Strengthening MBIE's technology investment project systems and processes

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MINISTRY OF BUSINESS, INNOVATION & EMPLOYMENT
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Te Kāwanatanga o Aotearoa

Contents

Executive Summary **3**

Recommendations **4**

Our approach **5**

Findings from our Review **6**

Investment planning and decisions 6
Business case and requirements 7
Financial management 9
Benefits management 10
Vendor engagement and management 11
Delivery and project management 12
Governance and assurance 15

Summary and Conclusion **18**

Appendix A: Improvement Plan **19**

Appendix B: Portfolio Governance Model and Delegations **21**

Appendix C: MBIE investment planning and governance process **22**

Executive Summary

1. This review was undertaken in response to the findings of the Biometric Capability Update (BCU) Review. It assessed MBIE's technology investment, project delivery, governance, assurance, financial management, and benefits realisation practices across the technology investment lifecycle.
2. The review found that MBIE has most of the frameworks, governance structures, controls, and processes expected of a large public sector organisation managing major technology investments. However, these arrangements are not consistently applied across the organisation, reducing their effectiveness and limiting confidence that risks, delivery performance, and benefits are being actively managed and challenged throughout the investment lifecycle. While a number of improvements have been implemented over the past 12 months, many remain relatively recent and are not yet consistently embedded across MBIE and there is further work to do.
3. The review identified that the primary challenges relate to inconsistent application of existing processes, unclear accountability, variable capability, and insufficient organisational discipline. Governance forums, delivery teams, sponsors, and business owners do not always have a consistent understanding of their respective roles, responsibilities, escalation obligations, and decision-making authorities. As a result, oversight, challenge, assurance, and delivery practices vary across projects.
4. Several themes emerged as part of this review. Risk and issue escalation is not consistently applied and is often dependent on individual judgement rather than clearly defined organisational expectations. There is a lack of clear single point of accountability for delivery outcomes, risks, and decisions. Governance reporting and decision-making documentation have improved, but inconsistencies remain in business requirements management, benefits realisation, vendor oversight, assurance, and financial management practices. Greater use and the embedding of independent expertise central government support and assurance is needed to strengthen decision-making and increase confidence that investments will deliver intended outcomes and value.
5. The review also identified an opportunity to strengthen oversight by evolving the Portfolio Management Office (PMO) from a function primarily focused on governance administration, compliance and reporting into one that provides stronger delivery assurance, performance monitoring, independent challenge, and intervention where required. Achieving this will require a broader capability uplift across project sponsors, project managers, the PMO, business owners, governance committee members, and senior leaders to strengthen accountability, decision-making, and delivery performance. There is also an opportunity to explore more flexible technology project delivery models and better utilise and draw on central Government and external expertise partnering with agencies and organisations such as the Government Digital Delivery Agency and Crown Infrastructure Delivery Ltd to supplement internal expertise.
6. The findings highlight the importance of shifting from a tick box exercise and compliance with existing frameworks to improving the quality of the inputs required to achieve desired outcomes. This includes embedding stronger project disciplines, improving consistency, strengthening accountability, uplifting capability, clarifying governance and escalation pathways, embedding external assurance and fostering a culture that supports transparency, challenge, and early intervention. Implementing the recommendations in this report will strengthen investment oversight, improve delivery confidence, enhance benefits realisation, and provide greater assurance that MBIE is effectively managing investment decisions and public resources.

Recommendations

7. The findings from this review highlight the need to further strengthen MBIE's investment governance, project delivery, and organisational capability. Implementing the recommended actions will provide confidence that major investments are governed effectively, risks are identified and managed proactively, and intended outcomes are delivered.

8. The recommendations are focused on four key areas that will improve consistency, oversight, and delivery performance across MBIE's investment portfolio.

Recommendation 1: Strengthen the Portfolio Management Office (PMO) as a Centre of Expertise

The PMO should be strengthened and positioned as MBIE's centre of expertise for investment delivery. This includes:

- establishing clear ownership of project management standards, methodologies, assurance activities, reporting requirements, and delivery guidance;
- improving monitoring, risk management, oversight and intervention of project performance; and
- supporting project teams and sponsors with expert advice and delivery assurance.

Recommendation 2: Lift capability across the investment lifecycle

Capability should be enhanced across all roles involved in the delivery and oversight of major investments. This includes building capability in governance, project delivery, financial management, benefits realisation, risk management, and investment decision-making.

Recommendation 3: Improve integration of systems, data and reporting

Improving and integrating project, financial, risk, and portfolio management systems creates a more connected investment management environment. This includes improving the quality and consistency of reporting.

Recommendation 4: Enhance governance effectiveness and decision-making

Governance forums and decision rights should be clarified and strengthened to ensure decision-makers have the right information, at the right time, to make informed decisions and exercise effective oversight. This includes:

- clarifying governance roles and responsibilities including the role of the Senior Responsible Officer (SRO) and decision rights;
- strengthening escalation pathways for risks and issues and;
- ensuring governance forums focus on strategic decision-making, delivery performance, and benefit realisation.

9. Collectively, these recommendations are intended to establish a more consistent, mature, and integrated approach to investment management, enabling MBIE to deliver major investments with greater confidence, transparency, and effectiveness.

10. The full list of actions, identified as part of this review prioritised by importance, is included in Appendix A: Improvement Plan.

