



27 February 2026

9(2)(a) privacy



9(2)(a) privacy



Official Information Request
Our Ref: OIA 2025-0213

I refer to your official information request received on 19 December 2025 for:

- *All advice produced by your department regarding the Ministry for Cities, the Environment, Regions and Transport (MCERT)*
- *All correspondence sent and received between Ministers and Tier 2 and above leaders at the PSC, regarding the Ministry for Cities, the Environment, Regions and Transport (MCERT)*

You agreed to a refined scope of part one of your request, as follows:

- *All Ministerial reports, briefings and aide-memoires produced by the Public Service Commission regarding the Ministry for Cities, the Environment, Regions and Transport (MCERT), since 1 November 2024.*

On 9 February 2026, we advised you of an extension of the time to make our decision to 27 February 2026. This extension was necessary because your request necessitated a search through a large quantity of information and meeting the original time limit would unreasonably interfere with our operations.

Information being released

Please find enclosed the following documents:

Item	Date	Document Description	Decision
1	16 May 2025	MoSR 2025-0350: Planning and infrastructure arrangements	Released in part
2	25 July 2025	MoSR 2025-0623: Planning and infrastructure arrangements – next steps	Released in part

3	3 September 2025	MoSR 2025-0677: Options to transfer the Ministry for the Environment's functions into MCRE	Released in part
4	21 November 2025	MoSR 2025-0769: Planning and Infrastructure arrangements updated Cabinet Paper	Released in part
5	3 December 2025	MoSR 2025-0788: Planning and Infrastructure arrangements Cabinet Paper to lodge	Released in part
6	12 December 2025	MoSR 2025-0800: Planning and infrastructure arrangements - updated Cabinet paper to lodge	Released in part
7	22 September 2025	Email: MCRE deep dive – Operating model Pack 2 – 24 Sept	Released in part

I have decided to release the relevant parts of the documents listed above, subject to information being withheld under one or more of the following sections of the Official Information Act 1982 (OIA), as applicable:

- section 9(2)(a) – to protect the privacy of natural persons, including deceased people
- section 9(2)(f)(iv) – to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials
- section 9(2)(g)(i) – to maintain the effective conduct of public affairs through the free and frank expression of opinions by or between or to Ministers of the Crown or members of an organisation or officers and employees of any public service agency or organisation in the course of their duty
- section 9(2)(h) – to maintain legal professional privilege.

The dashboards in the appendix of the attachment to ‘Email: MCRE deep dive – Operating model Pack 2 – 24 Sept’ includes a summary index score for engagement, enablers of productivity, and enablers of innovation. We’ve published information here about how we calculate index scores <https://www.publicservice.govt.nz/assets/Engagement-index-explained.pdf>. These scores combine responses for groups of questions that have been published on our website: [Productivity](#), [Engagement](#) & [Innovation](#).

Information publicly available

The following information is also covered by your request and is publicly available on the Public Service Commission’s (the Commission’s) website at the link provided for in the table below.

Item	Date	Document Description	Website Address
8	30 January 2026	Cabinet paper: Planning and infrastructure arrangements	https://www.publicservice.govt.nz/assets/Planning-and-infrastructure-arrangements.pdf

Accordingly, I have refused your request for the document listed in the above table under section 18(d) of the OIA on the grounds the information requested is publicly available.

Some relevant information has been removed from documents listed in the above table and should continue to be withheld under the OIA, on the grounds described in the documents.

Information being withheld

There is an additional document covered by your request that I have decided to withhold in full under section 9(2)(f)(iv) of the OIA, to maintain the current constitutional conventions protecting the confidentiality of advice tendered by Ministers and officials. This document is regarding the recruitment process for the Chief Executive of MCERT and will be proactively released on the Commission's website once the appointment process has concluded.

In making my decision, I have considered the public interest considerations in section 9(1) of the OIA.

If you wish to discuss this decision with us, please feel free to contact Enquiries@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 or freephone 0800 802 602.

Please note that we intend to publish this letter with your personal details removed and the enclosed documents 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



Report Title:	Planning and infrastructure arrangements		
Report No:	MoSR 2025-0350		
Date:	16 May 2025		
To:	Hon Chris Bishop, Minister of Housing		
Action Sought:	Discuss next steps with officials	Due Date	23 May 2025
Cc:	Hon Judith Collins KC, Minister for the Public Service		
Contact Person:	Mereama Chase, Manager, Strategy Policy & Integrity, 9(2)(a) privacy		
Encl:	Yes	Priority:	Medium
Security Level:	IN CONFIDENCE		

Purpose of Report

1. This report seeks your direction for pursuing consolidation of public service agencies with planning and infrastructure functions, for further discussion with officials. It also builds on discussions we have had with you and Minister Collins on opportunities for greater alignment in these sectors.

Context

2. The Chief Executive (CE) roles for Housing and Urban Development (MHUD) and Transport (MoT) are both vacant. This provides an opportunity to consider whether the intersecting work of these agencies could be better delivered by alternative institutional arrangements.
3. Planning and infrastructure investment are powerful levers for Government to achieve its economic, social and environmental objectives. Combined, they could change the trajectory of New Zealand's economic growth, productivity and resilience.
4. The timely provision of land for development and housing, along with the necessary transport, water and energy infrastructure is critical to unlock growth and improve productivity. For investment and development to flow smoothly, land supply and infrastructure need to combine quickly and efficiently in response to market demand.
5. Relative to other developed countries, New Zealand has performed poorly in the coordination and timely delivery of these essential ingredients to growth. Lack of alignment and discontinuities between central and local government, and between housing, transport, energy and water sectors has created delays, uncertainty and cost. Persistent housing supply and infrastructure deficits and high energy costs are symptomatic of this.
6. Current reforms in Resource Management planning, Local Water Done Well, transport funding, electricity markets and housing will help address the costs and delays of the

current system. Regional spatial plans and City/Regional Deals will help drive alignment, requiring agencies and Ministers to work more closely together.

7. Better integration of these levers, both across departments and between central and local government, could facilitate more effective use of scarce resources and accelerate the benefits of reform work already underway.

A key trade off – short-to-medium term disruption for improved structural alignment

8. This report outlines potential machinery of government changes to support better integration. It is important to be clear at the outset. You face a key choice:
 - a. bear short-to-medium term costs and disruption by merging agencies and consolidating key planning and infrastructure levers to strengthen alignment and incentivise the public service to speak with a more unified voice
 - b. forego these costs and disruption in favour of the current model which encourages competing advice that Ministers, or other stakeholders, must help resolve, while considering non-structural remedies.
9. Consolidation of agencies should improve effectiveness in the longer-term by:
 - a. helping reconcile policy and regulatory settings which are currently dispersed
 - b. supporting central Government to speak with ‘one voice’ when working with stakeholders
 - c. providing more integrated monitoring of Crown entities involved in delivery.
10. There are costs to pursuing these benefits, mainly in the short-to-medium term:
 - a. diversion from core priorities, such as delivery of your current reform agenda, as organisational resources and attention are reallocated to implementing change
 - b. financial costs, including potentially new accommodation, IT and HR systems, as well as staff transfers
 - c. a productivity dip, like those observed in private sector mergers and acquisitions
 - d. a loss of specialisation, focus and the benefits of contested advice.
11. The scale of these costs will vary in response to scope and timing assumptions. However, any significant machinery change will be disruptive. There may be ways to achieve some of the potential benefits noted above without structural change and these could be considered.
12. Phasing options are likely to mitigate at least some costs but may also delay realising the benefits of integration. Mergers are unlikely to ever be cost neutral. Officials can provide further advice on implementation and phasing options if required.

Better understanding the potential benefits and costs of change

Fragmentation and contestability are hard-wired into the current system

13. Existing institutional arrangements don’t as a rule actively facilitate the public service to reconcile tensions in the different planning systems and work together to optimise

and sequence investment. For example, the key instruments influencing land use and infrastructure decisions are split between multiple agencies:

- a. Resource Management Act planning administered by the Ministry for the Environment (MfE)
 - b. Land Transport Management Act planning administered by MoT
 - c. Local Government Act planning and Local Government (Water Services) Bill administered by the Department of Internal Affairs (DIA)
 - d. Urban Development Act planning and Infrastructure Funding and Financing Act interventions administered by MHUD.
14. Despite clear synergies at ministerial level, the tools within these Acts are often deployed independently and sometimes at cross-purposes. Strategic misalignment flows into delivery, and it is not uncommon for different government agencies, such as NZTA and Kainga Ora, to oppose each other and local government during Environment Court proceedings. The cost of this churn is ultimately borne by taxpayers and ratepayers. For the customer (the end user) it is necessary to navigate many agencies and processes and bear the direct costs of this, in time and money.
 15. In addition, multiple agencies are set up to push strongly for specific sector outcomes, often at the expense of other Ministers and agencies achieving their own goals. For example, housing outcomes are progressed by MHUD, building outcomes by MBIE, water infrastructure outcomes by DIA, transport outcomes by MoT, or climate change mitigation and adaptation outcomes by MfE, and so on.
 16. Even when working well together, the current arrangements encourage the public service to provide multiple competing options for using the same area of land, using (or not using) a resource, or investing in necessary infrastructure to improve our natural and built environments. These voices are often reinforced and exacerbated by competing Crown Entities with a narrow focus.
 17. Under this model Ministers are often advised to pull in different directions - even when strategically aligned. Cabinet is often required to reconcile differences that cannot be resolved through the policy process.
 18. This is not all necessarily a bad thing. A clear advantage of the status quo is specialisation and contestability, which can improve the quality of advice. There is also a fine balance between achieving gains and synergies from mergers and losing clear organisational focus and purpose.

Some international jurisdictions consolidate relevant functions

19. We have looked at other jurisdictions (see Annex 1). It is more common to have a smaller number of agencies bringing together combinations of local government, planning, housing, infrastructure oversight, and transport, although we are unaware of any that combine all of these.
20. The larger agencies that combine these functions coincide with faster and more integrated delivery of planning and infrastructure. For example, Australia's approach to regional planning involves collaboration between many levels of government. Its Department of Infrastructure, Transport, Regional Development, Communications

and the Arts successfully promotes integrated transport and land-use planning, while enhancing connectivity, in a complex system.

21. Some jurisdictions have moved towards greater specialisation. For example, in 1997 the UK created the Department of Environment, Transport and Regions (DETR). Its functions are today spread across four agencies. The most widely given explanation for this change is that DETR was too large and unwieldy, hindering effective policy formation and delivery. There may be useful lessons to learn from this example.

Alternative options for arranging public service planning and infrastructure functions

22. There are many ways relevant public service agencies could be consolidated if desired. This report outlines three options, should you wish to explore this further:
 - a. Option 1: maintain the status quo, while exploring non-structural remedies
 - b. Option 2: a merger of MHUD, MoT and MfE
 - c. 9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank .

