

ACT's plan for a consolidated bureaucracy

ACT will make government smaller, simpler and more accountable.

New Zealand runs one of the most fragmented executives in the developed world. It wasn't designed, it grew by accident.

ACT will untangle the bureaucracy with fewer departments, fewer ministers, and clear lines of accountability.

By removing vanity portfolios and opportunities for buck-passing, New Zealanders will get more responsive and effective services for their taxes.

01 Fewer departments

New Zealand runs 43 departments – more than one and a half times what comparable countries our size carry. Norway governs the same number of people with 17.

Most of New Zealand's departments duplicate work done elsewhere, each with its own chief executive, communications team, HR and finance.

ACT will consolidate New Zealand's 43 departments into 19, grouped around real policy domains so one department owns an outcome instead of several sharing it.

02 Fewer ministers, clearer responsibility

New Zealand carves the executive into 78 separate ministerial portfolios – nearly four times the 20 Norway needs to run a country our size. When responsibility is split this far, problems like housing and crime become everyone's job and nobody's duty.

ACT will consolidate 78 portfolios into 18 ministers, each of whom can genuinely be held responsible for outcomes.

Combined with point 01, this means each department would report to one minister for its budget and outcomes (with the exception of MCERT).

03 Accountable chief executives

Ministers are accountable for delivery but don't appoint, and can't remove, the chief executives who implement their policies. The accountability line is broken at the most important join.

ACT will let ministers appoint their departmental chief executives for a fixed term for a fixed term, renewable once, with clear protections for officials.

ACT will let ministers remove chief executives for specified reasons such as non-performance or policy misalignment, but they would retain public service protections and the right to return to a lower classified role.

The Public Service Commission will no longer act as a gatekeeper between ministers and key appointments. Instead, the functions of the Commission will sit within the Department of the Prime Minister and Cabinet.

04 Protect the frontline

Consolidation targets duplicated head-office functions: the multiple communications offices, HR teams, finance teams and executive layers, not nurses, teachers or police.

Savings from cutting duplication can be redirected back to frontline services, or back to taxpayers or paying down debt.