Our approach

11. This review has considered MBIE's technology investment approach across The Treasury's investment lifecycle, assessing the effectiveness of governance, controls, and oversight in the four key phases of investment intentions, investment planning, investment delivery, and benefits realisation. The review examined whether appropriate processes and decision-making arrangements are in place to allow MBIE to identify and prioritise technology investment needs, develop and approve technology-enabled business initiatives, deliver technology investments effectively, and monitor outcomes to ensure the intended business, customer, operational, and strategic benefits are realised.
12. This review was undertaken within a constrained timeframe and should be considered a targeted assessment rather than a comprehensive evaluation of all aspects of investment management, governance, and project delivery practices. A series of workshops were completed with key internal stakeholders (representatives from Portfolio Management Office (PMO), Finance, Procurement, Governance, Investment Planning, Strategy & Assurance) to validate current state practices, identify gaps when compared to best practice, and test opportunities for improvement.
13. The review did not include extensive testing or validation across the wider business. Engagement was largely limited to a targeted group of stakeholders and subject matter experts (SMEs), meaning there may be additional perspectives, practices, or issues that were not captured through the review process.
14. The review was also conducted concurrently with the stocktake of in-flight technology projects. As both activities were undertaken within a similar timeframe and cadence, some findings may evolve as further information emerges from the project stocktake. In particular, observations relating to project delivery, governance effectiveness, and investment oversight may be refined or supplemented as the stocktake progresses and more detailed project-level analysis is completed.
15. As a result, the findings and recommendations presented in this report should be viewed as indicative of the current state and intended to inform improvement activities. Further validation and detailed assessment may be required before implementing significant changes to policy, processes, governance arrangements, or operating models.

External engagement

16. The team have undertaken external engagement with National Infrastructure Funding and Finance Ltd (NIFF), Crown Infrastructure Delivery Ltd (CID) and Government Digital Delivery Agency (GDDA), to understand their processes and what would be considered best practice from a central government perspective.

Findings from our assessment

Investment planning and decisions

Investment guidance

17. Under the New Zealand Investment Management System (IMS) and Cabinet Office Circular CO (23)9, agencies are expected to make sound investment decisions, demonstrate effective stewardship of public resources, and maintain alignment with Government priorities. CO (23)9 remains the current operative Cabinet Office circular.

18. MBIE is continuing to strengthen its investment management framework to support these expectations. Investment proposals are assessed against a range of criteria, including strategic alignment, expected benefits, Whole-of-Life Cost (WOLC), affordability, funding sources, delivery feasibility, risk, dependencies, and assurance requirements, enabling more consistent and evidence-based investment decisions.

Targeted assessment of investment planning and decisions

19. MBIE needs to continue work underway to strengthen its investment planning and governance framework, including enhancing enterprise visibility of its technology asset portfolio, when assets are due for enhancement, replacement and/or decommissioning. Investment prioritisation aligns to group enterprise business plan priorities, but strategic oversight and prioritisation could be further strengthened. There are sound prioritisation practices within the MBIE service delivery groups. A rolling five-year Investment Plan, and the recent introduction of MBIE's Investment Logic Mapping Lite (ILM Lite) has improved the consistency of investment identification, problem definition, and opportunity assessment across the organisation.

20. Since February 2026, investment proposals are subject to multiple layers of review and challenge before funding decisions are made. The Investment Proposal Review Group comprises representatives from Integrated Business Planning, Finance, Technology Strategy, Architecture Governance and Standards, the Portfolio Management Office and Data Strategy & Knowledge. It provides scrutiny of strategic alignment, benefits, financial impacts, WOLC, delivery feasibility, risks, and assurance requirements before proposals are considered by the Finance, Investment and Change (FIC) Committee. Inclusion in the investment pipeline does not authorise delivery, with investments requiring an approved business case or equivalent decision paper, Delivery Governance Board (DGB) endorsement, and FIC approval before proceeding.

21. The framework is further supported by portfolio governance, delivery oversight, quarterly performance reporting, risk and issue escalation processes, and assurance activities covering architecture, security, privacy, and independent assurance where appropriate. Quarterly Investment Reporting (QIR) and Chief Executive Attestation provide an additional layer of external accountability for reportable investments. Current practice includes project and SRO endorsement of QIR submissions, with final approval provided by the Chief Financial Officer under delegated authority before submission to The Treasury.

22. While the framework contains many of the key elements expected of investment management, recent improvements suggest it is still evolving. Opportunities remain to strengthen enterprise-wide investment decisions and prioritisation, consistency use, a culture of challenge, assurance, transparency and quality of information provided to governance forums and oversight across the investment lifecycle.

23. Projects which commenced prior to December 2025 were not subject to the ILM Lite process and therefore the quality of information in business cases and documentation will be of variable quality.

Recent improvements

- The introduction of the ILM-lite process in December 2025 improved the quality of the information presented to FIC. This has enabled FIC to have better discussions on projects requesting investment, better understand what they are being asked to invest in, and is resulting in more informed decision making.

Further actions

- Introduce an enterprise-wise strategic investment and prioritisation process across MBIE, to ensure investment opportunities being progressed by business groups are aligned to MBIE's ministerial portfolios and overall strategy.
- Consistently embed the ILM Lite process early in the investment cycle and enhance enterprise level oversight to support more informed and strategic investment decision-making.
- For investments greater than $20m, build in additional external assurance including testing strategic alignment and value for money analysis prior to proceeding to full business case.

Business case and requirements

Business case guidance

24. The Treasury Better Business Cases (BBC) framework provides a structured approach for developing investment proposals that support evidence-based decision-making. It helps ensure investments are strategically aligned, deliver measurable benefits, represent value for money, are affordable and achievable, and appropriately consider WOLC. The framework promotes early assessment of strategic need, investment options, delivery approaches, commercial arrangements, risks, and expected benefits, enabling informed investment decisions and greater accountability for outcomes.

