MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
HĪKINA WHAKATUTUKI

# Investment Management – Realignment 2025

## Proposal for Change

4 November 2025

Te Kāwanatanga o Aotearoa
New Zealand Government

# Introduction by General Manager; Brent Chalmers

In July 2024 the Investment Management branch implemented the changes resulting from the Kānoa Group Realignment.

At that time, further changes were signalled due to the establishment of the Regional Infrastructure Fund and an increased focus on risk-related events and processes, associated with investment protection and enforcement.

Over the last year we have had a busy work programme as we:

- launched the $1.2b Regional Infrastructure Fund,
- introduced the FIAF,
- successfully contracted new high-value RIF deals,
- provided CRHL Board with high-value governance support,
- had almost $200m of flood resilience projects approved,

all while managing a $1b portfolio.

During this period, we observed that while the branch achieved several key milestones, challenges persisted and new opportunities emerged. Areas for improvement include:

- clear lines of accountability,
- resource allocation and span of control,
- mitigation of key person risks,
- talent development,
- support for special projects,
- portfolio management,
- process governance, and
- scaling effectively.

To address these, I am proposing changes to how we work and how the branch is organised.

# Introduction Continued

As you work through this document you will note that the proposed changes are predominantly about realigning positions into portfolios and adding capacity to improve processes, strengthen risk management and enhance governance. Only one permanent position currently vacant—is proposed for disestablishment.

The changes I am proposing will:

- strengthen lines of accountability
- balance resourcing
- enable an orthodox portfolio management approach
- reduce reliance on key individuals and associated risks
- reduce reliance on contractors where possible, and/or shift their workloads to assurance and SME advisory to reduce costs
- enable easy access to experts
- provide growth opportunities for staff
- provide clearer support for major projects, special projects, national programmes
- strengthen branch process governance
- allow for growth/scaling
- create capacity

Please consider what support you may need during the consultation process and discuss this with your people leader.  You can also see the range of support options available later in this document.

Ngā mihi Nui

Brent Chalmers
General Manager Investment Management

# Navigating change

# How to read this document

**Scope of this change proposal**

- This document proposes change to how the Investment Management branch is organised.

**Understanding proposed changes to your position**

- If changes are proposed to your position, this will be outlined in the proposal related to your team. Current and proposed organisational charts have been included in this document, to help demonstrate the impacts that proposed changes would have to the structure of our group. There is a summary table with more detail about individual positions and proposed new positions, at the end of this document.
- The current organisational charts exclude contractor positions.
- In addition, any people who may be significantly impacted by the proposal will receive a letter that outlines specific detail about their position and proposed changes.

**Proposed change process**

- Find out more about MBIE's proposed change process in Appendix 1. This determines how we classify the impact to our people, based on the proposed impacts to their position.
- This change process includes the proposed expression of interest (EOI).
- This proposal has been shared with the Public Service Association (PSA). You can contact your union representative for support and to discuss your feedback. Your representatives are:
  - Niki Williams (niki.williams@mbie.govt.nz),
  - Patrick Feaunati (Patrick.Feaunati@mbie.govt.nz) and
  - Joe McCrory (joe.mccrory@psa.org.nz).

# How to read this document

**Providing feedback**

- I really encourage you to read and reflect on all aspects of this proposal for change so that you can understand how we are looking into the future as a branch. Your feedback is important to the success of any changes we make across the Investment Management branch, and I invite you to share your perspective, based on your unique experience of our mahi.
- MBIE recognises that feedback can be provided individually or as a group and in formats other than written, so it is possible to give verbal submissions where requested. This also includes where the union wishes to speak to their collective submission. If you wish to provide verbal feedback, please email RDCSchange@mbie.govt.nz and we will arrange a suitable time.
- Once the consultation period has closed, all feedback will be carefully considered before final decisions are made. If the final decision is made to proceed with changes, I will confirm the new structure, any impact on positions and the change process including EOI.
- As part of considering feedback there may be aspects of the proposal that warrant reconsideration or change. If as a result, there is a need for further consultation, those people affected will be engaged in that process, and everyone will be advised of any change in process or timeframes.