The research

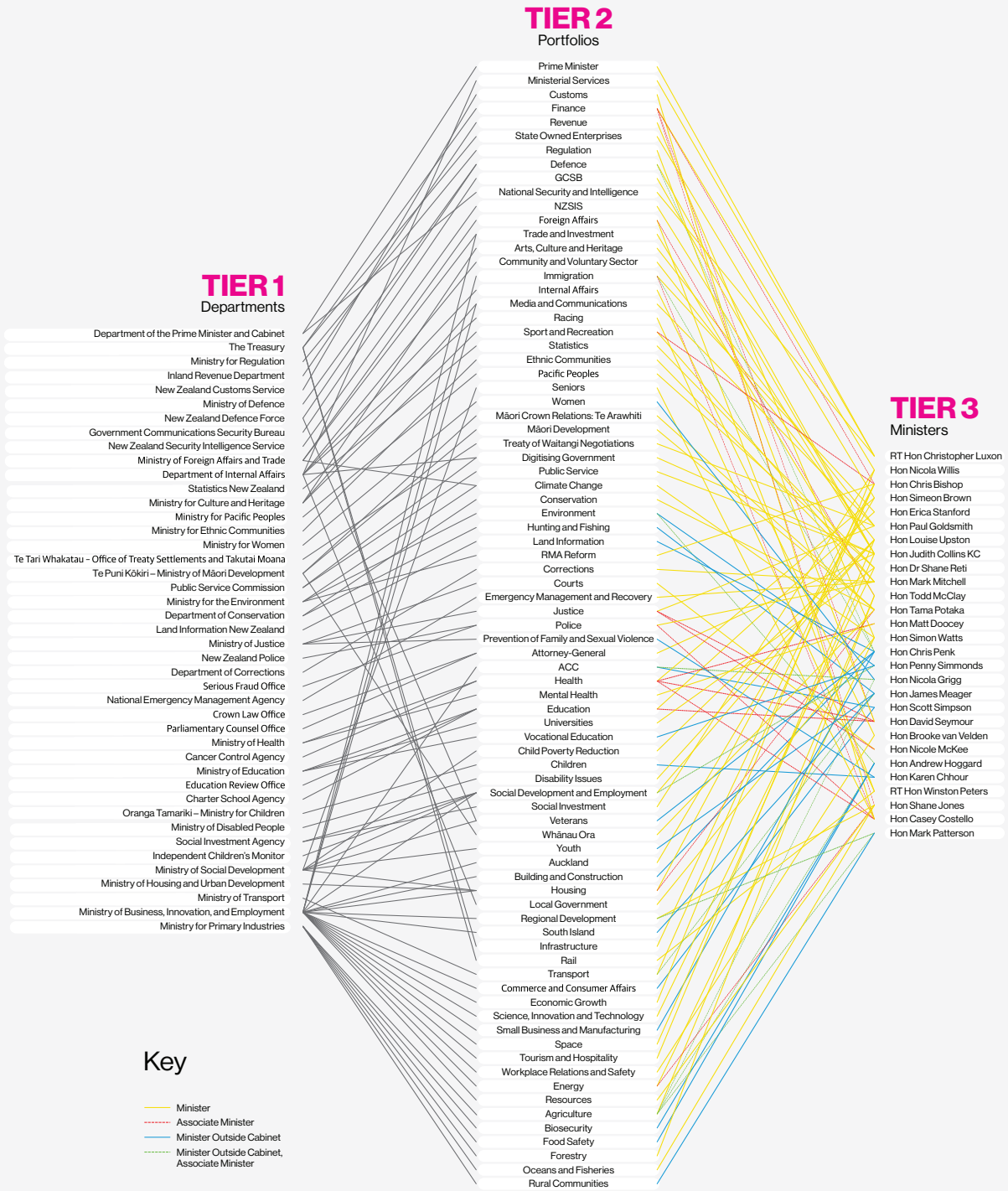
International evidence suggests that the size and fragmentation of executive government carries real fiscal and administrative costs.

The “common pool” effect is where many ministers each control part of the budget, so each has an incentive to expand spending in their own area while the cost is spread across all taxpayers. OECD panel studies estimate this effect at around 0.08% to 0.18% of GDP in additional deficit per spending minister, while a larger 58-country study found the same broad relationship between more spending ministers, higher deficits and higher expenditure.

This is reinforced by evidence from Swiss cantons showing that larger cabinets are associated with larger government, even after accounting for fiscal restraints. The practical cost is not only higher spending, but weaker coordination: fragmented government structures impede efficient service delivery, especially where issues such as housing, crime, health and infrastructure cut across several agencies and can become “a responsibility of none.”

Sources are listed at the end of this document.

New Zealand's current map of government



ACT's plan in action

TIER1 Consolidated departments (19)