25. MBIE's stocktake of in-flight technology projects identified some inconsistencies in the application and calculation of WOLC. Several projects also required significant re-baselining after approval, suggesting that initial assumptions about scope, cost, complexity, delivery approach or benefits were not always sufficiently mature.

Business requirements guidance

26. Effective business requirements management begins with a clear understanding of the business problem, desired outcomes, and measures of success before identifying potential technology solutions. Requirements should be developed collaboratively with stakeholders to ensure business, customer, operational, risk, security, privacy, and compliance needs are fully understood and reflected.

27. Requirements should be documented, prioritised, and linked to strategic objectives and expected benefits, with clear distinction between functional and non-functional requirements. Good practice also requires formal validation and approval processes, together with end-to-end traceability from requirements through design, development, testing, and implementation. This helps ensure solutions remain aligned to business needs and deliver the intended outcomes.

Targeted assessment of business case and business requirements

Business case development

28. The targeted assessment found that the quality of MBIE's business case development varies and does not always provide the right level or quality of information to enable decision making.
29. While MBIE's Project Delivery Framework incorporates aspects of the Better Business Case methodology, full implementation remains incomplete. As ILM Lite is still relatively new, the quality and maturity of the inputs into business cases varies across the organisation. As MBIE embeds the ILM Lite and Better Business Case processes the robustness of business cases should continue to improve. This has to be aligned with a focus on increasing capability and quality of information.

Priority areas for early delivery

- Progress the full implementation of Treasury's Better Business Case Guidance, with greater oversight of the process from the Portfolio Management Office.

Further Actions

- Ensure the full adoption of The Treasury's guidance and System leader guidance, including the Public Service Commission's 2025 guidance on asset management and investment planning.
- Embed independent testing and assurance at key stages in the investment lifecycle including reviewing WOLC costing, benefit quantification, outcome identification and governance structures.

Business requirements

30. Effective business requirements management is essential to delivering intended business outcomes and ensuring investments remain aligned with organisational needs. While MBIE has established supporting frameworks and guidance, the review found inconsistent application across projects, resulting in variable quality, traceability, and oversight of requirements.
31. Inconsistencies in ownership, stakeholder engagement, requirements governance, and change control are contributing to inconsistent requirements quality and traceability across projects. Addressing these gaps will support better project scoping, more informed decision-making, and greater confidence that delivered solutions meet business needs.

Priority areas for early delivery

- Clearly define accountability and approvals for business requirements, including the roles of sponsors, business owners, business analysts, project managers, and governance bodies.

Further actions

- Improve traceability from business requirements to outcomes, by strengthening the process to demonstrate how business needs are translated into delivered outcomes and benefits.
- Ensure that any changes to requirements are assessed for impacts on scope, benefits, cost, schedule, and delivery risk.
- Strengthen change control for requirements by establishing formal processes for the assessment, approval, and management of requirement changes, including defining thresholds for escalating significant changes to sponsors, project steering groups, or governance forums.

Financial management

Financial management guidance

32. MBIE is governed by a number of pieces of legislation, including the Public Finance Act 1989 which sets out the law governing the use of public financial resources, Cabinet Office requirements, and internal financial control policies. In addition, MBIE uses The Treasury's guidance to ensure it is following best practice for financial management of projects.

Targeted assessment financial management

33. Financial management frameworks are in place and broadly support effective oversight of projects. However, this review identified variability in consistency, integration and governance of financial reporting. This limits the effectiveness of financial management with project delivery practices.

Management of Whole-of-Life Costs (WOLC)

34. Findings from the stocktake of in-flight technology projects identified variability in how WOLC were calculated and presented across several of the projects reviewed.
35. Since many of the projects reviewed commenced prior to recent improvements in MBIE's investment and financial management practices, it is acknowledged that work has already been undertaken to define the approach to WOLC development, in alignment with The Treasury's guidance. However, further work is required to fully embed these practices across MBIE, establish clear and consistent reporting expectations, and monitor compliance to ensure the intended benefits are realised.

Recent improvements

- Guidance has been published for Finance Business Partners on the calculation of WOLC.

Further actions

- Introduce ongoing quality assurance and monitoring to ensure WOLC standards are applied consistently, support effective governance oversight, and drive continuous improvement in investment decision-making, in particular with change requests.

Financial management

36. MBIE uses Project Online to track and manage projects, including project spend. The Financial Management Information System (FMIS) is used to record all MBIE's financial transactions (receipts and payments, budgeting, forecasting and reporting), and holds the contract management module, time sheeting module, and project ledger. Project online and FMIS are two separate systems and there is no integration or automatic data transfer or automatic reconciliation process between of both sets of information. To aid with matching, both systems use the same project number.
37. While there are controls in place, the process is manual, which may create opportunities for errors or for inaccuracies to be unchallenged. Project costs may be included in both project cost-centres and operational cost-centres, which need to be managed carefully to ensure full transparency of project costs.
38. In addition, there is unclear guidance in relation to who should validate and endorse project financial information being reported to Ministers.

Recent improvements

- MBIE's Financial Development Programme has recently commenced to strengthen financial management capability and improve the quality and consistency of financial information.

Priority areas for early delivery

- Clarify accountabilities for oversight and financial endorsement of project financial information being shared with governance forums and Ministers.
- Strengthen collaboration between Finance Business Partners, and the PMO to ensure consistency of financial treatment and reporting.

Further actions

- Explore financial integration options for the Project Online system with FMIS.