**Indicative Timeline**

| Activity | Indicative timeframes |
|---|---|
| Consultation opens | Tuesday 4th November |
| Consultation closes | Tuesday 18th November |
| Feedback reviewed and considered | Tuesday 18th – Thursday 27th November |
| Final decision | Thursday 27th November |
| EOI period | Friday 28th November – Tuesday 9th December |
| Recruitment process for vacant positions starts from | Monday 1st December |
| Go-live of new structure | Monday 12th January |

**Please note these timings are indicative and may be subject to change*

# Case for change

# Case for change

**Background**

Our branch helps regional New Zealand thrive through sound investment and commercial risk management. We exist to evaluate, structure, contract and manage investments within Kānoa’s programmes to crowd-in partners, protect public value and deliver outcomes for the regions.

There are two functional areas within the branch, one focussed on the establishment and management of funded investments, and the other on governance and administration of the portfolio.

Each member of the Investment Management Leadership Team is accountable for delivering outcomes within their area, building capability, and managing risk. Together, the team ensures alignment with Government priorities, responsible spending, delivering value for money, and a positive, effective workplace for staff.

Currently, Investment Directors are responsible for evaluating, structuring, contracting and managing projects across the country, providing advice and working collaboratively with the other branches of Kānoa. Commercial Leads and Senior/Investment Analysts formally report to three of the Investment Directors and informally to the fourth. Two of the Commercial Leads have their own region to support. One Commercial Lead reports directly to me.

The Manager, Corporate Governance and Compliance, along with their team, provide advice and support to the Crown Regional Holdings Limited (CRHL) Board and assist me in my role. They ensure applications and projects meet required standards and act as the branch’s key link to other branches and MBIE enterprise teams.

Also reporting to me are consultants and contractors. We have had to bring in expertise in credit recovery and credit risk, water storage and flood resilience. This is due to the lack of capability internally and no clear path or model for building capability in these areas, causing a long term reliance on contractors.

# Case for change continued

**Challenges**

- **Unclear Lines of accountability, imbalance of resources and an unmanageable span of control**. For example, I currently have nine direct reports, one Investment Director has five, while another has none and relies on staff from other teams to meet responsibilities. This creates uncertainty in resourcing priorities and leads to uneven workloads.
- **An unclear approach to portfolio management.** Accountabilities for portfolio tasks are unclear, and regional portfolio assignment appears uneven. Much of our work is not codified, creating confusion and uncertainty in day-to-day operations.
- **We have key person risks**. This relates particularly to contractors, we need a better model that will allow us to embed and build our own capability whilst also giving us ready access to experts.
- **There are no clearly articulated development pathways**. We do not have development pathways for our people, which prevents us from developing talent and providing growth opportunities.
- **We need more support for special projects**. We do not have a clear support model for "special projects" – major projects, national programmes, new fund establishment, book transfers etc.
- **There is a lack of robust and documented process governance**. We do not have established process governance, knowledge management or continuous improvement processes.
- **An inability to quickly grow when needed**. Our current model does not allow us to easily scale for growth.
- **At times we don't have the capacity required to deliver our work programme**. We have capacity constraints – much of it due to the challenges above.

The following Design Objectives will help address these challenges:

- structure supports scalability, balances resources and provides capacity for major/special projects and national programmes.
- clear roles and accountability through an orthodox portfolio management approach.
- the right capability and resources, with effort focused where it matters most—enabling access to experts, offering development pathways, and strengthening process governance through continuous improvement.

# Case for change continued

**Design principles**

We have based the design of this proposal on the '*Foundations for the Future*' principles, tailored further to meet our change objectives, with a view to:

**Group like functions/activities together** to enhance our organisational efficiency and agility.

**Enhance alignment and connection between our functions** to ensure that our structure enables collaborative, effective and efficient ways of working, recognising the interdependencies between functions.