Evaluating the options

Option 1: Maintain the status quo

Agencies affected: none

23. You could decide to maintain the status quo. Officials can provide further advice on other tools that could be considered to improve integration, if required.
24. Likely benefits of this approach include maintaining specialised expertise, and agency focus, minimising disruption to existing work programmes and avoiding implementation costs.
25. Likely disadvantages include:
 - a. continued coordination challenges across agencies, affecting the ability to address cross-cutting issues
 - b. potential for conflicting policies and resources
 - c. the risk of potential duplication of functions, with resource inefficiencies
 - d. fragmented accountability for development outcomes.

Option 2: A merger of MHUD, MoT and MfE

Agencies affected: MHUD (305 FTE), MoT (213 FTE) and MfE (788 FTE)

26. This option takes immediate advantage of the opportunities created by the CE vacancies at MHUD and MoT to consolidate these agencies with MfE – a medium sized entity with strong functional alignment with both agencies. Consolidation would provide scale for the new entity and start rationalising the public service more broadly. Annex 2 gives an indicative overview of the functions of these agencies, and their fit.
27. A merger would recognise and strengthen the alignment between major components of the planning and infrastructure systems. It may help key connections to be drawn and resolved more easily at the departmental level, for example between urban development and transport infrastructure, or for ensuring development occurs within environmental bottom lines and is resilient to natural hazards and climate change. It could provide strategic advice to Ministers across traditional portfolio boundaries.

28. Over time the consolidated entity is likely to perform stronger monitoring functions and be easier for external stakeholders to engage with. It is also likely to strengthen capability and improve the efficiency of shared functions that benefit from being delivered at a larger scale.

29. Potential issues with this model include:

- a. currently unquantified implementation costs
- b. disruption to existing work programmes
- c. continued disconnection with other key parts of the system critical for encouraging economic growth and productivity
- d. limited ability to improve alignment with local government

30. 9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank
[Redacted]

9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank
[Redacted]

Implementation and risks

Change is costly and careful planning and implementation is needed

35. Machinery of government changes should not be taken lightly. 9(2)(g)(i) free and frank
Given the proposed agency would be development oriented, there is a particular risk of environment functions and perspectives being lost.
36. Change will need to be managed. Some of the costs of change could be partly mitigated by careful planning, scoping and phased implementation over time. This would help manage disruption, although it would unlikely ever be cost neutral. There are various ways of doing this. For example, one way we could explore further would be to start with a virtual integration of agencies, by having one CE running MoT, MHUD and MfE, prior to hard wiring the changes.
37. The next steps may benefit from targeted consultation within the public service and due diligence to refine the scope of any change and the implementation path.

Recommended Actions

We recommend that you:

- a **agree** that an objective for public service machinery change is to consolidate public service planning and infrastructure functions
Agree/disagree.
- b **note** that the Public Service Commission recommends starting with the merger of the Ministry of Housing and Urban Development, Ministry of Transport and Ministry for the Environment, 9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank
- c **note** there are a broader range of functions to consider over time including local government functions at DIA 9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank
- d **discuss** next steps with officials, including the scope of targeted consultation and due diligence to inform advice on implementation
Discuss/not discuss
- e **agree** that Public Service Commission release this briefing with any necessary redactions once Cabinet decisions on these changes are announced
Agree/disagree.

Hon Chris Bishop
Minister of Housing

Annex 1: International comparisons

Annex 1 provides a snapshot of the ways in which twelve jurisdictions distribute planning, infrastructure, environment and related functions.

In the table, below, agencies covering three or more functions are shaded in grey. In some cases, the functions of an agency are not presented continuously, reflecting the diversity of ways in which these functions are distributed in different jurisdictions.

Function/ Jurisdiction	Climate	Environment	Planning	Housing	Infrastructure oversight	Local Government	Transport
New Zealand 5 agencies	Ministry for the Environment			MHUD	Treasury	DIA	MoT
Australia – Federal 2 agencies	Climate Change, Energy, the Environment and Water		Infrastructure, Transport, Regional Development, Communications and the Arts				
Queensland 5 agencies	Treasury	Environment, Tourism, Science and Innovation	State Development, Infrastructure and Planning			Local Government, Water and Volunteers	Transport and Main Roads
NSW 3 agencies	Climate Change, Energy, the Environment and Water		Planning, Housing and Infrastructure				Transport for NSW
Victoria 4 agencies	Energy, Environment and Climate Action		Transport and Planning	Families, Fairness and Housing Transport and Planning	Transport and Planning	Government Services	Transport and Planning
South Australia 3 agencies	Environment and Water		Infrastructure and Transport	Housing and Urban Development	Infrastructure and Transport		
Japan 3 agencies	Ministry of the Environment		Land, Infrastructure, Transport & Tourism			Internal Affairs and Communications	Land, Infra, Transport & Tourism

IN CONFIDENCE

Function/ Jurisdiction	Climate	Environment	Planning	Housing	Infrastructure oversight	Local Government	Transport
UK 5 agencies	Business, Energy and Industrial Strategy	Environment Food & Rural Affairs	Housing, Communities and Local Government		Treasury/ Cabinet Office (oversees NISTA)	Housing, Communities and Local Govt	Department for Transport
Ireland 3 agencies	Department of the Environment, Climate and Communications		Housing, Local Govt and Heritage		No agency identified (distributed across sectors)	Housing, Local Govt and Heritage	Department of Transport
Singapore 3 agencies	Sustainability and the Environment		Ministry of National Development				Ministry of Transport
Finland 3 agencies	Ministry of the Environment				No agency identified (distributed across sectors)	Ministry of Finance	Transport and Communications
Norway 3 agencies	Climate and Environment		Local Government and Regional Development		No agency identified (distributed across sectors)	Local Government and Regional Development	Ministry of Transport

IN CONFIDENCE

Annex 2: Fit of current functions with a new planning and infrastructure agency

Key

	Good fit – with planning and infrastructure
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank	

This page looks at the fit between MfE, HUD and MoT’s functions and a planning and infrastructure focus.

9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank

Agency	Function	Fit	Rationale	Risks/ Opportunities	
MfE	National oversight / regulatory stewardship of climate, resource efficiency, environment and planning		Necessary for system oversight. Opportunity to consolidate and strengthen reg. stewardship function across agencies.	Opportunity to strengthen sector strategy through connection to other related sectors.	
	Resource management and planning policy		Core advisory function for planning system.	Potentially less weighting given to natural environment considerations.	
	Fast track consenting		Established function, keep close to expertise for urban, environment.	Would align well with planning functions.	
	Environmental policy: national direction and natural environment limits		Keeps environmental considerations close to planning policy.	Advising on multiple objectives can provide balanced assessment of trade-offs at best, it also risks internalising trade-offs to manage complexity.	
	Hazardous substances and new organisms policy		Potential productivity / growth enabler in planning system.	Stronger weighting likely for productivity.	
	Marine and Exclusive Economic Zone (EEZ) policy		Natural fit with planning system.	Stronger weighting likely for productivity.	
	Climate mitigation (incl. ETS) Climate adaptation		Planning and infrastructure system is a key lever for decarbonisation. Increased resilience reduces cost of mal adaptation.	Separation of these functions could limit consideration of climate mitigation and adaptation	
	9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank				
	Environmental investment		Established function, potential operational synergies with investment functions of HUD.	Greater scale and integration.	
	Environmental reporting + data		Central consideration for planning	Greater scale and integration.	
MHUD	National oversight / regulatory stewardship of housing and urban development system		Synergies with urban development, planning and infrastructure focus.	Opportunity to strengthen sector strategy through connection to other related sectors.	
	Place-based partnerships				
	Infrastructure funding and financing				
	Monitoring of Kainga Ora		Large asset manager with strong connection to urban infrastructure and planning system.	Social outcomes may get overlooked in an infrastructure focused entity.	
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank					
MoT	Regulatory stewardship / system performance		Opportunity to consolidate and strengthen reg. stewardship function.	Greater scale and integration.	
	Transport policy				
	Monitoring NZTA		Monitoring of NZTA aligned with infrastructure and planning role.	Coordinated monitoring may improve delivery.	
	Emergency management		Keep connection to transport sector. Some synergy with climate adaptation.	Would support a more coordinated approach.	
	Rail and port policy		Focus on operations within existing infrastructure has connections to border and business as well as infrastructure.	Benefits from retaining connection to wider transport policy roles.	
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank					



Report Title:	Planning and infrastructure arrangements: next steps		
Report No:	MoSR 2025-0623		
Date:	25 July 2025		
To:	Hon Chris Bishop, Minister for Housing, Minister of Transport, Minister for Infrastructure, Minister Responsible for RMA Reform		
To:	Hon Judith Collins KC, Minister for the Public Service		
Action Sought:	Respond to recommendations below	Due Date	1 August 2025
Contact Person:	Hugo Vitalis, Deputy Chief Executive, Strategy Policy & Integrity, ^{9(2)(a) privacy}		
Encl:	Yes	Priority:	High
Security Level:	IN CONFIDENCE		

Executive Summary

- 1 The Public Service Commission is developing proposals to modernise and improve the Public Service operating model. This includes work on machinery of government changes that make disparate functions work better together, in fewer agencies.
- 2 There is an immediate opportunity to consolidate agencies administering the connected planning, infrastructure and investment systems responsible for shaping and servicing our cities and regions. Establishing a new Ministry of Cities, Regions and the Environment, will ensure the Public Service is well-positioned to implement current and future reforms with lower transaction costs and better alignment.
- 3 While some short-term disruption is inevitable, on balance we believe consolidation strengthens the Government's current priorities and makes them more likely to be successful. We also recommend a phased implementation that manages disruption risk by prioritising the delivery of legislative and policy reform work now underway.
- 4 If the proposals in this briefing are agreed, a transition team will be set up with officials from affected agencies to start the due diligence process needed to establish the new Ministry as quickly as possible.
- 5 We have prepared a draft Cabinet paper, attached to this report, for you to take to Cabinet EXP Committee on 9 September.

Recommended Actions

We recommend that you:

a **agree** to establish a new Ministry of Cities, Regions and the Environment by consolidating:

- the Ministry for the Environment
- the Ministry of Housing and Urban Development
- the local government functions from the Department of Internal Affairs
- the Ministry of Transport

Agree/disagree

Agree/disagree

b **agree** that the new Ministry should include all affected agencies from day one

Agree/disagree

Agree/disagree

c **agree** to forward a copy of this briefing to the Minister of Local Government and the Minister for the Environment

Agree/disagree

Agree/disagree

d **agree** that the Public Service Commission release this briefing with any necessary redactions once Cabinet decisions on these changes are announced

Agree/disagree

Agree/disagree

Hon Judith Collins KC
Minister for the Public Service

Hon Chris Bishop
Minister for Housing
Minister of Transport
Minister for Infrastructure
Minister Responsible for RMA Reform

Purpose of Report

- 6 This briefing provides further advice on machinery of government changes to consolidate agencies with closely connected planning and infrastructure functions.
- 7 The Chief Executive (CE) roles for Housing and Urban Development (MHUD) and Transport (MoT) are both vacant. This briefing builds on advice provided to the Minister of Housing on whether these agencies could operate more effectively under other arrangements.
- 8 Machinery of government changes that make disparate functions work better, together, in fewer agencies is a key component of wider proposals being developed by the Public Service Commission to modernise and improve the Public Service operating model. This advice is strongly aligned to these proposals.