Financial delegations

39. Best practice financial delegations establish clear approval authorities for project expenditure, contracts, change requests, and investment decisions, ensuring decisions are made by appropriate individuals. Through the internal workshops, inconsistencies were identified in the application of financial delegations. There is some confusion as to when BAU delegations or project governance delegations apply.

Priority areas for early delivery

- Review and clarify technology project financial accountabilities, delegations and governance oversight requirements.

Benefits management

Benefits management guidance

40. Best practice with investment projects is to treat benefits realisation as a lifecycle discipline owned by the business (not the project), with clear measures, baselines, and accountability, and ongoing monitoring and reporting through to BAU post-delivery.

41. MBIE has a benefits realisation framework aligned to The Treasury's expectations, with defined processes, governance oversight in place. Capacity constrained support is available from the PMO via a dedicated Benefits Advisor providing advice to lift capability.

Targeted assessment of benefits management

42. The recent BCU review conducted by Greg James found that the quality of benefits management within the BCU projects was weak, with benefits not clearly defined, tracked, or actively managed beyond the business case, limiting visibility of whether the investment would deliver its intended outcomes.

43. In addition, this assessment has found that there is often variable quality and maturity, particularly around ownership, baselines, and ongoing tracking. While there is reporting to the DGB on benefits realisation, this is limited to the tracking of benefit status, rather than the analysis and end-to-end tracking of benefit impact (including impact of changes to scope, time, quality or cost).

44. A large proportion of MBIE's business case benefits are not quantifiable and fall short of good practice expectations. Where there are quantifiable cost savings or avoidance benefits the identified savings are often not flowing through to future cost centre budgets.

Recent improvements

- The introduction of the ILM-Lite process has improved the quality of benefits identification for new investments. While these changes are positive, they are relatively recent and there is not yet sufficient evidence to determine whether they have resulted in sustained improvement across projects. Focus on further improvements in the quality, consistency, and maturity of benefits identification will need to take place.

Priority areas for early delivery

- Review benefit management framework and guidance
- PMO to provide in-depth reporting of benefits, including analysis and benefit type to DGB on a regular basis, in addition to the standard benefits reporting.
- Increase the visibility and reporting on the impact of change requests on benefits.

Further actions

- PMO to work with cost-centre managers and Finance Business Partners to lift capability in quantifying benefits, ensuring that all parties are aware of the requirements to properly track and manage the benefits through-out the project lifecycle and post project delivery.
- Implement standard process to flow through cost-saving benefits (i.e. reductions in FTE and/or savings) to actual reductions in BAU cost centre budgets.

Vendor engagement and management

Vendor engagement and management guidance

45. Best practice vendor management includes undertaking planning that is proportionate to the value, risk and complexity of the procurement. It ensures that objectives, market conditions, risks, governance arrangements and delivery requirements are well understood before approaching the market.

46. Vendor exemptions should be transparent, proportionate to the level of spend and risk, and subject to appropriate governance to ensure compliance with procurement policy and to maintain fairness, accountability, and good commercial practice.

Targeted assessment of vendor engagement and commercial approach

47. Overall, MBIE has sound procurement practices which meet best practice and government rules. Most commercial arrangements have stage gates and/or offramps but these need to be more consistently applied and more closely managed. There is also room to improve MBIE's strategic approach to procuring technology solutions to ensure an appropriate range of commercial options are considered. When exemptions are considered, they are often managed within projects and are not consistently surfaced to governance beyond the Project Steering Group. This means that the decision to directly appoint a vendor is often not challenged.

48. Once procurement has taken place there are additional areas of vendor management which can be strengthened, including greater visibility of vendor performance, stronger vendor management throughout the project lifecycle, and ensuring the commercial impact of changes are considered.

49. Change requests, especially when changes result in a deviation from the procurement plan, are not always provided back to the Procurement Team by project teams. This step would ensure that any necessary changes are incorporated into the procurement plan.

Recent improvements

- In alignment with Government Rules 5th Edition, contract management obligations were added to MBIE's Procurement Policy and Procedures in December 2025, and a Contract Management Training Module was launched in June 2026. This will aid with lifting capability and awareness of procurement and contract requirements across MBIE.

Priority areas for early delivery

- Increase the visibility, including the rationale, for technology procurement exemptions to relevant governance committees.
- Ensure clarity of vendor relationship ownership for all technology projects.
- Implement a process to ensure any project changes that deviate from the approved procurement plan are provided to the Procurement Team for review and assessment.

Further actions

- Review how due diligence is undertaken by projects on suppliers prior to engagement to ensure its sufficient and wide enough, including engaging the GDDA to ensure connections with other agencies where appropriate.
- Review the procurement exemption approval to ensure its fit-for-purpose and sign-off requirements are clarified.
- Ensure supplier and contract performance reporting is visible to appropriate governance forums.

Delivery and project management

Delivery and management of projects guidance

50. A best-practice project management approach provides a disciplined framework for translating strategic intent into measurable outcomes. Drawing on recognised methodologies, such as PMI's PMBOK, PRINCE2, and MBIE's Project Delivery Framework, effective project delivery combines clear governance, robust planning, proactive risk management, stakeholder engagement, and independent assurance to support informed decision-making throughout the project lifecycle. The emphasis is not solely on delivering projects on time and within budget, but on realising intended benefits, maintaining alignment with organisational priorities, and creating sustainable value for the organisation and its stakeholders.

Targeted assessment of MBIE project management lifecycle and approach

51. MBIE applies a structured, scalable project management framework, with projects being managed through defined stages, supported by governance, assurance, financial management, stakeholder engagement, and benefits management practices.