**Focus capacity and capability towards core services** to ensure we deliver to a defined workplan that reflects government priorities, demonstrates responsible spending, and delivers value for money.

**Anticipate our future needs** to be prepared for new challenges and opportunities, ensuring that we maintain and continue to develop the critical skills and capability that MBIE needs to achieve its long-term objectives.

**Desired outcomes**

Design principles directly relate to the outcomes we aim to achieve through change. This change proposal focuses on supporting the following outcomes across the branch. At the end of this process, it is expected that we will be structured and able to operate in a way that:

- is fit for purpose for now and the foreseeable future
- means that our roles, processes and functions across the branch are well defined and easy to understand, so that our staff know where responsibility lies, can trust each other to deliver and experience ease in working across teams, RDCS and the rest of MBIE.
- helps external stakeholders understand our roles and know their key points of contact.
- enables effective and efficient operations by ensuring an appropriate span of control.
- enables constant self-review and improvement to make sure we can work effectively and seamlessly

# Proposal

# Proposal – Branch Realignment

MBIE is focussed on operating efficiently and effectively within a tight fiscal environment. Investment Management is a relatively small branch with limited ability to grow in numbers which means that we need to make sure that we are structured to maximise efficiencies and deliver as effectively as possible.

**Why change is needed**

Change is needed to address the challenges and achieve the objectives set out in the Case for Change section.

**Summary**

A summary of the key changes proposed are:

- **Establishment of 3 regional portfolio teams** (Northern, Central, Southern), each led by an Investment Director and each with a Commercial Lead, Senior Investment Analyst and Investment Analyst. This change provides clearer lines of accountability, balances resources, providing growth opportunities and enables an orthodox portfolio approach.
    - Northern portfolio: Waikato, Auckland, Northland, Taranaki
    - Central portfolio: East Coast, Hawke's Bay, Bay of Plenty
    - Southern portfolio: Manawātu-Whanganui, Canterbury, Chathams, Kāpiti, Otago, Southland, Te Tauihu, Wairarapa, Wellington, West Coast

- **Change in title of the Corporate Governance and Compliance unit to "Investment Office";** minor scope change to include process governance, knowledge management and continuous improvement oversight; addition of a new Senior Advisor role to assist with these tasks. This change strengthens branch process governance.

- **Establishment of a "National" unit**, to be led by an Investment Director. This unit will be responsible for credit recovery / credit risk, special projects and national programmes. It will also manage contractor and consulting relationships. This change reduces key person risks, reduces reliance on contractors, provides easy access to expertise and clearer support for special projects.

# Proposal – Branch Realignment

**The following specific changes are proposed**

- a reduction in the number of positions that report directly to my role resulting in the four Investment Directors and Manager Investment Office positions continuing to be part of the leadership team.
- each Investment Director will have staff responsibilities.
- minor scope change for the Investment Directors to recognise the responsibility of a portfolio and the staff working within that portfolio.
- minor scope change and a change in title for the Manager Corporate, Governance and Compliance to Manager Investment Office.
- a dotted line reporting relationship with the Principal Advisor from the Regions branch, as the role will be shared between our two branches.
- change in reporting line for the Commercial Lead from reporting to the General Manager to an Investment Director.
- minor scope change and a change in title for the Senior Regional Advisor to Senior Investment Advisor which reflects more accurately the responsibilities of that position.
- change in reporting line for the Senior Investment Analyst from Manager Corporate, Governance and Compliance to a Investment Director.
- disestablishment of one vacant Investment Analysis position.
- disestablishing the following fixed term positions; Investment Director (2) and Senior Investment Analyst.
- establishment of a Senior Advisor Investment Ops and Risk, reporting to the Manager Investment Office.
- change in reporting line for current consultants and contractors to the Investment Director, National Projects.

Should the proposal to establish Investment teams as portfolios be approved following consultation, I propose that all Investment Directors, Commercial Leads, Senior Investment Analysts, and Investment Analysts be invited to submit their portfolio preferences through an Expression of Interest (EOI) process.

