



# Te Kawa Mataaho

Public Service Commission

27 February 2024

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## Official Information Request

**Our Ref: OIA 2024-0009**

I refer to your Official Information Act which was transferred to Te Kawa Mataaho Public Service Commission from the Department of the Prime Minister and Cabinet on 8 February 2024 where you asked:

*“What work has been done to analyse the number of ministries New Zealand has vs those countries with GDP (PPP) per Capita over \$60k international dollars?  
We seem to be unnecessarily ballooning our number of ministries, many of the countries 'best in class' have far fewer ministries”.*

## Our Response

Te Kawa Mataaho Public Service Commission (the Commission) has done some high-level analysis comparing New Zealand government structures with other countries, including the United Kingdom, Ireland, Sweden, Norway, Finland, Denmark and Israel. This analysis showed that compared with other small, advanced economies New Zealand has a high number of government departments with many operational or regulatory functions placed at arms-length in Crown entities. These international comparisons indicate that there are opportunities to reduce the number of agencies in New Zealand.

This information is outlined on page 12 of the Commission’s Briefing to the Incoming Minister 2023 which can be found on the Commission’s website at the following link: <https://www.publicservice.govt.nz/assets/DirectoryFile/Briefing-to-the-Incoming-Minister-2023.pdf>.

Some of the factors that could contribute to New Zealand’s higher number of agencies include:

- Less devolution of services and decision-making to local and regional governments.
- In New Zealand the exercise of coercive powers of the State (armed services, policing, child protection, prisons) is close to Ministers supported by a department, whereas some other jurisdictions have these further away from Ministers.
- New Zealand has several ‘population’ agencies, reflecting that the New Zealand population has grown much faster and is much more diverse than those of Ireland and the Nordic countries.

The strong accountability relationship between Ministers and Departmental Chief Executives mean we often create separate departments for different portfolios reporting to Ministers and to the

Parliament. This is a legacy of the New Public Management reforms of the 1980s that led to the State Sector Act 1988 and the Public Finance Act 1989. Those reforms emphasised:

- single point accountability for Ministers
- the chief executive role for the Heads of Departments, with authority to manage staff and other resources
- separation of policy, purchasing and service delivery roles into different agencies
- putting service delivery at arm's length from Ministers, by creating Crown entities

A working paper describing the 1980s reforms titled 'The core elements of New Zealand's public sector management model as originally formulated' can be found on the Commission's website at the following link: <https://www.publicservice.govt.nz/research-and-data/the-core-elements-of-new-zealands-public-sector-management-model-as-originally-formulated>.

If you wish to discuss this decision with us, please feel free to contact [Ministerial.Services@publicservice.govt.nz](mailto:Ministerial.Services@publicservice.govt.nz).

You have the right to seek an investigation and review by the Ombudsman of this decision. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or freephone 0800 802 602.

Please note that we intend to publish this letter (with your personal details removed) on the Te Kawa Mataaho Public Service Commission's website.

Yours sincerely



Nicky Dirks  
**Manager – Ministerial and Executive Services**  
**Te Kawa Mataaho Public Service Commission**