Portfolio Management Office (PMO) focus

52. While the PMO currently provides an important governance, reporting and delivery assurance function, its operating model is primarily focused on monitoring compliance with frameworks, and supporting governance processes. This provides some level of assurance to the DGB and other governance forums. However, the PMO's role is largely advisory and facilitative rather than actively driving accountability for delivery outcomes.

53. Best practice PMOs play a broader role by acting as an independent source of challenge and insight across the investment portfolio. This includes testing assumptions underpinning business cases, delivery plans and change requests, scrutinising project performance data, identifying emerging risks and delivery concerns, and escalating issues where intervention may be required. A mature PMO also supports governance forums by providing objective assessments of project health and ensuring that senior responsible officers, project managers and project steering groups are held accountable for agreed outcomes, benefits, milestones and financial performance.

54. The PMO needs to reposition itself from a function primarily focused on governance administration and delivery reporting to one that provides greater independent challenge, performance insight, and delivery assurance. Strengthening the PMO's role and refocusing governance reporting on delivery outcomes, risks, and emerging issues would improve transparency, support earlier intervention, and provide stronger assurance that investments are delivering their intended benefits and value to MBIE. Implementing this requires an assessment of the PMO’s capability, capacity, and mandate.

Priority areas for early delivery

- Review governance reporting to ensure it provides a concise, real-time view of project status, milestones, budget, schedule, risks, issues, dependencies, and key benefits to support informed decision-making and effective governance.
- Formalise PMO responsibility for challenging assumptions relating to costs, timelines, benefits, delivery approaches, and risks, and document PMO feedback and management responses to ensure transparency and accountability.

Further actions

- Review and refocus the PMO's mandate, operating model, and organisational placement to establish it as MBIE's Centre of Expertise for investment delivery. This should include assessing the capability, capacity, and authority required to effectively perform these functions.

Project managers and sponsors capability uplift

55. Strengthening the PMO alone will not significantly improve project outcomes unless it is accompanied by a broader uplift in project delivery capability across sponsors, project managers, and governance bodies. The BCU Review found a need to move from a model that is largely compliance and process-driven to one that places greater emphasis on delivery leadership, accountability, informed decision-making, and proactive management of risks, issues and benefits. Establishing clearer expectations and roles and responsibilities, improving capability, and creating stronger accountability mechanisms will help ensure that investment decisions are translated into successful delivery outcomes and that governance forums receive higher quality information and assurance.

56. A more mature delivery environment requires all participants in the project lifecycle to understand and perform their respective roles effectively. Sponsors need to actively lead and champion outcomes, project managers need stronger delivery and commercial management capability, Project Steering Groups need to provide effective oversight and challenge, and the PMO needs to support these groups through guidance, assurance and performance management. Collectively, these changes will strengthen delivery confidence, improve governance effectiveness, and increase the likelihood of achieving intended benefits and strategic outcomes.

Priority areas for early delivery

- PMO to facilitate appropriate training for Project Sponsors/SROs and to meet regularly with them to review project health.

- PMO to review how it supports Project Sponsors/SRO and ensure that they are aware of their responsibility and accountabilities when sponsoring technology projects, including creating a Project Sponsor Handbook.
- Establish clear financial, complexity, and risk thresholds to guide SRO appointment decisions, including any specific capability or Deputy Secretary requirements.

Further actions

- Review options for strengthening the support provided to Project Managers and Business Owners including ongoing training and development.
- Review roles and responsibilities of Project Managers and Project Steering Groups and how their delegations and decision rights map to MBIE's governance forums.

Escalation and visibility of risk

57. Although risk and issue management processes exist, MBIE lacks a consistent and well-defined approach to escalating significant delivery risks and issues. Escalation is often dependent on individual judgement rather than clear organisational expectations, resulting in inconsistent practices across the portfolio.

58. This could be compounded by a culture where project teams may be reluctant to escalate issues early, due to concerns about scrutiny, perceived project performance, or uncertainty about when escalation is expected.

59. Limited PMO oversight and challenge further reduces visibility of emerging risks, increasing the likelihood that governance forums become aware of issues only after they have become material delivery concerns.

Priority areas for early delivery

- Review and refresh risk status reporting definitions and escalation criteria to align with risk management best practice, strengthen the consistency of risk reporting, and support proactive identification, escalation, and intervention before risks materially impact outcomes.
- Introduce mandatory risk-based escalation based on clearly defined trigger points.
- Strengthen PMO oversight of project risk and issue management, including monitoring compliance with escalation requirements and identifying emerging risks

Further improvements recommended

- Review the alignment of strategic technology investments, project governance, investment governance, and enterprise risk management processes to ensure appropriate oversight and risk management of key investments.
- Develop a consistent enterprise-wide escalation framework that defines roles, responsibilities, escalation pathways, and decision rights for project managers, sponsors, steering groups, the PMO, and governance forums.

Independent Quality Assurance (IQA) requirements

60. There is currently a process within MBIE outlining when an Independent Quality Assurance (IQA) should be undertaken. However, this is not consistently applied and there is limited support available to those who may wish to consider one.

Further actions

- Establish mandatory triggers for IQA activities, such as high-risk or high-complexity investments, significant scope or cost changes, sustained high-risk ratings, delivery underperformance, major vendor challenges, or governance concerns.
- Ensure the PMO supports projects through an IQA review.
- Clarify how IQA findings should be reported, monitored, escalated, and acted upon, including requirements for management responses and remediation plans.
- Empower the governance forums to commission targeted IQA reviews where there are concerns regarding project health, delivery confidence, governance effectiveness, risk exposure, or benefits realisation.
- Ensure IQA outcomes are used as a formal input into key governance decisions, including project continuation, funding approvals, change requests, stage gate approvals, and project closure.