I am also proposing to advertise the newly created position and any vacant positions internally within the Branch and across MBIE.

# Proposal – Branch Realignment

**Other operating model features**

A number of other features of our operating model are proposed to be embedded as part of the change process, many of these are already partially implemented :

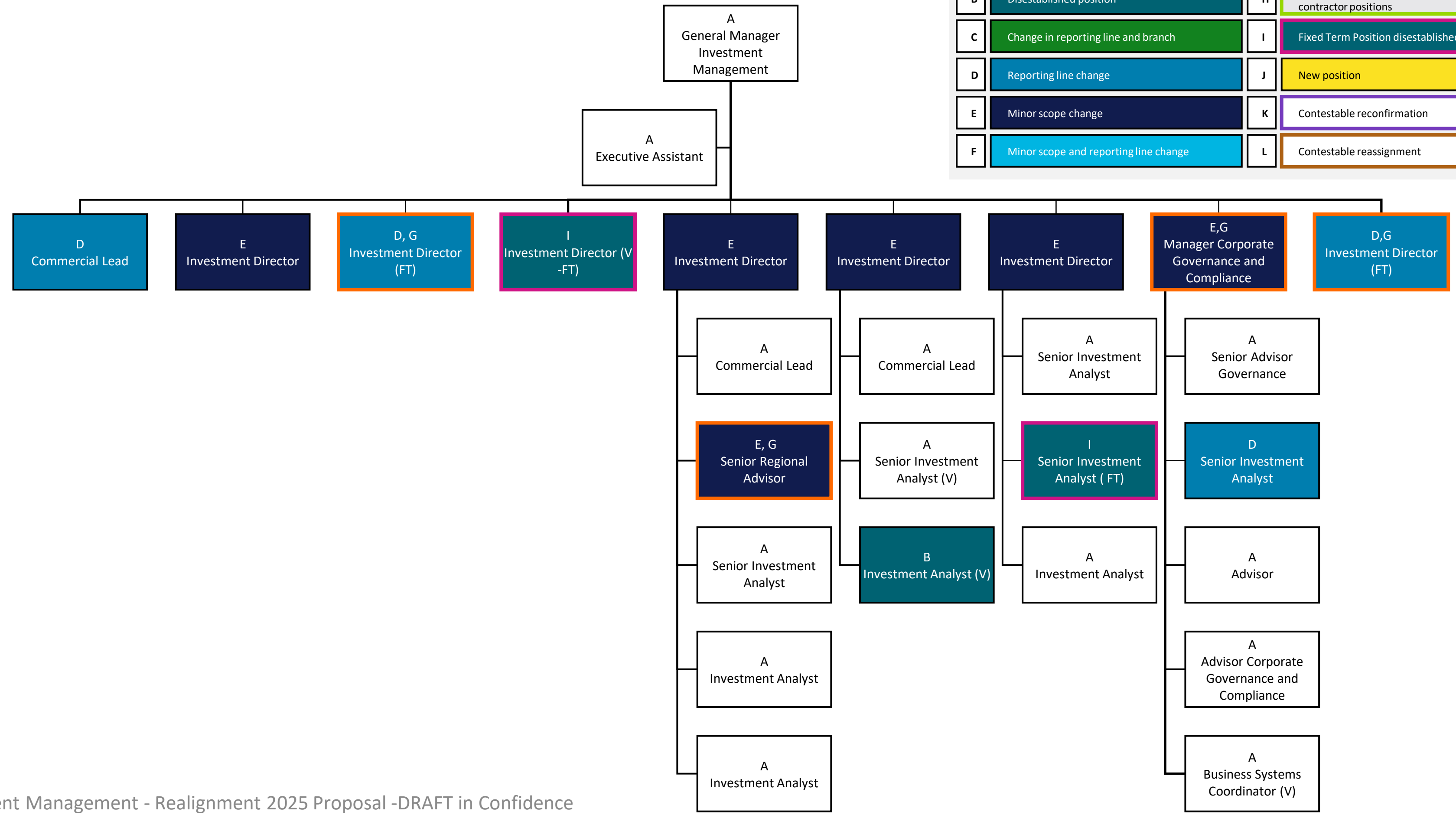
- **Investment Branch Leadership Team** (IBLT) consisting of me, my direct reports, and our business partners. (Chair: Brent)
- **Portfolio Risk Committee** (PRC) to consider and provide advice on portfolio risk and related matters (Chair: Brent)
- **Pricing Committee** to agree arms-length pricing for our lending deals (Chair: Jason)
- **Portfolio Delivery Working Group** (PDWG) to consider pipeline throughput from origination to contracted status. (Chair: Pippa)
- **Team Development Working Group** (TDWG) to produce a development framework and training programme for the branch. (Chair: Eliot)
- **Artificial Intelligence Working Group** (AIWG) to explore how to leverage AI in our work (Chair: Mark P)