What is the problem?

- 9 Several measures indicate that our current planning and infrastructure arrangements are underperforming. In comparison to other developed countries, we get less bang for buck from our infrastructure investment^{1 2}, our houses are more unaffordable³ and we derive less agglomeration benefits from our cities⁴.
- 10 The Government already has a work programme targeting many of the drivers holding us back. Reforms already underway will:
 - regulate land use in a way that respects the rights of property owners to use and develop land as they choose
 - provide access to the tools needed to fund and finance the productive infrastructure that sustains economic growth, including delivery through public-private partnerships
 - use City and Regional Deals to better align the activities of central and local government.
- 11 While this reform work is urgent and necessary, it likely isn't enough. Complementary machinery of government changes can ensure the Public Service is well-positioned to implement the proposals with lower transaction costs and better alignment.

Responsibility is fragmented across multiple agencies with differing objectives

- 12 Improving environmental, housing and transport outcomes requires sustained and coordinated effort and investment from central government, local government, and the private sector. Importantly, planning and infrastructure investment must be used together at place to enable growth. These levers are currently held by multiple

¹ New Zealand Infrastructure Commission. (2022). The lay of the land: Benchmarking New Zealand's infrastructure delivery costs. Wellington: New Zealand Infrastructure Commission / Te Waihanga

² New Zealand Infrastructure Commission (2025). Draft National Infrastructure Plan Wellington: New Zealand Infrastructure Commission/Te Waihanga.

³ [Housing Dashboard: The housing market](#)

⁴ [state-of-the-city-2025.pdf](#)

agencies across different tiers of government, whose efforts and incentives do not always align.

- 13 A practical example of misalignment has been the inability to leverage City Rail Link (CRL) investment into greater housing supply. Transit oriented development (TOD) is established practice internationally and strongly backed by evidence. TOD requires zoning and infrastructure improvements to go hand-in-hand – functions that are currently split across multiple agencies and Auckland Council. The increased capacity the CRL provides should have encouraged intensification via upzoning around new stations. Instead, it has likely led to windfall gains for a relatively small group.
- 14 Even when working well together, the current arrangements encourage the Public Service to provide multiple competing options for using the same area of land, using (or not using) a resource, or investing in necessary infrastructure to improve our natural and built environments. These voices are often reinforced by competing Crown Entities with an even narrower focus.

We can improve integration and alignment through consolidation

- 15 Relative to population, New Zealand has a large number of Public Service agencies by international standards. While this allows for specialisation, too much contestability dilutes accountability and increases inefficiency and transaction costs.
- 16 The Public Service Commission is progressing advice for the Minister of the Public Service on modernising the public service operating model, including addressing wider fragmentation issues. This work will consider ways for disparate functions to work better, together, in fewer agencies.
- 17 Local government implementation is critically important for achieving central government's housing, transport and environmental objectives. Machinery of government changes are recommended to strengthen coordination through more tightly integrated and aligned central, regional and local delivery.
- 18 Setting up one organisation to administer planning, infrastructure and investment functions together under common leadership will:
 - improve integration, without diminishing the quality of advice
 - increase strategic and policy alignment across current and future reforms
 - enable shared oversight of delivery and operations
 - strengthen performance monitoring across multiple, interdependent systems
 - create the scope for addressing the enduring, complex problems running across systems that have been hard to fix.
- 19 Moving to a more joined-up approach is also more in line with how other jurisdictions have grappled with similar issues⁵.


⁵ It is more common internationally to have a smaller number of agencies bringing together some combination of local government, planning, housing, infrastructure oversight, and transport functions. However, we are unaware of any countries that combine all these functions into a single agency.

How will the proposed solution help?

- 20 There is an immediate opportunity to consolidate the agencies administering the connected systems responsible for shaping and servicing our cities and regions.
- 21 It is recommended that you start by consolidating the agencies responsible for exercising planning⁶ and infrastructure functions that are closely connected but wielded separately. These agencies are:
- The Ministry for the Environment (MfE)
 - The Ministry of Housing and Urban Development (MHUD)
 - The local government functions of the Department of Internal Affairs (DIA)
 - The Ministry of Transport (MoT).
- 22 This would create a new Ministry of Cities, Regions and the Environment (MCRE) that has a broader scope, and a stronger collective focus on achieving the best use of our natural and physical resources. This grouping better recognises that we are a small country that needs our institutions supporting interdependent objectives to be working together with as little friction and transaction cost as possible.
- 23 The new MCRE would have more capacity to respond to the fiscal challenges across housing, roads and water services. A wider perspective would help it better future-proof development in the context of economic and environmental pressures, natural hazard risks, and the impacts of climate change. And it could more effectively monitor the suite of large organisations responsible for delivery on the ground, such as Kainga Ora, NZTA and councils.
- 24 While some short-term disruption is inevitable, on balance we believe consolidation will make the Government's reform programme noted above at paragraph 10 more successful.

9(2)(f)(iv) confidentiality of advice, 9(2)(a)(i) free and frank

25 9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank



26

27

⁶ Specifically, the planning functions under the Resource Management Act 1991, the Local Government Act 2002 and the Land Transport Management Act 200.

Partial transfer of functions

- 28 An assessment of the functions currently performed by each agency is at Appendix 1.
- 29 While there is a good case for bringing environment, transport, housing and local government responsibilities together, not all functions are a perfect fit. This is common for any medium to large agency.
- 30 On balance, we recommend that the full range of functions transfers together. Partial transfers add cost and complexity, and there is not always a good alternative location for the functions left behind. Partial transfers also undermine the ongoing viability of residual functions, ^{9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank} [REDACTED]
- 31 There are various ways of enabling differentiated management, such as branded business units, leadership delegations or functional chief executives. These measures can also be used during the transition to minimise disruption to legislative reform in this parliamentary term. Mitigations are discussed in more detail below.

Making the change

- 32 We recommend that the new Ministry should include all affected agencies from day one. An alternative option is to merge some agencies now (for example MfE and MHUD) and others later. However, immediately consolidating all functions reduces uncertainty for staff and stakeholders, provides greater mission clarity and enables earlier strategic realignment.
- 33 To make the machinery of government change, we recommend taking a phased approach to implementation. It involves starting as quickly as possible after policy decisions are made, minimising disruption to current priorities, and allowing issues to be worked through as the agency grows.

Phase 1 - Establishment

- 34 Phase 1 includes the activities needed to set up the interim agency on day one. The aim is to maximise integration where it makes sense, while retaining visibility for functions with clear needs and stakeholder groups.
- 35 ^{9(2)(h) legal privilege} [REDACTED]
- 36 Once the decision to transfer functions into MCRE is confirmed, the transfer of employees is governed by the Public Service Act 2020. ^{9(2)(g)(i) free and frank} [REDACTED]
- 37 ^{9(2)(g)(i) free and frank} [REDACTED]

⁷9(2)(h) legal privilege [REDACTED]

9(2)(g)(i) free and frank

38

9(2)(g)(i) free and frank

Phase 2 – Due diligence and internal change

39 We know from experience of machinery of government change, and from the literature on private sector mergers, that failure often follows poor due diligence. This is the primary focus of Phase 2.

40 The future chief executive, appointed following a contestable process, would lead this work alongside the ongoing integration activities. You can expect iterative changes will result in redesigned business units, a permanent leadership team, staff co-location, and migration to common platforms for corporate services, corporate policies and workforce agreements.

41 One way to support continuity for critical work programmes is to start by integrating corporate services. A longer phase of leadership, policy, and organisational change can then follow across 2026.

9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank

42

9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank

43

Next steps and a transition team

44 We have drafted a Cabinet paper seeking agreement to start establishing the new Ministry in line with the proposals in this paper. This is at Appendix 2. Once you are happy with it, we recommend this go to Cabinet EXP Committee on 9 September.

45 If you wish to progress these proposals, the Public Service Commissioner will appoint, after discussion with you, someone to lead a transition team that could also be the establishment CE. The other transition team members will mostly be key personnel drawn from the affected agencies. The transition team will finalise and deliver a comprehensive transition strategy. This strategy would cover the critical workstreams and due diligence needed to complete Phase 1, and a plan for executing Phase 2. It will also include a comprehensive stakeholder engagement and communication plan.


46 Upon satisfactory completion of due diligence, affected agencies will need to implement these proposals. This will include relevant CEs undertaking consultation

with staff to implement the proposals, consistent with their employment responsibilities. Subject to this, and final decisions by joint Ministers, we expect changes to take effect by late 2025.


Risks and mitigations

47 We note that there are risks with these proposals. Our previous briefing on this topic noted the costs and disruption that they will cause, and the implications of this for your ambitious reform programme. The transition team, described above, will need to advise you on what is needed to mitigate these risks. This approach will enable us to keep servicing Ministers and delivering existing work during the transition process.

48 9(2)(g)(i) free and frank

A large rectangular area of the document is redacted with a solid grey fill, obscuring the text following the heading '9(2)(g)(i) free and frank'.

49 9(2)(g)(i) free and frank

A large rectangular area of the document is redacted with a solid grey fill, obscuring the text following the heading '9(2)(g)(i) free and frank'.

Appendix 1: Functional analysis

This section looks at the detailed functions within scope of the proposal and initial notes on due diligence to investigate for implementation planning.

Proposed scope for the Ministry of Cities, Regions and the Environment

Agency	Transfer in full or part	FTE ⁸	\$m dept 25/26	\$m non-dept 25/26
Ministry for the Environment	Full	801	209	2,635
Ministry of Housing & Urban Development	Full	297	66	7,113
Ministry of Transport	Full	206	65	12,767
DIA (Local Government)	Part	87	39	223
Total	-	1391	379	22,738

Where the full agency is in scope of transfer there is currently less information on due diligence costs for individual functions. Costs will be impacted by decisions around the design of the new agency and the nature of any change alongside the transfer. If there are specific bespoke IT systems or requirements that impact on transfer arrangements these will be identified in the due diligence planning.

Functional analysis key

Good fit
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank

Agency	Function	Fit	Rationale	
MfE	Policy	National oversight / regulatory stewardship of climate, resource efficiency, environment & planning	Good fit	Necessary for system oversight. Opportunity to consolidate and strengthen reg. stewardship function across agencies.
		Resource management, spatial planning, and planning policy	Good fit	Core advisory function for planning system.
		National direction and natural environment limits	Good fit	Keeps environmental considerations close to planning policy.
		Fast track consenting	Good fit	Established function, keep close to expertise for urban, environment.
		Natural hazards	Good fit	Highly relevant for planning and infrastructure decision making
		Marine and Exclusive Economic Zone (EEZ) policy	Good fit	Natural fit with planning system.
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank				
Agency	Function	Fit	Rationale	

⁸ MfE, MHUD and MoT figures from March 2025 reporting. DIA figures provided by agency and subject to further due diligence.