Governance and assurance

Overview of MBIE's governance system

61. MBIE's internal governance system, Mana Whakaruruhau, provides a structured, organisation-wide framework for leadership, decision-making, and oversight. It is designed to ensure delivery of MBIE's strategic priorities and Government work programme, supported by coordinated governance across investment, performance, risk, and assurance.

62. The system operates through a layered committee structure, led by the Senior Leadership Team (SLT), with specialist committees providing oversight across key domains including investment, delivery, finance, assurance, and risk. These committees collectively support prioritisation of investment, monitoring of organisational and project performance, and management of risks and compliance obligations.

63. Investment planning is governed through the FIC committee, which provides oversight of MBIE's investment portfolio and financial performance. FIC is responsible for ensuring that investment decisions align with organisational strategy, are financially sustainable, and fit within MBIE's fiscal envelope.

64. Once investment decisions are made, governance and oversight for the delivery of MBIE's technology projects included on the investment plan lies with the DGB. DGB is supported by the PMO, and project/programme risks and issues are reported to this governance forum.

65. See Appendix B MBIE Portfolio Governance Model and Delegations for a high-level diagram of key governance stages and financial delegations.

Project Steering Groups

66. All portfolio projects have a Project Steering Group (PSG) which oversees and supports the project. Each group is made up of key stakeholders and senior leadership, depending on the size and complexity of the project. The PSG is a key component of the MBIE Project Delivery Framework and is accountable for the overall success of each project.

67. See Appendix C MBIE investment planning and governance process for a high-level diagram of key stages and oversight of technology projects.

Targeted assessment of governance and assurance

68. The findings of this review have identified the following areas of improvement.

Roles and responsibilities of governance committees

69. MBIE has established governance structures that support oversight and decision-making across a range of functions. Opportunities exist to enhance consistency in governance practices, clarify roles and decision-making accountabilities, and strengthen alignment between SLT, FIC and DGB governance forums. In addition, greater clarity around the purpose and scope of digital, data, financial, and investment governance bodies would help reduce overlap, improve coordination, and support more effective organisational oversight.

Further actions

- Undertake a review of FIC and DGB governance committees.

Strengthen risk management oversight and clarify escalation pathways

70. The BCU review found that the escalation of risks and issues was ineffective, and there was limited visibility of the project's true status and emerging risks.
71. In addition to the findings of the BCU review, this work has identified the pathways for escalating risks and issues is not sufficiently clear.
72. There is also limited shared understanding of how project steering groups, DGB and other governance committees should be used to support effective escalation and oversight.

Recent improvements

- From May 2026, SLT governance meetings include deep dives into a significant MBIE technology programmes (e.g., Our Future Services). These sessions enable SLT to hear directly from the SRO, gain a deeper understanding of programme status, risks and roadblocks, and determine whether any SLT intervention is required.
- From July 2026 the PMO will provide DGB and FIC additional reporting to increase visibility on the performance of technology projects achievement against benefits and overall delivery health.

Priority areas for early delivery

- Clearly define and communicate thresholds and escalation pathways between Project Steering Groups, DGB and FIC so there is a simple, clean, and easy to navigate pathway with the correct level of oversight when a project is likely to go outside its 'envelope' (whether this is budget, timeframe, scope, benefits or a change in vendor or platform).
- Review how 'change requests' are reported on to ensure that there is good visibility of either repeated requests for the same issue or a high number of change requests for one project at the right level of governance, ensure there is and a full understanding of the implications of the change request including the realisation of benefits.
- Publish the DGB terms of reference on Te Taura (MBIE's internal intranet), alongside an overview of the Mana Whakaruruhau governance system, so people are able to easily navigate and understand how the governance structure fits together as a whole system.
- Review Risk Management framework and approach.

Better enable decision making and documentation

73. The BCU review found that decision-making across the projects was poorly documented, with limited minutes and many governance discussions and decisions were not formally recorded. This resulted in a lack of clear audit trail and reduced oversight, making it difficult to understand what decisions were made, why, and by whom.

74. Best practice is to treat minutes as the authoritative record of decisions, ensuring every decision is clearly documented with its rationale, key considerations, and any risks or advice considered. This should be underpinned by consistent, standardised processes so that all decisions are captured through formal governance channels and maintained in a complete, auditable record.
75. In addition, through these workshops we have found that while the quality of the documentation provided to governance committees for their consideration has improved there are still gaps and further work should be undertaken to ensure that committees have the right information to be able to make sound and considered decisions. Good integrated systems/reporting are needed to provide better information for decision makers.

Priority areas for early delivery

- All governance meeting minutes (including Project Steering Groups, DGB, FIC and SLT Monthly) record the context and rationale for decisions being made

Further actions

- PMO to work with project managers/report writers to ensure that papers and reporting data provides governance committees with adequate information that is information and enables sound decisions to be made.
- Supplement relevant governance forums with external expertise.

Governance capability

76. The BCU review highlighted insufficient governance capability across the BCU project, with gaps in skills and experience. This limited the ability of committees to provide robust oversight and direction and contributed to poor decision-making.
77. This is an area which MBIE has been working to lift over the last six months, starting with a review of the membership of MBIE's governance committees in March 2026 to ensure that the membership of each committee is reflective of that committee's needs and includes the right capability. This work has also included a refresh of the annual work programmes for all governance committees, ensuring that committee priorities, forward agendas, and oversight activities remain aligned with MBIE's strategic objectives and support effective governance, risk management, and assurance across the organisation.