each box lists the current agencies it absorbs

Department of the Prime Minister and Cabinet - Department of the Prime Minister and Cabinet - Ministerial & Secretariat Services Group (DIA) - Public Service Commission - Digitising Government (DIA)
The Treasury - The Treasury
New Zealand Revenue and Customs - Inland Revenue Department - New Zealand Customs Service
Ministry for Regulation - Ministry for Regulation
Ministry of Defence and Security - Ministry of Defence - New Zealand Defence Force - GCSB - NZSIS
Ministry of Foreign Affairs and Trade - Ministry of Foreign Affairs and Trade
Department of Home Affairs - Immigration (MBIE) - Community and Voluntary Sector (DIA) - Internal Affairs (DIA) - Racing (DIA) - Statistics New Zealand
Ministry for Culture and Heritage - Ministry for Ethnic Communities - Ministry for Pacific Peoples - Office for Seniors (MSD) - Ministry for Women - Ministry of Māori Development - Ministry for Arts, Culture and Heritage
Department of Conservation - Department of Conservation
Ministry of Cities, Environment, Regions and Transport - Ministry for the Environment - Ministry of Housing and Urban Development - Ministry of Transport - Local Government (DIA) - Auckland (MBIE) - Building and Construction (MBIE) - Housing (MBIE) - Regional Development (MBIE) - South Island (MBIE) - Infrastructure (MBIE & Treasury) - Rail (Treasury) - Land Information NZ (not yet included)
Ministry of Justice and Law - Ministry of Justice - Department of Corrections - New Zealand Police - Serious Fraud Office - National Emergency Management Agency - Fire and Emergency New Zealand - Office of Treaty Settlements & Takutai Moana
Department of the Attorney-General - Crown Law Office - Parliamentary Counsel Office
Ministry of Health and Wellbeing - Ministry of Health - Health New Zealand - Cancer Control Agency - ACC
Ministry of Education and Skills - Ministry of Education - Education Review Office - Charter School Agency
Ministry of Social Development - Ministry of Social Development - Ministry of Disabled People - Social Investment Agency - Independent Children's Monitor - Veterans (NZDF) - Whānau Ora (Māori Development)
Oranga Tamariki - Oranga Tamariki
Ministry of Commerce - Business (MBIE) - Economic Growth (MBIE) - Innovation (MBIE) - Science and Technology (MBIE) - Workplace Relations (MBIE)
Ministry of Energy and Resources - Energy (MBIE) - Resources (MBIE)
Ministry for Primary Industries - Ministry for Primary Industries

TIER2 Consolidated portfolios (18)

each box lists the current portfolios it absorbs

Prime Minister - Prime Minister - Ministerial Services - Public Service - Digitising Government
Finance - Customs - Finance - Revenue - State-Owned Enterprises
Regulation - Regulation
Defence and Security - Defence - GCSB - National Security and Intelligence - NZSIS
Foreign Affairs and Trade - Foreign Affairs - Trade and Investment
Home Affairs - Internal Affairs - Arts, Culture, Heritage - Community and Voluntary Sector - Immigration - Media and Communications - Racing - Sport and Recreation - Statistics - Ethnic Communities - Pacific Peoples - Seniors - Women - Māori Crown Relations - Māori Development
Environment and Conservation - Climate Change - Conservation - Environment - Hunting and Fishing
Local Government, Housing and Regional Development - Local Government - Regional Development - Auckland - Building and Construction - Housing - South Island - Land Information - RMA Reform
Infrastructure and Transport - Infrastructure - Rail - Transport
Justice and Law - Corrections - Courts - Emergency Management and Recovery - Justice - Police - Prevention of Family and Sexual Violence - Treaty of Waitangi Negotiations
Attorney-General - Attorney-General
Health and Wellbeing - ACC - Health - Mental Health
Education and Skills - Education - Universities - Vocational Education
Social Development - Child Poverty Reduction - Disability Issues - Social Development and Employment - Social Investment - Veterans - Whānau Ora - Youth
Children - Children
Commerce - Commerce and Consumer Affairs - Economic Growth - Science, Innovation and Technology - Small Business and Manufacturing - Space - Tourism and Hospitality - Workplace Relations and Safety
Energy and Resources - Energy - Resources
Primary Industries - Agriculture - Biosecurity - Food Safety - Forestry - Oceans and Fisheries - Rural Communities

Note: Under this proposal MCERT still reports to multiple ministers. ACT would not restructure a newly established ministry at this stage.

Relevant sources

Wehner, J. (2010), on the “common pool” problem and the link between more spending ministers, higher deficits and higher expenditure.

Volkerink & de Haan (2001), estimating roughly 0.08-0.10% increase in budget deficit as a percentage of GDP per spending minister.

Perotti & Kontopoulos (2002), estimating roughly 0.18% of GDP in additional expenditure per spending minister.

Schaltegger & Feld (2009), on larger cabinets being associated with larger government in Swiss cantons.

Keast & Brown (2002), on fragmentation and poor coordination impeding effective and efficient government service provision.

Koop & Lodge (2014), on “coordination underlap,” where cross-cutting issues can become the responsibility of no one.

The New Zealand Initiative, *Unscrambling Government: Less Confusion, More Efficiency* (Partridge & Stevenson, 2025), on this research as applied to the New Zealand context.