MfE (cont.)	Policy (cont.)	Climate mitigation (incl. ETS) Climate adaptation		Planning and infrastructure system is a key lever for decarbonisation.
		9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank		
		Environmental investment		Established function, potential operational synergies with investment functions of MHUD.
		Environmental reporting + data		Central consideration for planning
	Regulatory systems	Administers 14 legislative acts including Resource Management Act		Opportunity to consolidate and strengthen reg. stewardship function across agencies
Monitor & appoint	Environmental Protection Authority and Climate Change Commission		Supports independent advice, compliance, and enforcement.	
HUD	Policy advice	Going for Housing Growth		Synergies with urban development, planning and infrastructure focus.
		Residual barriers to urban development		
	9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank			
		Housing regulatory system		Regulating the use of existing properties has partial impact on development incentives.
	9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank			
Stewardship	Stewardship of the housing and urban development system		Synergies with urban development, planning and infrastructure focus.	
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank				
Monitor & Appoint	Kāinga Ora Tamaki Regeneration Company		Large asset manager with strong connection to urban infrastructure and planning system.	
MoT	Policy	Monitoring the performance of the transport system		Opportunity to integrate advice on efficient prices across transport and land use policy
		Transport modelling and data, including an agent-based model of the land transport network		Model can provide an integrated picture of effects from transport and land use changes.
Agency	Function	Fit	Rationale	

IN CONFIDENCE

MoT (cont.)	Policy (cont.)	<p>Land transport policy and regulatory advice, including:</p> <ul style="list-style-type: none"> • Advice on Government Policy Statement on Land Transport and programme investments • Rail policy, including on the level of investment into the network, safety, and monitoring specific projects (e.g. City Rail Link) • Road safety policy 		Opportunity to integrate advice on efficient prices across transport and land use policy
	9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank			
	Regulatory systems	Administers 20 legislative acts		
Monitor & appoint	Monitoring transport regulators (NZTA, Maritime NZ, Civil Aviation Authority and TAIC)		Transport services and infrastructure are delivered by these entities.	
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank				
DIA (local govt)	Policy	Going for Housing Growth		Strong links across infrastructure, roads, local government, housing and environment
		City & Regional Deals		
		Local water done well		
		Infrastructure funding & financing		
	9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank			
	Accommodation Levy (joint with Minister for Tourism & Hospitality)		Small programme with links to other portfolios.	
Councils help the Crown comply with its Treaty obligations		Councils, iwi and hapū groups contribute cities, regions & environmental outcomes		
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank				
9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank				

DIA (local govt cont.)	Regulatory system	Administer 28 Acts, including Local Government Act		Key acts are critical for the oversight, investment and development of cities, regions and the environment.
		9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank		
	Monitor & appoint	Council performance and advice on appointment of Crown Managers		Strong links across infrastructure, roads, local government, housing and environment
		Water Services Authority - Taumata Arowai		
		Local Government Funding Agency		
		Appoint Development Contributions Commissioners		
Local Government Commission		Structure of local govt under active review		

9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank



Report Title:	Options to transfer the Ministry for the Environment's functions into MCRE		
Report No:	MoSR 2025-0677		
Date:	3 September 2025		
To:	Hon Chris Bishop, Minister for Housing, Minister of Transport, Minister for Infrastructure, Minister Responsible for RMA Reform		
CC:	Hon Judith Collins KC, Minister for the Public Service		
Action Sought:	Respond to recommendations below	Due Date	10 September 2025
Contact Person:	Hugo Vitalis, Deputy Chief Executive, Strategy Policy & Integrity, ^{9(2)(a) privacy}		
Encl:	Yes	Priority:	High
Security Level:	IN CONFIDENCE		

Recommended Actions

We recommend that you:

- a **agree** to transfer the Ministry for the Environment's functions into the Ministry of Cities, Regions and the Environment following amendment of the Environment Act 1986
agree/ disagree
- b **agree** to work with the Minister for the Environment to amend the Environment Act 1986 to allow for this transfer to happen in this parliamentary term
agree/ disagree
- c **agree** to consult on the attached draft Cabinet paper with your colleagues, and for the Commission to consult with agencies, between the 15 and 26 September
agree/ disagree
- d **agree** to take the attached draft Cabinet paper straight to Cabinet on 6 or 13 October, jointly with the Minister for the Public Service
agree/ disagree

Hon Chris Bishop
Minister for Housing, Minister of Transport, Minister for Infrastructure, and Minister Responsible for RMA Reform

Purpose of Report

- 1 This briefing provides advice on options to transfer the functions of the Ministry for Environment (MfE) into the Ministry of Cities, Regions and the Environment (MCRE), following legal advice.

Background

- 2 We have previously briefed you on a proposal to consolidate agencies, and functions of agencies, into MCRE. We indicated that we would seek legal advice about disestablishing MfE, which is established by the Environment Act 1986 (the Env Act), and transferring its functions to MCRE [MoSR 2025-0350 and MoSR-2025-623 refer].
- 3 Since the 1988 Public Service reforms, most agencies can be established and disestablished by Order in Council (Oic). A few agencies are established by legislation. Being established by legislation in 1986, MfE is one of these agencies. While the Ministries of Transport (MoT) and Housing and Urban Development (MHUD) can be disestablished by Oic, MfE cannot be disestablished in this way.

The Environment Act needs to change, and we have identified two options to do so

- 4 The Env Act (and any other legislation as required) needs amending to disestablish MfE and merge it into a new agency. We have worked with MfE to identify an existing Bill through which these amendments could be made quickly. We have not managed to find one. You will need to work with the Minister for the Environment to develop technical amendments to the Env Act.
- 5 There are two ways to do the required legislative amendments so MCRE can be established. The main difference lies in how quickly legislation must be passed:
 - 5.1 Option 1: pursue a targeted amendment to the Env Act this term to enable MfE to be merged into MCRE (recommended).
 - 5.2 Option 2: establish MCRE by merging MoT, MHUD and the Department of Internal Affairs (DIA) (local government) into MfE and rebrand MfE as MCRE. This option would allow more time to progress legislation ^{9(2)(h) legal privilege}

We recommend Option 1, but it turns on confidence in passing amendments this term

- 6 Option 1 is the cleanest option ^{9(2)(h) legal privilege}. It would allow MCRE to be established, as intended, from the outset, with all relevant functions included. It would be less disruptive than Option 2; staff could be moved into MCRE in one go.
- 7 Option 1 turns on passing an amendment Bill this term. ^{9(2)(g)(i) free and frank}
^{9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank}
- 8 We consider an amendment Bill to be technically possible this term so long as it is not complex and is targeted and technical in nature. It would be focused on modernising administration, bringing MfE in line with other Public Service agencies.

- 9 Assuming that the Env Act would be amended by August 2026, this would then comprise the legal establishment date of MCRE. However, Phase 1, as set out in the draft Cabinet paper, can begin following Cabinet decisions in October 2025. Announcements could then be made, OiCs progressed, an establishment Chief Executive appointed, and MCRE branding can begin to be used.
- 10 While we recommend this option, as Leader of the House, you would need to consider whether this timeline is realistic. Progressing such a Bill requires House time. We understand it will require the Parliamentary Counsel Office to be instructed by October this year, if the amendments are to be in effect by August 2026. Further, the Select Committee stage would need to be truncated.

Option 2 is likely more disruptive, but this may be manageable with enough time

- 11 We have considered several alternatives to Option 1. These are outlined, in more detail, in **Appendix 1**. However, we consider Option 2, merging other agencies into MfE and rebranding MfE as MCRE, to be the most viable alternative. Other options ^{9(2)(h) legal privilege} [REDACTED], are likely to be highly disruptive, or would significantly delay establishment of MCRE beyond this term of Parliament.
- 12 Option 2 allows MCRE to get started with all intended functions included from the outset. It will allow a version of MCRE to be established quickly, as it does not rely on primary legislation. The merger of agencies into MfE could happen as early as Quarter 1 2026, although MCRE would not be legally established until much later.
- 13 ^{9(2)(h) legal privilege} [REDACTED]
- 14 Option 2 does, however, give you more time to make amendments to the Env Act. ^{9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank} [REDACTED]
- 15 The main risk with Option 2 is disruption for non-MfE staff, who would face two moves, first into MfE, then into MCRE. This may negatively affect your work programme. This could be mitigated with careful transition management.
- 16 However, the risk of disruption increases if an amendment Bill is passed this term. This is because staff would be moving between agencies in quick succession which makes careful transition management more challenging. For this reason, we do not recommend Option 2 if you consider there is a high certainty of passing an amendment Bill this term.

Next steps

- 17 We have drafted an updated Cabinet paper based on Option 1. This is attached at **Appendix 2**. We recommend that it be a joint paper from you and the Minister for the Public Service and have drafted on this basis. ^{9(2)(g)(i) free and frank} [REDACTED].
- 18 A proposed timeline of steps needed to get this paper to Cabinet is at table 1, below.

Table 1 – timeline and steps needed to get this paper to Cabinet

Steps	Who	Timeframes	Dates
Updated briefing and draft Cabinet paper to Ministers	PSC	-	By 3 Sept
Final policy decision for draft Cabinet paper	Minister Bishop	5 days	By 10 Sept
Update draft papers	PSC	2 days	By 12 Sept
Agency and Ministerial consultation	PSC & Office of Minister Bishop	10 days	15 Sept – 26 Sept
Incorporate feedback	PSC	3 days	29 Sept – 1 Oct
Lodge Cabinet papers for Cabinet	PSC / Office of Minister Bishop	Thursday prior to Cabinet meeting	2 or 9 Oct
Approval at Cabinet	Cabinet Office	Following lodgement	6 or 13 Oct
Drafting instructions to PCO	MfE	Following Cabinet	Mid-Oct

19 As this is a joint paper, with significant proposals, we recommend you take it to straight to Cabinet on either 6 or 13 October, when the Minister for the Public Service will be available. This means you will need to lodge it by 2 or 9 October.

20 9(2)(g)(i) free and frank



21 If you agree to progress a standalone amendment Bill, this will need to happen at pace, with drafting instructions needing to be with the Parliamentary Counsel Office by mid-October. MfE can brief you further on amendments needed. You may wish to begin this work with the Minister for the Environment, pending Cabinet agreement.

22 If you instead wish to pursue Option 2, we will endeavour to provide you with an updated Cabinet paper before 12 September.