Priority areas for early delivery

- Develop and implement an induction programme for new members joining governance and Project Steering Groups: what it means to be on committee, roles and responsibilities, expectations.
- Develop and implement capability refresh and uplift programme for chairs, governance and Project Steering Group members: best practice governance, questions they should be asking to challenge projects to understand the status of delivery.
- Consider the inclusion of independent members on project steering groups for large technology investments and on MBIE's governance forums.

Further actions

- Establish and implement periodic effectiveness reviews of committees to ensure the committees are operating in line with expectations as set out in their Terms of Reference and help opportunities to improve.

Summary and Conclusion

78. This review found that MBIE has established most of the core governance, investment management, project delivery and assurance frameworks expected of a large public sector organisation. However, the BCU review and this assessment demonstrate that the existence of frameworks, processes and systems alone has not consistently translated into effective oversight, challenge, escalation and delivery performance. The primary issue is not the absence of process, but inconsistent application, unclear accountability, variable capability and insufficient organisational discipline.

79. The review did not identify a need for significant structural redesign however there is an opportunity to consider alternative more iterative delivery models. Many of the challenges identified appear to stem from inconsistent application of existing frameworks, systems and processes. While governance structures, delivery frameworks and assurance mechanisms are largely in place, they are not always used consistently or subject to an appropriate level of challenge, transparency and accountability required for successful delivery. A number of the issues identified reflect organisational behaviours, including uncertainty around decision-making responsibilities and inconsistent escalation of emerging risks.

80. A recurring theme across the review is the need to move from a framework and systems and processes that are focused on process compliance towards one that places greater emphasis on delivery performance, accountability, constructive challenge, transparency and outcomes. This will require stronger enterprise programme management oversight, a clearer view of project interdependencies, clearer governance expectations, better-defined escalation pathways, and a culture that actively encourages early intervention when risks or issues emerge. Achieving this will also require greater investment in capability across sponsors, project managers, governance committees and business owners, alongside stronger accountability for delivery outcomes and benefits realisation.

81. The recommendations in this report are intended to support four key areas of uplift:

- strengthening the PMO as MBIE's centre of expertise for investment delivery
- lifting capability across the investment lifecycle
- improving the integration of systems and reporting, and
- enhancing governance effectiveness and decision-making.

82. Collectively, these changes will improve visibility of delivery performance and risk, strengthen organisational accountability, and support more informed investment decisions. They will also help create an environment where risks are identified and escalated earlier, governance forums are better equipped to challenge and intervene, and delivery teams are supported to make informed decisions and raise concerns when required and benefits realisation is tracked through to implementation of the change.

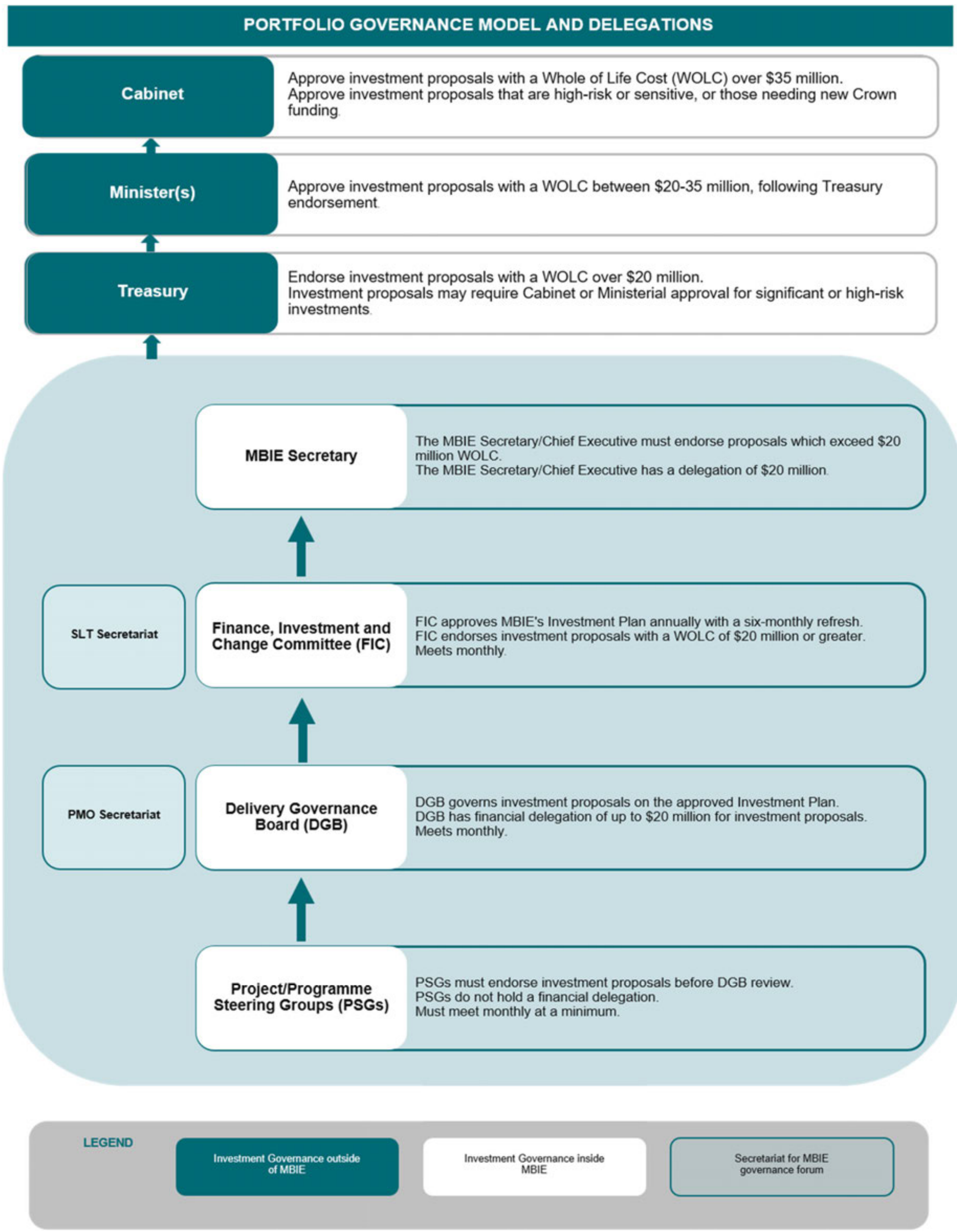
83. Implementing these recommendations will position MBIE to deliver major technology investments with greater consistency, confidence and transparency. More importantly, it will strengthen MBIE's ability to realise intended outcomes and benefits from its investments and demonstrate stronger stewardship of public resources and investment decisions.

