section 40(3), Public Finance Act 1989 – New Zealand Legislation <p>Departmental agency</p> <ul style="list-style-type: none"> • A departmental agency does not have strategic intentions separate from those of its host department and therefore does not provide Parliament a document containing strategic intentions. 	<ul style="list-style-type: none"> • Standard model applies. 	<p>Departmental agency</p> <ul style="list-style-type: none"> • A departmental agency has separate strategic intentions and must provide a separate document to Parliament containing these.



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<p>Host department</p> <ul style="list-style-type: none"> A host department includes financial statements for any departmental agency it hosts. The annual report of the department is not required to cover operations of any departmental agency for which the departmental agency is required to report on. Section 45(2)(a), Public Finance Act 1989 – New Zealand Legislation <p>Departmental agency</p> <ul style="list-style-type: none"> A departmental agency can present or publish its annual report in a document that includes any other report or information, whether or not it relates to the departmental agency, but only if each report or information is separately identifiable. The annual report must contain: <ul style="list-style-type: none"> an assessment of the departmental agency’s operations an assessment of progress relating to any of the host department’s strategic intentions relevant to the departmental agency and the departmental agency’s organisational health and capability a statement of responsibility that complies with section 45(c) of the Public Finance Act 1989 and any other relevant matters. Section 45(c), Public Finance Act 1989 – New Zealand Legislation The annual report must be provided to the responsible minister for both the departmental agency and the host department – the Public Finance Act 1989 is flexible about which minister presents the annual report to the House. Section 44(3) Public Finance Act 1989 – New Zealand Legislation 	<p>Departmental agency</p> <ul style="list-style-type: none"> A departmental agency’s annual report must contain annual financial statements and forecast financial statements. Section 45AA(2)(e), Public Finance Act 1989 – New Zealand Legislation It must also include statements of expenses and capital expenditure. Section 45AA(2)(d), Public Finance Act 1989 – New Zealand Legislation 	<p>Departmental agency</p> <ul style="list-style-type: none"> A departmental agency must report on progress against its separate strategic intentions. Section 45AA(2)(b) Public Finance Act 1989 – New Zealand Legislation

For further information, read: [Supplementary guidance note – departmental agencies](#)