- **Process Owners** will be assigned across the branch to own and evolve our processes
- **Practice Leads** will be assigned across the branch to assist, coach and develop certain practices
- **SME's** will be identified who have expertise in certain areas of speciality, such as a sector.
- **AOG Kānoa Subpanels** (owned by Investment Director – National Programmes) to manage relationships with a small number of AOG providers for consulting, legal and talent acquisition services.
- **Investment Hub** (owned by Investment Office) – a knowledge base for our governance structures, key policies and processes
- **Continual Improvement Process** (owned by Investment Office) – a structured process for idea capture, triage and execution of continual improvement initiatives.

# Current organisational chart – Investment Management

KEY

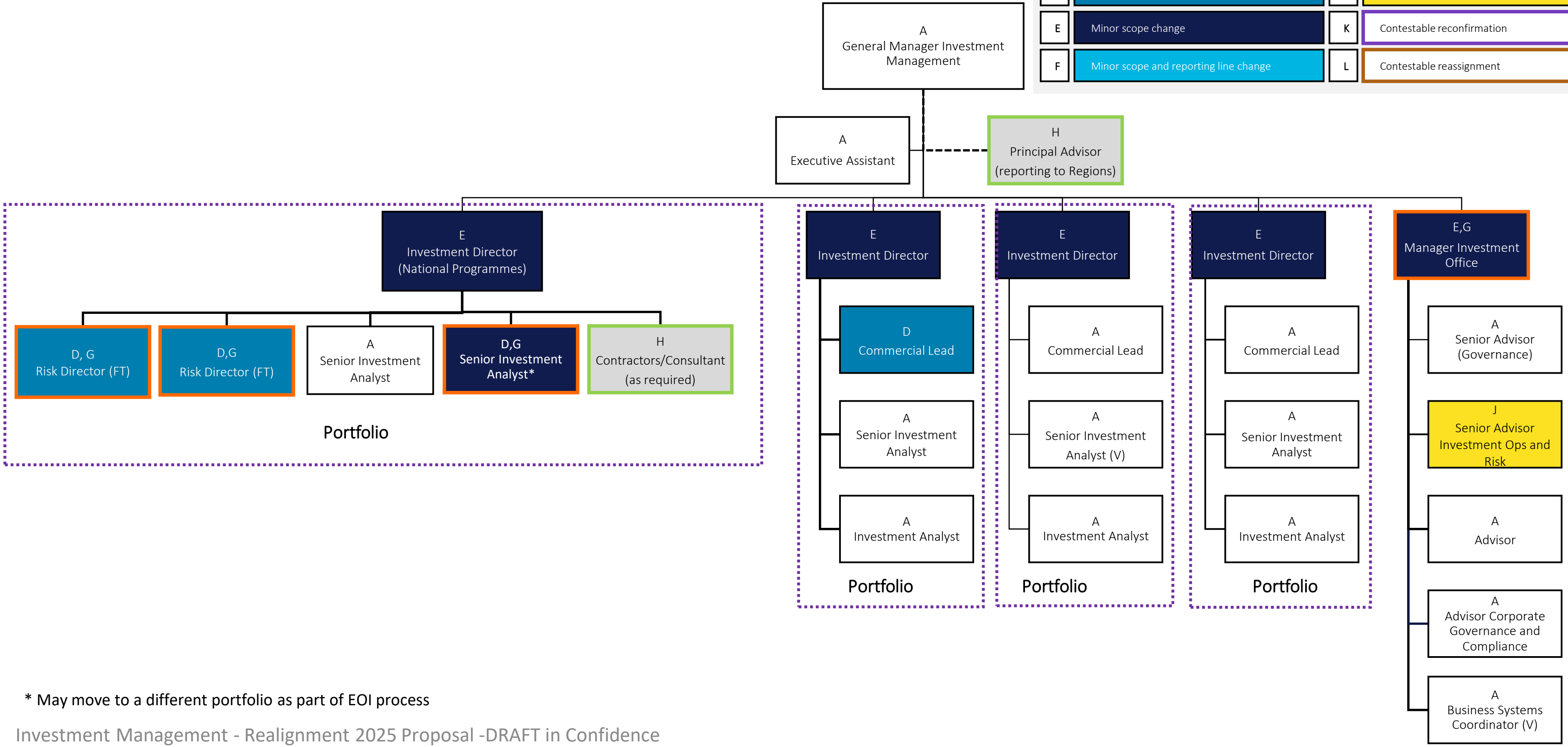
| | | | |
|---|---|---|---|
| A | No change | G | Position title change |
| B | Disestablished position | H | Not formally part of the structure or contractor positions |
| C | Change in reporting line and branch | I | Fixed Term Position disestablished |
| D | Reporting line change | J | New position |
| E | Minor scope change | K | Contestable reconfirmation |
| F | Minor scope and reporting line change | L | Contestable reassignment |



