

# Unscrambling Government

## Less Confusion, More Efficiency

Roger Partridge with Jemma Stevenson

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Ireland, with a similar population, has a Cabinet of 15 ministers and 18 departments. Norway manages with 20 ministers and 17 ministries.

Singapore has 18 ministers and 16 ministries. In contrast, New Zealand operates with over three times as many portfolios per capita and more than one and a half times as many departments.

This scale is not the result of deliberate design. It is the by-product of successive political decisions: portfolios created to appease coalition partners, signal priorities or reward party loyalty. Over time, this has produced an executive structure that is sprawling, incoherent and misaligned with the country's policy challenges.

This report proposes a plan to unscramble New Zealand's executive: reducing the number of portfolios to around 15–20, aligning departmental structures to match and introducing a statutory role for junior ministers. The goal is not tidiness but more focused ministers, clearer accountability and more coherent policy leadership.

Other important levers for improving executive productivity – such as stronger performance reporting frameworks and better alignment of public service workforce size with function – lie beyond the scope of this report. These issues are being addressed through other processes, including a parliamentary select committee inquiry into performance reporting and public accountability launched in April 2025. Structural reform, however, is an effective first step – and one that can be implemented now.

The effects of New Zealand's complex executive are not just visual – though the comparison between New Zealand's tangled "flowchart" of ministerial responsibilities and Norway's streamlined structure is striking. The practical consequences include overlapping portfolios, multiple ministers per department (MBIE reports to 20), blurred accountability and reduced ministerial expertise. Challenges like reducing long-term welfare dependency, tackling housing unaffordability or cutting reoffending span multiple ministers and departments. Each is everyone's problem and no one's responsibility. The structure also carries fiscal consequences. International research shows

a consistent pattern: larger Cabinets are associated with higher government spending and bigger budget deficits.

While these associations do not confirm causality, they provide sufficient reason to explore reform. One plausible explanation is the “common pool” problem: when many ministers share the fiscal pot, each has an incentive to spend in their domain without bearing the full cost.

New Zealand’s historical trends point in the same direction. Between 1997 and 2019, both ministerial headcount and public spending rose steadily. While the data does not allow for definitive causal conclusions, the pattern is consistent with the international evidence. Structural reform could help reinforce fiscal discipline as well as improve administrative coherence. Other countries have confronted similar challenges and succeeded.

- **Ireland** constitutionally caps its Cabinet at 15 ministers. Cabinet ministers delegate to junior “Ministers of State” specific responsibilities within their portfolios, but without expanding the Cabinet itself.
- **Norway** aligns its ministries with broad policy domains and uses formal coordination mechanisms to handle cross-cutting issues. Its ministerial and departmental structures are tightly mapped, with minimal overlap.
- **Australia** restructured its Cabinet in 1987, reducing 28 portfolios to 16 and consolidating departments into “mega-ministries.” The reform, led by Prime Minister Bob Hawke, introduced a two-tier structure of senior and junior ministers and improved Cabinet efficiency. Later governments retained the model.
- **Singapore**, with a similarly sized population, operates with just 21 ministerial portfolios. Its whole-of-government approach has consistently delivered high ratings for government effectiveness.

These examples demonstrate that leaner, more focused executive structures are both possible and effective.

This report proposes a two-stage plan to streamline the executive. First, the government should consolidate New Zealand’s fragmented 81 ministerial portfolios into a smaller number of coherent, sector-based groupings. Two alternative models are presented:

- A Compact Cabinet model of 15 senior ministers, each responsible for a broad domain (such as Health and Wellbeing or Finance), supported by up to 10 junior ministers; and

- A Realigned Portfolios model of 20 ministers, each overseeing a more focused but still consolidated portfolio, with up to 5 junior ministers.

Both models are illustrative rather than prescriptive. They are designed to demonstrate how portfolio consolidation could improve accountability, reduce coordination costs and support better policy delivery. Figures and tables in the report map current portfolios to each model and show how streamlined ministerial responsibility would function in practice.

Second, departments should be reorganised to align with these consolidated ministerial portfolios, reducing the current 43 departments to 20. This would clarify administrative responsibility and eliminate duplication. Some departments – such as the Treasury and the Ministry for Regulation – could be merged into a unified ministry. Others, such as the Police, Statistics New Zealand and the intelligence agencies, would sit under one ‘ministerial umbrella’ but retain operational independence through departmental agency status.

The Ministry of Business, Innovation and Employment (MBIE) would be disaggregated to focus on Commerce, with ancillary functions like immigration unified in separate, more coherent ministries.

These changes should be phased to avoid system-wide disruption.

To support the new consolidated portfolios, a new role of ‘junior minister’ should be created. Junior ministers should be delegated defined statutory powers from a ‘senior,’ budget-holding Cabinet minister, improving delegation without adding new portfolios.

This approach mirrors the two-tier ministerial systems used in Ireland, Australia and the UK. It allows for specialisation without fragmentation and provides a politically flexible mechanism to support coalition management without continually expanding the number of portfolios.

To illustrate the impact of the proposed reform, the following diagrams compare New Zealand’s current ministerial structure with streamlined alternatives. The first shows the existing allocation of portfolios and departmental reporting lines – a complex and often overlapping web. The second and third show how consolidation into either 15 or 20 coherent portfolios and 20 departments would clarify accountability, reduce duplication and better align ministerial responsibility with departmental function.

Reform would be phased in, supported by a central unit, necessary law changes and early engagement with key stakeholders. Phasing reforms over time will allow for testing, adjustment and feedback. Careful process design would preserve service continuity and respect institutional integrity. Statutory Crown entities and constitutionally independent agencies would retain their existing safeguards.

New Zealand's executive is larger and more fragmented than it needs to be. The costs – in coordination failures, fiscal pressures and blurred accountability – are visible but not inevitable.

This report shows that a leaner, more focused executive is both desirable and achievable. It offers a clear path forward – one grounded in evidence, informed by international experience and suited to the realities of New Zealand's political and constitutional landscape to embark on any of these paths should help us start combatting grade inflation at New Zealand universities.

## ABOUT THE AUTHORS

**Roger Partridge** is chair and co-founder of The New Zealand Initiative and is a senior member of its research team. He is a regular commentator in the media on public policy, economics and constitutional law, and is the author of numerous reports on regulation, regulatory governance, and constitutional law. He led law firm Bell Gully as executive chairman from 2007 to 2014 and was a partner in the firm's litigation team for 24 years. He is an honorary fellow and former executive director of the Legal Research Foundation, a charitable foundation associated with the University of Auckland. He is a former member of the Council of the New Zealand Law Society, the governing body of the legal profession in New Zealand and a former chartered member of the Institute of Directors. He is a member of the University of Auckland Business School advisory board and a member of the Mont Pelerin Society. He has a Bachelor of Commerce (Economics) and Bachelor of Laws from the University of Auckland, and a Master of Laws from the University of Cambridge.

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