Appendix 1 – alternative options to progressing legislation this term

The Environment Act needs to be amended but we have identified interim options

- 1 The Environment Act 1986 (the Env Act) must be amended prior to MCRE being finalised with all MfE incorporated. Further, the Env Act requires all MfE staff to have regard to certain matters.
- 2 Our preferred approach is to amend the Env Act quickly. We have worked with MfE but have been unable to identify a suitable existing Bill which could be used to progress these changes. This means either a stand-alone Environment Amendment Bill is required to establish MCRE by August 2026, or another approach is needed.
- 3 If you do not wish to progress a stand-alone Environment Amendment Bill, or House time cannot be prioritised before the proposed establishment date, we have identified five potential options to proceed:
 - 3.1 Option 1: exclude MfE from MCRE until the Env Act has been amended (in a subsequent term)
 - 3.2 Option 2: merge MoT, MHUD and DIA local government functions into MfE, and rebrand as MCRE
 - 3.3 Option 3: transfer a subset of MfE’s functions into MCRE with remaining functions merging pending amendments to the Env Act
 - 3.4 Option 4: delegate MfE’s functions to a Functional Chief Executive (FCE) – Environment, located in MCRE
 - 3.5 Option 5: delay the establishment of MCRE until after the Env Act can be amended.
- 4 We have assessed these options against the following:
 - 4.1 9(2)(h) legal privilege
 - 4.2 the likely disruption to your work programme
 - 4.3 the likely effect on the timeliness of implementation
 - 4.4 the likely effects on your legislation programme
 - 4.5 how the option may be perceived by stakeholders.
- 5 An overview of our assessment against these criteria is at table 1, below, where red represents high risk, amber moderate risk, and green lower (but not no) risk.

Table 1: assessment of options against criteria

	9(2)(h) legal privilege	Disruption	Timeliness	Legislative programme	Perception
1: exclude MfE (no amendment this term)		Yellow	Red	Yellow	Yellow
2: merge into MfE		Yellow	Green	Green	Yellow
3: transfer a subset of MfE		Red	Green	Green	Red
4: delegate to FCE		Yellow	Green	Green	Red
5: delay		Green	Red	Green	Yellow

Option 1 – excluding MfE until the Env Act is amended leaves MCRE vulnerable

How would Option 1 work?

- 6 MCRE would be established by OiC. It would include MHUD, MoT and DIA (local government). However, it would not include any of MfE until the Env Act has been amended. Once that has happened, MfE would be merged by OiC.

What are the trade-offs of Option 1?

- 7 In this scenario, we are assuming that you have decided not to progress amendments this term. As noted in the accompanying briefing, if you wish to progress amendments this term, we recommend this option. MfE would remain outside MCRE only for a short period.
- 8 Option 1 allows a version of MCRE to be established quickly, without relying on primary legislation. However, if the Env Act is not amended this parliamentary term, MfE would remain outside of MCRE for a long period. Alternatively, you could look to progress amendments quickly next parliamentary term, although this may impact on future legislative programmes.
- 9 By excluding MfE for a long period, Option 1 would sideline an important contributor to your reform programme, and efforts to improve environmental, housing and transport outcomes in a coherent and coordinated way. It seems to undermine the purpose of MCRE, at least until the Env Act can be amended. This could be for a considerable period. To an extent, this can be mitigated by MCRE and MfE working closely together and perhaps moving towards shared services.

- 10 The more significant risk is that this scenario would leave MCRE vulnerable so long as it is not finalised. The risk is that changes in circumstance over this period may leave MfE out of MCRE permanently.

Option 2 – merging agencies into MfE represents a reasonable longer-term option

How would Option 2 work?

- 11 Option 2 would see MoT, MHUD, and DIA (local government) transfer into MfE. Orders in Council would disestablish MoT and MHUD. MfE could be rebranded as MCRE but would continue to exist. MfE would continue to exist, but effectively operating as MCRE, until the Env Act is amended.

What are the trade-offs of Option 2?

- 12 In terms of timing, the transfer into MfE could happen quickly. There is no need for primary legislation. The CE of MfE would likely continue in his role, until an appointment for a new CE.

- 13 9(2)(h) legal privilege

- 14 This option may be disruptive for staff who will be moved into MfE and then, later, into MCRE. It may also create some confusion for stakeholders. We consider these risks to be manageable but may be exacerbated if changes occur in relatively quick succession. For this reason, we consider Option 2 to be the best option if you do not wish to progress amendments to the Env Act this term.

Option 3 – transferring a subset of MfE functions is impractical

How would Option 3 work?

- 15 Option 3 would see MoT, MHUD and DIA (local government) consolidated into MCRE. Some functions of MfE would also transfer into MCRE, but some would remain with MfE. Again, MfE would continue to exist, with the remaining staff subject to the requirement to have regard to the matters outlined in the Env Act.
- 16 The remaining part of MfE would be co-located with, and receive corporate services from, MCRE. They would merge with MCRE pending amendment to the Env Act.

What are the trade-offs of Option 3?

- 17 This option recognises that not all functions currently performed by MfE are central to the matters covered by the Env Act. It would likely be more defensible to argue that transferring these functions would not undermine the purpose of the Env Act.
- 18 This option essentially splits MfE for a period. 9(2)(h) legal privilege
It lowers the degree of legal risk. In terms of timing, MCRE could be established quickly. It need not wait on legislation.
- 19 MfE has indicated that this option is likely to be very difficult to implement, and with costs likely to outweigh benefits. As a result, this option may increase the risk of

disruption to your work programme. This option also risks negative stakeholder perceptions and may amplify existing criticism from environmental groups.

Option 4 – delegating to an FCE carries significant legal risk

How would Option 4 work?

- 20 Option 4 would see MCRE established by Order in Council coming into effect in December 2025. Other Orders in Council would disestablish MoT and MHUD, and would establish the role of FCE – Environment, located in MCRE. Local government functions of DIA would transfer by Cabinet agreement.
- 21 MfE would continue to exist alongside MCRE, until the Env Act is amended. However, its appropriations would transfer to MCRE, and the Secretary for the Environment would delegate his functions to the FCE – Environment. In effect, MfE would continue as a ‘shell’ with its money, people and functions delegated to MCRE. Eventually, the Env Act would be amended and MfE formally disestablished.

What are the trade-offs of Option 4?

- 22 In terms of timing, MCRE could be legally established quickly, with staff moving from their existing agencies at that time. The FCE – Environment role would also be established at this time, along with an acting portfolio Chief Executive (CE), across MCRE. A permanent CE would be appointed in April.

23 9(2)(h) legal privilege

24 9(2)(h) legal privilege

Option 5 – delaying the establishment of MCRE may mean it does not happen

How would Option 5 work?

- 25 MCRE would be established by OiC. It would include all proposed agencies and functions in one go. However, this would only happen once Env Act amendments have been passed in a future parliamentary term.

What are the trade-offs of Option 5?

- 26 Option 5 allows MCRE to be established in one go, cleanly 9(2)(h) legal privilege. However, it would clearly represent a potentially significant delay to the agency. To some extent, this could be mitigated by the proposed agencies working together more closely in the meantime. However, it is not clear how long this would be.
- 27 This option leaves MCRE highly vulnerable to future change. It greatly decreases the chances that it will happen at all.



Report Title:	Planning and infrastructure arrangements: updated Cabinet paper		
Report No:	MoSR 2025-0769		
Date:	21 November 2025		
To:	Hon Chris Bishop, Minister for Housing, Minister of Transport, Minister for Infrastructure, Minister Responsible for RMA Reform		
To:	Hon Judith Collins KC, Minister for the Public Service		
Action Sought:	Respond to recommendations below	Due Date	24 November 2025
Contact Person:	Mereama Chase, Manager, Strategy Policy & Integrity, ^{9(2)(f)(iv)} confidentiality		
Encl:	Yes	Priority:	High
Security Level:	BUDGET-SENSITIVE		

Recommended Actions

We recommend that you:

- a **agree** to consult on the attached draft Cabinet paper with your colleagues, and for the Commission to consult with agencies, between the 24 and 26 November
agree/ disagree
- b **agree** to take the attached draft Cabinet paper straight to Cabinet on 1 December, jointly with the Minister for the Public Service, by lodging it by 27 November
agree/ disagree

Hon Judith Collins KC
Minister for the Public Service

Hon Chris Bishop
Minister for Housing
Minister of Transport
Minister for Infrastructure
Minister Responsible for RMA Reform

Purpose of Report

- 1 This briefing outlines next steps for the proposal to create the Ministry of Cities, Regions and the Environment (MCRE). It attaches an updated draft Cabinet paper. It also recommends formal consultation begin on this paper, with a view to taking it to Cabinet on 1 December.

We recommend you take the attached paper to Cabinet on 1 December

- 2 We have previously briefed you on a proposal to consolidate the following agencies, and functions of agencies, into MCRE [MoSR 2025-0350 and MoSR-2025-0623 refer]:
 - 2.1 Ministry for the Environment (MfE)
 - 2.2 Ministry of Housing and Urban Development (MHUD)
 - 2.3 Ministry of Transport (MoT)
 - 2.4 Local government functions from the Department of Internal Affairs (DIA)
- 3 Following meetings with you, the Prime Minister, Minister Watts and Minister Simmonds, a team was established to prepare an investment case for MCRE. This team comprised officials from affected agencies and was supported by PwC. The investment case was circulated to those Ministers on 7 November, and discussed with Minister Bishop on 19 November
- 4 At that meeting, Minister Bishop agreed to move ahead with the establishment of MCRE. On this proposal, MCRE would be legally established in April 2026, via Orders in Council, with an establishment Chief Executive appointed. All functions, and staff, of affected agencies would move by 1 July 2026.
- 5 We have also previously noted the importance of amending the Environment Act 1986, to allow MfE to be disestablished. This will need to happen at pace, by April 2026.
- 6 The outcomes of the investment case, and the meeting on 19 November, are reflected in the attached Cabinet paper (**Appendix A**).
- 7 If the proposed timeframes are to be met, this paper will need to go to Cabinet this year. We recommend it go straight to Cabinet on 1 December. To achieve this, you will need to lodge the paper by 27 November.
- 8 This will require a truncated consultation period. Once you approve the draft Cabinet paper, we will begin agency consultation to run from 24 to 26 November. We have already consulted the affected agencies, Treasury and DPMC. We will brief you on any significant issues that arise. We recommend you undertake concurrent Ministerial consultation.