# Proposed organisational chart – Investment Management

**KEY**

| | | | |
|---|---|---|---|
| A | No change | G | Position title change |
| B | Disestablished position | H | Not formally part of the structure or contractor positions |
| C | Change in reporting line and branch | I | Position title and branch/unit change |
| D | Reporting line change | J | New position |
| E | Minor scope change | K | Contestable reconfirmation |
| F | Minor scope and reporting line change | L | Contestable reassignment |




* May move to a different portfolio as part of EOI process

# Summary of proposed changes

## Overall proposed position impacts

| Proposed changes | Number |
|---|---|
| Number of positions proposed to be disestablished | 1 |
| Number of proposed new positions | 1 |
| Overall change in number of positions | 0 |
| Number of proposed positions with minor changes such as minor scope, reporting line etc. | 10 |
| Number of positions to take part in EOI process for Portfolio allocation | 15 |

## Proposed new position

| Proposed new team | Position title | Reporting line | Indicative salary band |
|---|---|---|---|
| Investment Office | Senior Advisor Investment Ops and Risk | Manager, Investment Office | V |

## Proposed disestablished position

| Current team | Position title | Reporting line |
|---|---|---|
| Investment | Investment Analyst | Investment Director |

## Proposed minor change

| Current team | Current position | Description of proposed change |
|---|---|---|
| Leadership Team | Investment Director (4) | Minor scope change |
| Leadership Team | Manager Corporate Governance and Compliance | Change in title to Manager Investment Office and minor scope change |
| Leadership Team | Investment Director Fixed Term (2) | Reporting line change to Investment Director, National Programmes |
| Leadership Team | Commercial Lead | Reporting line change to a Investment Director and Portfolio |
| Investment | Senior Investment Analyst (1) | Reporting line change from Manager Corporate Governance and Compliance to an Investment Director and into a Portfolio team |
| Investment | Senior Regional Advisor | Change in title to Senior Investment Analyst and possible reporting line change to a different Investment Director and Portfolio |