Appendix A: Improvement Plan

Area for Improvement	Early Delivery 0-3 Months	Embed and Strengthen 3-6 Months	Optimise & Mature 6–9 Months	Sustain and Improve 9 Months – Ongoing
Investment Planning and Decisions	Consistently embed the ILM Lite process early in the investment cycle and enhance enterprise-level oversight to support informed investment decisions.	Design and socialise an enterprise-wide strategic investment and prioritisation process.	Implement enterprise-wide investment prioritisation aligned to ministerial portfolios and MBIE strategy.	Monitor investment alignment and periodically refine prioritisation practices.
Business Case and Requirements	Progress full implementation of Treasury Better Business Case guidance with stronger PMO oversight. Clearly define accountability and approvals for business requirements, including SRO/Sponsor, Business Owner, and governance roles. Define escalation thresholds for significant requirement changes.	Ensure all requirement changes are assessed for impacts on scope, benefits, cost, schedule and risk. Improve traceability between business requirements and intended outcomes.	Ongoing assurance that requirements management supports benefits realisation and delivery outcomes.	
Financial Management	Clarify financial endorsement and oversight of project information provided to governance forums and Ministers. Clarify technology project financial delegations. Strengthen collaboration between Finance Business Partners and the PMO.	Monitor quality assurance of Whole-of-Life Cost (WOLC) standards, particularly for change requests.	Explore and assess options for integrating Project Online with FMIS.	Ongoing financial assurance, consistency reviews and continuous improvement of investment decision-making.
Benefits Management	Enhance PMO reporting on benefits, including analysis by benefit type to DGB. Increase visibility of the impact of change requests on benefits.	Build capability with cost-centre managers and Finance Business Partners to identify, track and manage cost-saving benefits.	Implement a standard process to convert realised benefits into actual BAU budget reductions.	Ongoing monitoring of benefit delivery and post-implementation realisation.
Vendor Engagement and Management	Increase governance visibility of procurement exemptions and supporting rationale. Clarify vendor relationship ownership for all technology projects. Require Procurement Team review where project changes deviate from approved procurement plans.	Review procurement exemption approval arrangements and clarify sign-off requirements. Review supplier due diligence processes, including use of GDAA where appropriate. Review supplier and contract performance reporting to governance forums.		Ongoing monitoring and reporting of supplier performance and procurement compliance.

Area for Improvement	Early Delivery 0-3 Months	Embed and Strengthen 3-6 Months	Optimise & Mature 6–9 Months	Sustain and Improve 9 Months – Ongoing
Delivery and Project Management	Review and refocus the PMO mandate, operating model and organisational placement. Formalise PMO challenge and assurance responsibilities. Review governance reporting to ensure concise, real-time visibility of project health. Review Sponsor/SRO assignments for capability and seniority. Review and update risk RAG status definitions. Introduce mandatory risk-based escalation triggers. Review Project Manager, Business Owner and Steering Group roles, delegations and decision rights. Enable governance forums to commission targeted IQA reviews where required.	Strengthen PMO oversight of emerging project risks and issues and trends. Develop an enterprise-wide escalation framework. Review support, capability and development arrangements for Project Managers and Business Owners. Establish clear financial, complexity, and risk thresholds to guide SRO appointment decisions, including any specific capability or Deputy Secretary requirements. Strengthen Sponsor/SRO support and develop a Project Sponsor Handbook.	Review the alignment of strategic technology investments, project governance, investment governance, and enterprise risk management processes to ensure appropriate oversight and risk management of key investments. Establish mandatory IQA triggers and intervention points.	Embed IQA processes, including reporting, remediation, governance oversight and use of IQA findings in key decisions.
Governance and Assurance	Undertake a review of FIC and DGB governance committees. Define and communicate escalation thresholds and pathways between Project Steering Groups, DGB and FIC. Publish DGB Terms of Reference and governance system information. Improve governance minutes to capture rationale for decisions.	Implement governance induction and capability uplift programmes. Review the impact of improvements to the quality of governance papers to support decision-making. Improve reporting of change requests and cumulative impacts.	Establish periodic committee effectiveness reviews.	Continue governance effectiveness reviews and capability development, using findings to drive continuous improvement.

Appendix B: Portfolio governance model and delegations



Appendix C: MBIE investment planning and governance process