Report Title:	Planning and infrastructure arrangements: final Cabinet paper to lodge		
Report No:	MoSR 2025-0788		
Date:	3 December 2025		
To:	Hon Chris Bishop, Minister for Housing, Minister of Transport, Minister for Infrastructure, Minister Responsible for RMA Reform		
To:	Hon Judith Collins KC, Minister for the Public Service		
Action Sought:	Respond to recommendations below	Due Date	4 December 2025
Contact Person:	Mereama Chase, Manager, Strategy Policy & Integrity, 9(2)(a) privacy		
Encl:	Yes	Priority:	High
Security Level:	BUDGET-SENSITIVE		

Recommended Actions

We recommend that you:

- a **agree** to lodge the attached paper by 4 December for consideration at Cabinet ECO Committee on 10 December

agree/ disagree

Hon Judith Collins KC
Minister for the Public Service

Hon Chris Bishop
Minister for Housing
Minister of Transport
Minister for Infrastructure
Minister Responsible for RMA Reform

Purpose of Report

- 1 This report provides the finalised Cabinet paper *Planning and Infrastructure arrangements* for you to lodge by 4 December to present at Cabinet ECO Committee on 10 December. It outlines next steps and talking points to support you at ECO.

We recommend you lodge the attached paper by 4 December

- 2 We previously briefed you on the proposal to create the Ministry of Cities, Regions and the Environment (MCRE) [MoSR 2025-0350, 0623 refer] and provided a draft Cabinet paper for consultation [MoSR 2025-0769 refers].
- 3 Following consultation with the Treasury, we have updated the paper to clarify the financial recommendations:
 - 3.1 we have removed the need for you to report back to Cabinet on the required appropriation changes to give effect to the establishment of MCRE; instead, the paper notes that we will confirm final costings and phasing of the proposed merger with the Treasury
 - 3.2 to support implementation, we have clarified that \$7.5 million is being sought for appropriation in 2025/26, ^{9(2)(f)(iv) confidentiality of advice} [REDACTED]
 - 3.3 ^{9(2)(f)(iv) confidentiality of advice} [REDACTED]
 - 3.4 to support quick decision-making, the paper seeks authorisation for you, with the Minister of Finance, and any other relevant appropriation Minister, to make technical changes to appropriations necessary to establish MCRE
 - 3.5 the paper notes that the consolidation of Votes and appropriations is best led by the new Chief Executive
 - 3.6 the paper seeks agreement, as at 1 July 2026, for existing Vote and appropriation structures to remain with the new Minister of Cities, Regions and the Environment as appropriation Minister.
- 4 The paper also clarifies that the proposals will create a vacancy for a new Chief Executive. Minor edits have also been made for clarity and to correct errors.
- 5 The paper proposes establishing MCRE by April 2026. We recommend you lodge the attached paper by 4 December for consideration by ECO on 10 December, and Cabinet on 15 December. The updated paper is at **Appendix A**. Talking points to support you at ECO are attached at **Appendix B**.


Next steps

- 6 Subject to Cabinet agreement, we recommend you announce plans to establish MCRE. We can then begin recruiting a Chief Executive, to be in place by April 2026.
- 7 Chief Executives of affected agencies should inform staff following Cabinet decisions, on Monday, 15 December. We propose you make public announcements from Tuesday, 16 December. We are working with your offices to coordinate this process.

- 8 We will set up an Integration Management Office to lead planning and delivery.
- 9 The Ministry for the Environment (MfE) has briefed Minister Bishop and the Minister for the Environment on amendments to the Environment Act 1986. These must be passed no later than 1 July 2026, as outlined in the Cabinet paper.
- 10 Minister Collins must issue drafting instructions to the Parliamentary Counsel Office to establish MCRE by April 2026, and to disestablish the Ministry of Transport, Ministry of Housing and Urban Development, and MfE by 1 July 2026. We will provide further advice in early 2026 to support this.

Appendix B - Talking Points

9(2)(g)(i) free and frank





Report Title:	Planning and infrastructure arrangements: updated Cabinet paper to lodge		
Report No:	MoSR 2025-0800		
Date:	12 December 2025		
To:	Hon Chris Bishop, Minister for Housing, Minister of Transport, Minister for Infrastructure, Minister Responsible for RMA Reform		
To:	Hon Judith Collins KC, Minister for the Public Service		
Action Sought:	Note the change of agency name	Due Date	12 December 2025
Contact Person:	Mereama Chase, Manager, Strategy Policy & Integrity, ^{9(2)(a) privacy}		
Encl:	Yes	Priority:	High
Security Level:	BUDGET-SENSITIVE		

Recommended Actions

We recommend that you:

- a **note** the attached Cabinet paper which has been updated to incorporate the Ministry for Cities, the Environment, Regions and Transport as the new name for Ministry of Cities, Regions and the Environment, which was previously considered by Cabinet ECO Committee
- b **note** that Minister Bishop's office will need to work with Cabinet Office to lodge the updated version of this Cabinet paper prior to Cabinet meeting on 15 December, when this paper is due to be considered

Hon Judith Collins KC
Minister for the Public Service

Hon Chris Bishop
Minister for Housing
Minister of Transport
Minister for Infrastructure
Minister Responsible for RMA Reform

Purpose of Report

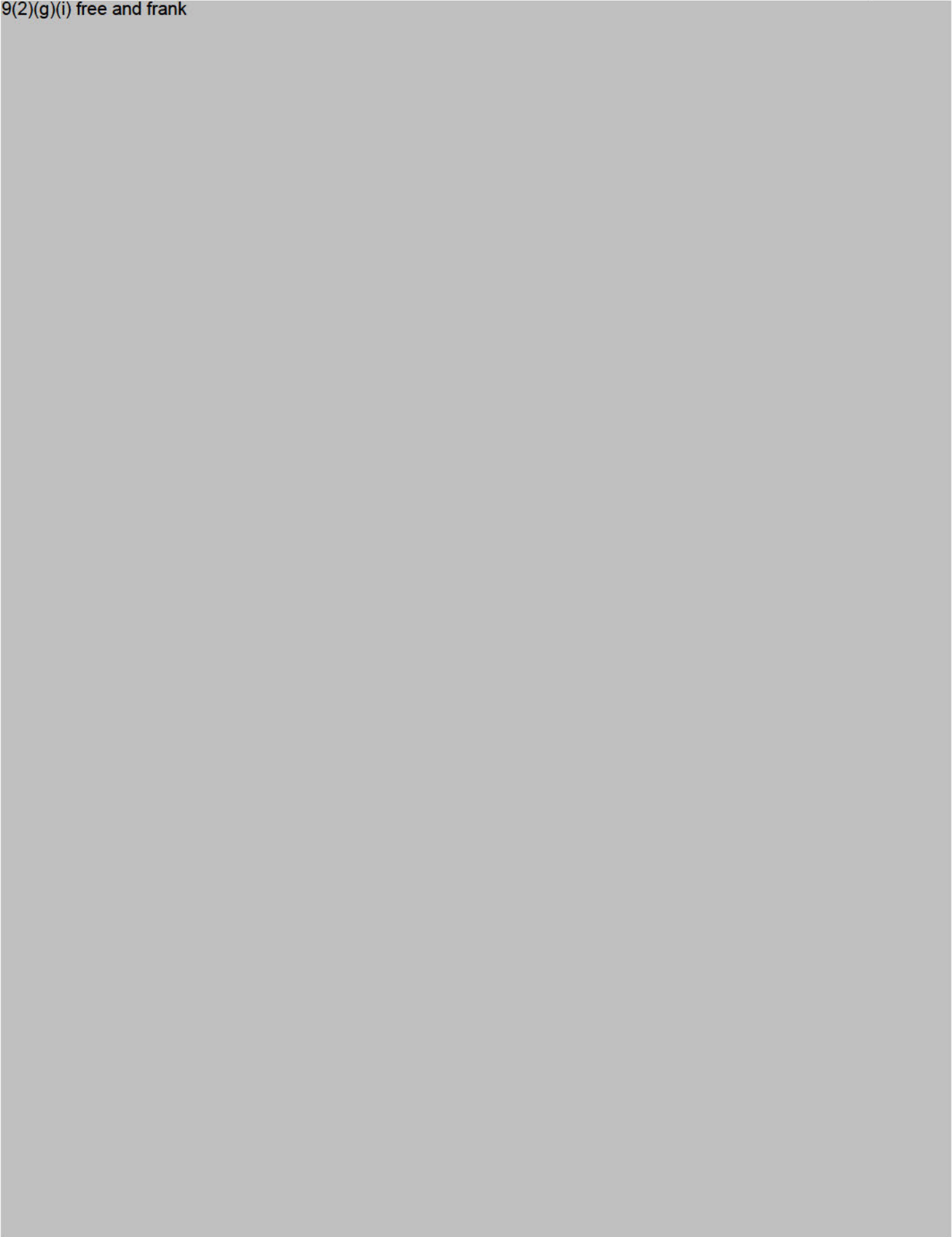
- 1 This report provides an updated Cabinet paper *Planning and Infrastructure arrangements* which includes the change of name from Ministry of Cities, Regions and the Environment (MCRE) to the Ministry for Cities, the Environment, Regions and Transport (MCERT), prior to Cabinet meeting to consider these proposals on 15 December.

We recommend you lodge the attached paper by 4 December

- 2 We previously provided you with a Cabinet paper to take to Cabinet Economic Policy Committee (ECO) on 10 December [MoSR 2025-0788]. ECO has considered this paper, and it is due to be considered by Cabinet on 15 December.
- 3 You have indicated that you would like to change the name of the proposed new Ministry, from MCRE to the Ministry for Cities, the Environment, Regions and Transport (MCERT).
- 4 We have updated the Cabinet paper as considered by ECO to reflect this decision. This paper is attached at **Appendix A**.
- 5 The proposed change makes no substantive difference to the Cabinet paper. For this reason, only the name of the agency has been changed.
- 6 We have reattached the Talking Points we previously provided to you. These now reflect the change of name and note that you have made this change to better reflect the scope of the new agency's remit.
- 7 Minister Bishop's office will need to work with Cabinet Office to ensure the updated paper is provided to Cabinet ahead of the meeting on the 10th.

Appendix B - Talking Points

9(2)(g)(i) free and frank



From: [Misty Mossman](#)
To: [Hugo Vitalis](#)
Subject: RE: [SENSITIVE] MCRE deep dive - Operating model Pack 2 - 24 Sept.pptx
Date: Monday, 22 September 2025 5:34:55 pm
Attachments: [image001.jpg](#)

This email was sent from someone outside of Te Kawa Mataaho. Please take extra care.

Thanks, I have sent to Ministers' offices.

Kind regards

Misty



Misty Mossman
Private Secretary (Public Service) | Office of Hon Judith Collins KC MP
Member of Parliament for Papakura
Attorney-General | Minister of Defence | Minister for Digitising Government | Minister for the Public Service |
Minister Responsible for the GCSB | Minister Responsible for the NZSIS | Minister for Space
Mobile: 0(2)(a) [REDACTED]
Email: misty.mossman@parliament.govt.nz Website: www.Beehive.govt.nz
Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

From: Hugo Vitalis <Hugo.Vitalis@publicservice.govt.nz>
Sent: Monday, 22 September 2025 5:27 pm
To: Misty Mossman <Misty.Mossman@parliament.govt.nz>
Cc: Brian Roche <Brian.Roche@publicservice.govt.nz>; Heather Baggott <Heather.Baggott@publicservice.govt.nz>; Julie Rushton <Julie.Rushton@publicservice.govt.nz>; Amber Bill <Amber.Bill@publicservice.govt.nz>
Subject: [SENSITIVE] MCRE deep dive - Operating model Pack 2 - 24 Sept.pptx

[SENSITIVE]

Hi Misty

Final pack for distribution for Ministers.