## Proposed EOI process for Portfolio Allocation

| Current team | Current position of incumbent | Proposed : |
|---|---|---|
| Investment | Investment Director (4) | Possible reporting line change to a different Investment Director and Portfolio |
| Investment | Commercial Lead (3) | Possible reporting line change to a different Investment Director and Portfolio |
| Investment | Senior Investment Analyst (5) | Possible reporting line change to a different Investment Director and Portfolio |
| Investment | Investment Analyst (3) | Possible reporting line change to a different Investment Director and Portfolio |

# Appendix 1: Proposed Change Process

Consistent with MBIE's employment agreements and recruitment policy, the following information summarises the standard change processes which would apply to any changes confirmed, as a result of this consultation process. This includes reconfirmation, and EOI.

**Reconfirmation**

As part of the consultation process your substantive position may be proposed to be "reconfirmed". In these circumstances your substantive position in the proposed new structure is substantially the same as your current substantive position and you are the only person able to be reconfirmed to the position. Examples include - change in reporting line, title, a minor change in work content.

For reconfirmation to apply:

- The position description for the role you are being reconfirmed into is the same (or substantially the same) as what you currently do, and
- Salary and other terms and conditions for the position are no less favourable, and
- Location of the position is in the same local area (note: this need not necessarily mean the same building and/or the same street).

If your substantive position is reconfirmed as part of the final structure, you will not need to take any action as you will automatically be reconfirmed into the position.

**This proposal will not lead to anyone becoming an affected employee.**

**Expression of Interest Process (EOI)**

All Investment Directors, Commercial Leads, Senior Investment Analysts, and Investment Analysts will be required to participate in the Expression of Interest (EOI) process to indicate their preferred portfolio team—North, Central, Southern, or National Programmes—by submitting an EOI form outlining their preferences in order.

You will need to indicate your top three portfolio choices and provide a brief explanation for each selection. This explanation should include relevant experience, motivation, and how the portfolio aligns with your development goals. There will also be an option to indicate if you are open to joining any portfolio team. All submitted information will be carefully considered when assigning portfolio teams.

**New and vacant positions**

All new and vacant positions will be internally advertised as per our normal recruitment processes.

# Appendix 2: Support through change

Work is a big part of your life. Please ask for support when you need it and remember to be understanding towards your colleagues who may be feeling anxious. Consider the people you feel most comfortable to reach out to for support as you navigate change, including your whānau – family, friends, kaimahi – colleagues, community and networks.

**Wellbeing support and resources**

As you navigate and support others through change, remember that you can access the Employee assistance programme (EAP) which offers you and your whānau free, confidential counselling services.

In addition to EAP, there are a range of people and resources to support you at MBIE:

- Talk to your People Leader
- Contact your union delegate or representative (PSA))
- Reach out to the Wellbeing, Health and Safety Team who can provide a confidential conversation and access to specialised advice.
- Connect with our Employee-led Networks which help MBIE people connect, engage and learn, and can advocate for the needs of their network members.
- Consider our hauora wellbeing allowance which enables you to claim a contribution towards the cost of health and wellbeing services.
- Call or text 1737 to access free counselling services.

**Learning support options**

Focusing on your personal growth and development is a helpful way to direct your attention during times of change and uncertainty – to reinforce your skills and explore career interests.

There are plenty of resources and directories to explore within MBIE, including:

- Learn@MBIE – our central learning platform that holds many free e-learning courses, including a series of e-learning modules focused on change, suitable for all staff.
- Percipio – the world's largest online learning library. To access Percipio, select 'team/enterprise subscription' and then enter 'MBIE' in the site name field.
- MBIE's library – a large catalogue of books and scholarly works focused on subject expertise as well as broader skillsets like leadership capability.
- Or reach out to People and Culture to discuss your development interests.

**Career development support**

Our Employee Assistance Programme can assist with general career advice and is available for self-referral. This also includes budgeting and financial advice, personal development and coaching and personal legal advice.

- Learn more about EAP services: Access support through EAP
- Learn strategies for navigating major life choices and transitions