We will send to CA CEs next.

Many thanks Hugo

.....
Confidentiality notice: This email may be confidential or legally privileged. If you have received it by mistake, please tell the sender immediately by reply, remove this email and the reply from your system, and don't act on it in any other way. Ngā mihi.

[SENSITIVE]

Agenda – Joint ministers meeting with central agencies 24 September

No.	Item
1	<p>You asked for a revised vision and more detail on proposed MCRE</p> <p>The attached slide pack covers:</p> <ul style="list-style-type: none">✓ Vision for world-class public service✓ Principles for design/change (drawing on best-practice from public/private sectors)✓ Deep-dive: Ministry for Cities, Regions and Environment
2	9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank
3	
4	<p>Decisions are needed to deliver first tranche of changes this term</p> <ul style="list-style-type: none">• Further information on MCRE proposal (see slides) shows:<ul style="list-style-type: none">○ Value for ministers, stakeholders and the public○ Efficiencies in back-office and management, functional synergies○ Opportunity to strengthen leadership and culture✓ Cabinet decisions needed before Christmas to deliver change before election<ul style="list-style-type: none">○ Technical processes (including minor legislation) take time○ Initial decisions required to enable detailed due-diligence → allow relevant staff, Ministers to be involved in detailed design
5	<p>Proposed next steps – progress MCRE Cabinet paper, develop next proposals</p> <p>Next meetings with central agencies could cover:</p> <ul style="list-style-type: none">• Further information and decisions on MCRE:<ul style="list-style-type: none">○ digital current/future state, implementation governance○ confirming timing for Cabinet paper• 9(2)(f)(iv) confidentiality of advice, 9(2)(g)(i) free and frank



Te Kawa Mataaho
Public Service Commission

Deep dive #1: Public Sector operating model

Vision, Principles
Ministry for Cities, Regions and
Environment (MCRE)

BUDGET-SENSITIVE



Vision

A world class Public Service, designed for tomorrow, delivering today.

A Public Service that is:

- ✓ **unified, digital-first, and focused** on delivering better outcomes for all New Zealanders.
- ✓ **simpler, smarter, and more connected**, where people and businesses can access services seamlessly.
- ✓ **a magnet for the best and brightest**, where talented people are inspired to make a difference and proud to belong.
- ✓ **fiscally sustainable, responsive, and designed around needs** of those it serves.
- ✓ **innovative, courageous, and committed to making life better** for everyone and adapting as needs change.

The Public Service supports me to deliver on my priorities. I get high quality advice that delivers better results, fiscal discipline, and a stronger economy.



Ministers

The government is simpler, faster, and easier to deal with – I can see my tax dollars being put to good use.



New Zealanders

I'm ready to lead boldly. This is my moment to inspire teams, shape the culture and deliver a citizen-centred Public Service.



Public Service leaders

My work matters. I'm shaping the future and delivering improved services to New Zealanders



Public servants

Principles for success

Design

Take a customer-centric approach

Prioritise citizen experience, service integration, and cross-cutting mandates.

Put digital first

Reduce costs and drive structural alignment by putting digital delivery at the centre of organisational design

Look for strategic fit and synergies & consolidate into simpler structures

Group 'like' functions for greater impact and improved operational coherence.

Think system-wide, not bespoke

Design for what the system needs not bespoke for agencies. Pay once, use many times – multiplier effect for system impact. Adopt or expand what's working well.

Implementation

Prioritise due diligence

Balance speed with preparation, and stress-test assumptions around benefits, models and delivery.

Plan, phase and resource with purpose

Sequence change to 'prove the concept' while managing transition cost, risks & impacts on delivery. Build the right capability to deliver more effectively.

Focus on benefits realisation

Good governance anchors the purpose, ensures aspiration, and monitors benefits and delivery of efficiency dividend. Ensure human capital is front and centre.

Shape culture

Be deliberate about a culture that nurtures innovation, is solution focused, and enables a world class public service. Build on best in class.

Adapt and learn

Learn by doing and discovery. Build the template for future iterations. Build in reviews to capture lessons.

Drawing on public and private sector lessons and best practice

The most common reasons for M&A failing to achieve the expected benefits include:

- *unrealistic goals or lack of planning*
- *poor due diligence*
- *cultural/leadership clashes*
- *integration complexity (processes, technology)*

Ministry for Cities, Regions and the Environment (MCRE)

A more certain, integrated and enabling planning & investment environment for citizens and businesses

- Strong collective focus on achieving the best use of natural and physical resources
- Capacity to respond to fiscal challenges across housing, roads and water services
- Coherent operating environment; Central/local government alignment; oversight for delivery & operations
- Strengthened performance monitoring across multiple, interdependent systems

Future-proof development in the context of economic and environmental pressures, natural hazard risks and the effects of climate change

I'm driving reform that delivers.
MCRE helps me cut through complexity and get results for New Zealanders.
I have more influence over cross-cutting reforms and can respond better to emerging issues.



Ministers

I have a clear mandate and I focus on outcomes, not managing overlaps.
I can do work that adds value not process.



Public Servants

We have a clear partner in central government, making collaboration more productive.



Councils

MCRE means simpler services, less red tape, and more responsive support.
I have fewer agencies to work with, and fewer delays from conflicting advice.



Developers / business

The places where I live and work are better planned, more connected and resilient.
As a taxpayer, I have confidence decisions are being made efficiently.



New Zealanders

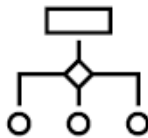


MCRE | Future state – leadership

9(2)(g)(i) free and frank

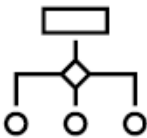
Leadership

MfE



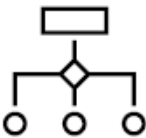
1 CE
5 DCEs

MHUD



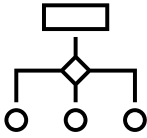
1 CE
5 DCEs

MoT



1 CE
4 DCEs

DIA (partial)



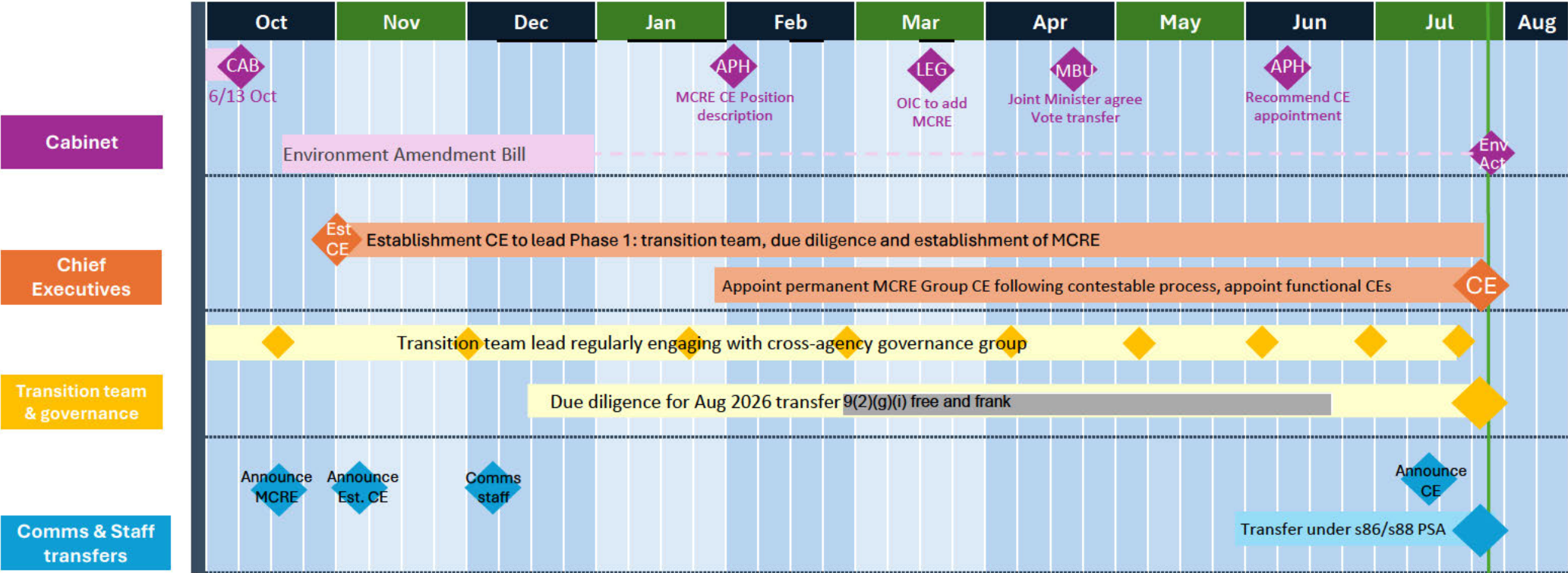
1 DCE

9(2)(g)(i) free and frank

9(2)(g)(i) free and frank

MCRE | Roadmap for change

MCRE legally established



Cabinet timetable Aug - Oct 2025

Agree to establish MCRE
 2/9 Oct - lodge paper
 6/13 Oct - CAB

Environment Amendment Bill (MfE lead)
 Introduce Bill by end Dec 2025

Appointments
 Establishment CE following Cabinet decisions
 Group CE and FCEs appointed once MCRE established

Future phases

Phase 1 (from Oct 2025)
 Begins following Cabinet decisions. Environment Act amended. Announcements, due diligence & implementation planning for MCRE establishment (by Aug 2026)
 Econometric analysis on wider economic value commissioned

Phase 2 (from Aug 2026)
 9(2)(g)(i) free and frank. Staff transferred. New leadership team appointed. Corporate systems and policies start to be integrated
 9(2)(g)(i) free and frank

Transition work programme

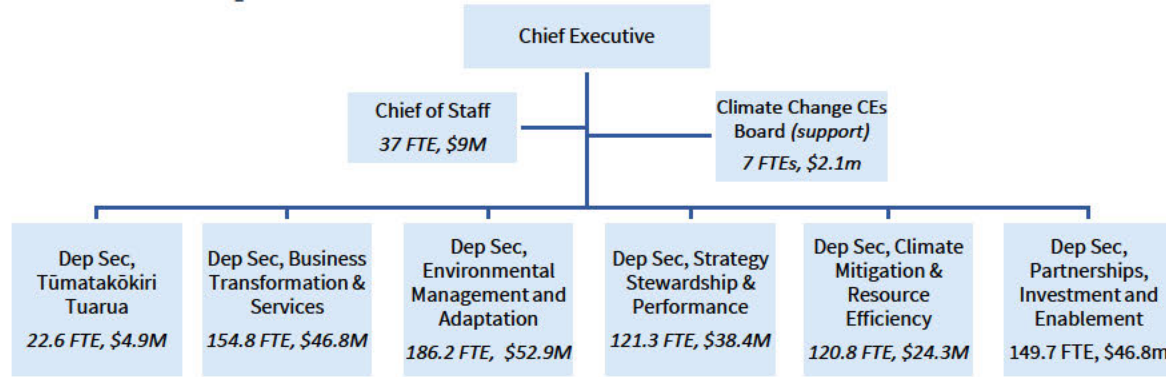
Team resourced by MfE, HUD, MoT and DIA to lead:

- Secretariat for CE governance group
- Staffing due diligence for Aug 2026 transfer 9(2)(g)(i) free and frank
- Legal analysis for transfer of functions and records
- Finance - lead joint Minister decisions on Vote transfer and day one financial operations
- IT, Property - work with system leads on planning for day one operations and future MCRE integration
- Corporate policies for day one and integration
- Oversee and mitigate disruption to key work programmes across impacted agencies



Appendices

MCRE | MfE current state



Workforce – selected occupations, excludes vacancies (FTE, Avg Sal)

Policy	241, \$129,200
Managers	134, \$196,800
Total workforce	735, \$137,300

Workforce – selected metrics Remote workers (June 2025)

32% vs Public Service 3%

Functional area	Function
Planning policy & system oversight	<ul style="list-style-type: none"> Resource management and planning policy Fast track consenting National oversight and regulatory stewardship National direction and natural environment limits Marine and exclusive economic zone policy Environmental reporting
Funding & investment	<ul style="list-style-type: none"> Environmental investment
Oversight & Compliance	<ul style="list-style-type: none"> Monitoring Climate Change Commission, EPA
Climate	<ul style="list-style-type: none"> Climate mitigation/adaptation policy, including ETS waste/resource efficiency policy
Safety & sector-specific regulation	<ul style="list-style-type: none"> Hazardous substances policy Waste minimisation and litter

Financial

Revenue 25/26 Budget	\$ m
Crown	\$207.0
Department	\$0.5
Other	\$0.4
Total Revenue	\$208.0

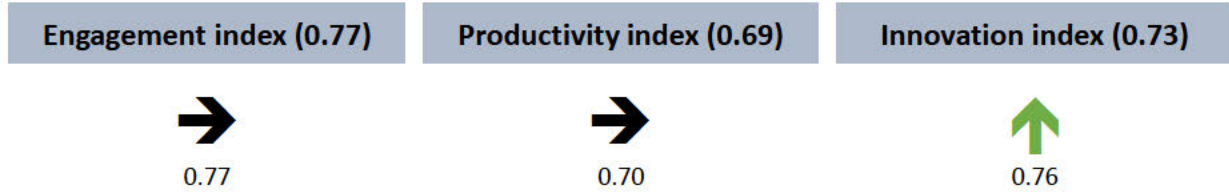
Assets (23/24 Actual)	\$ m
Cash	\$18.9
Physical	\$0.5
Software/Intangibles	\$0.1
Other	\$57.4
Total Assets	\$76.9

Expenses 25/26 Budget	\$ m
Personnel	\$143.0
Deprec & ammor	\$0.5
Capital Charge	\$0.4
Other	\$64.2
Total Expenses	\$208.0

Liabilities (23/24 Actual)	\$ m
Creditors & Return	\$48.4
Revenue in advance	\$0.0
Provisions	\$10.9
Employee Entitlements	\$10.4
Total Liabilities	\$69.7

Culture

Agency performance compared to Public Service benchmark, *Public Service Census 2025*

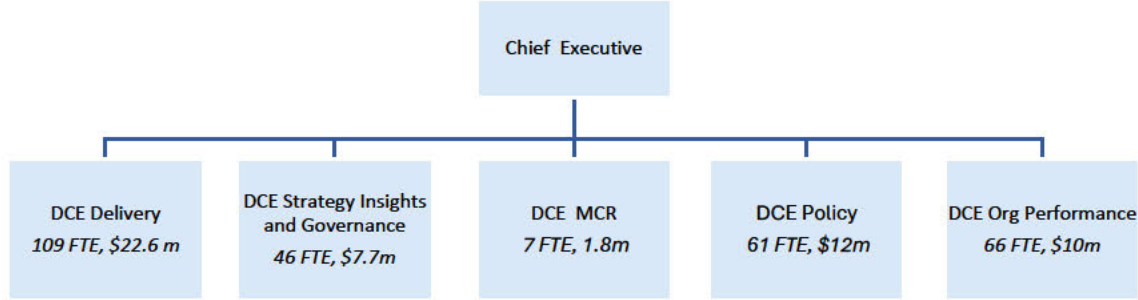


Government Priorities

- Going for Growth
- RMA reforms
- Climate Change Targets and Emissions Budgets
- Climate Adaptation

Legislation responsible for: 10
Entities monitored: 2 and hosts
 Climate Change CE Board
Ministers: 2

MCRE | MHUD current state



Workforce – selected occupations, excludes vacancies

	(FTE, Avg Sal)
Policy	68, \$127,500
Managers	51, \$207,300
Total workforce	287, \$138,600

Functional area	Function
Planning policy & system oversight	<ul style="list-style-type: none"> National housing and urban development oversight Place-based partnerships Social housing settings Homelessness Retirement Village Act changes
Funding & investment	<ul style="list-style-type: none"> Infrastructure funding and financing Funding for housing segments
Oversight & compliance	<ul style="list-style-type: none"> Kāinga Ora monitoring
Safety & sector-specific regulation	<ul style="list-style-type: none"> Regulation of social housing market
Social & policy outcomes	<ul style="list-style-type: none"> Homelessness response programmes

Financial

Revenue (25/26 Budget)	\$ m
Crown	\$63.6
Department	\$0.0
Other	\$0.0
Total Revenue	\$63.6

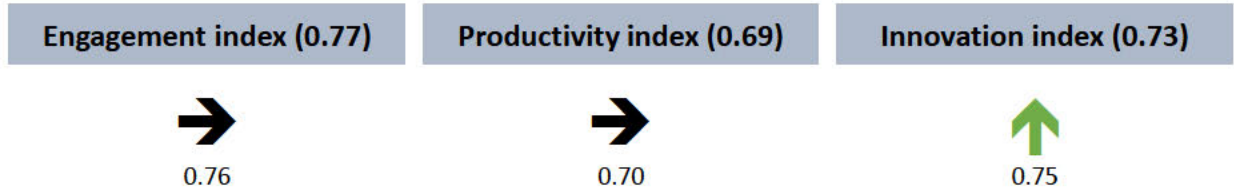
Assets (23/24 Actual)	\$ m
Cash	\$16.2
Physical	\$3.7
Software/Intangibles	\$3.4
Other	\$2.1
Total Assets	\$25.4

Expenses (25/26 Budget)	\$ m
Personnel	\$45.0
Deprec & ammor	\$1.0
Capital Charge	\$0.7
Other	\$16.9
Total Expenses	\$63.6

Liabilities (23/24 Actual)	\$ m
Creditors & Return	\$6.3
Revenue in advance	\$0.4
Provisions	\$1.4
Employee Entitlements	\$4.9
Total Liabilities	\$12.9

Culture

Agency performance compared to Public Service benchmark, *Public Service Census 2025*

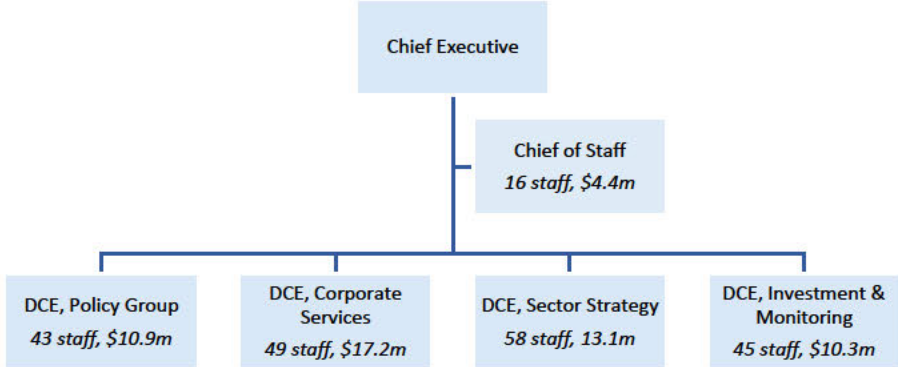


Government Priorities

- Going for Housing Growth
- Housing investment system for local and affordable housing
- Progressing Better Social Housing
- Kāinga Ora Turnaround Plan

Legislation responsible for: 11
Entities monitored: 2
Ministers: 2

MCRE | MoT current state



Workforce – selected occupations, excludes Vacancies (FTE, Avg Sal)

Policy Managers	108, \$121,100
Total workforce	200, \$136,300

Workforce – selected metrics
Unplanned Turnover (June 2024) 23.6% vs Public Service 11.9%

Functional area	Function
Planning policy & system oversight	<ul style="list-style-type: none"> System performance Transport policy, inc rail and ports
Funding & investment	<ul style="list-style-type: none"> GPS (guides national land transport fund)
Oversight & compliance	<ul style="list-style-type: none"> Monitoring NZTA and transport regulators (Maritime, Civil Aviation, TAIC, CRL)
Climate	<ul style="list-style-type: none"> Emergency management (inc. adaptation)
Safety & sector-specific regulation	<ul style="list-style-type: none"> Transport safety Sector regulator oversight Search and rescue

Financial

Revenue (25/26 Budget)	\$ m
Crown	\$61.0
Department	\$0.3
Other	\$3.2
Total Revenue	\$64.5

Assets (23/24 Actual)	\$ m
Cash	\$10.4
Physical	\$1.0
Software/Intangibles	\$0.0
Other	\$7.6
Total Assets	\$19.1

Expenses (25/26 Budget)	\$ m
Personnel	\$35.6
Deprec & ammor	\$0.2
Capital Charge	\$0.1
Other	\$28.4
Total Expenses	\$64.5

Liabilities (23/24 Actual)	\$ m
Creditors & Return	\$12.1
Revenue in advance	\$0.0
Provisions	\$0.0
Employee Entitlements	\$4.0
Total Liabilities	\$16.2

Culture

Agency performance compared to Public Service benchmark, *Public Service Census 2025*

Engagement index (0.77)	Productivity index (0.69)	Innovation index (0.73)
↓ 0.72	↓ 0.64	→ 0.73

Government Priorities

- Going for Growth
- Land transport revenue system
- Advice on Roads of National Significance
- Review of drivers licensing
- Regulatory settings for 'advanced aviation'

Legislation responsible for: 20
Entities monitored: 5
Ministers: 2