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A View of Developments in Regulation

through the trees to the woods

Abstract

Regulation has evolved significantly over recent decades. The quality of regulation and its implementation is critical to our wellbeing and is in the spotlight now more than ever. While significant developments have occurred, enduring challenges remain relating to the complexity of regulation, its political nature, regulatory capture and regulatory failure, institutional design, regulatory policy design, and the quality of regulatory practice. Whether creating or responding to these challenges, all involved are driven by their view of what is best for the purpose and the people they serve. New Zealand is reasonably well placed to make regulation a more positive force if we can find a way to build effectively on recent efforts in a more sustainable way.

Keywords regulation, regulatory complexity, politics, capture, institutional design, policy and practice, stewardship

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Regulation is a pervasive and evolving feature of society. As van der Heijden (2019) notes, despite varied definitions, there is broad agreement that regulation seeks to influence behaviour to make social and economic interactions more predictable by establishing expectations, rules and consequences. Over time, regulatory systems have evolved as governments pursue improved social and economic outcomes aligned with their political philosophies, in the name of the public interest, often through changes to policy, practice and institutional arrangements.

In principle, regulation – in both its design and its implementation – serves the public interest. It aims to benefit society as a whole rather than particular groups (Ministry for Regulation, n.d.b), protecting communities from harm and improving living standards by balancing competing objectives such as safety, productivity and wellbeing. In practice, regulatory design (of laws, regulations, rules and institutions) is inherently political. It is shaped by political philosophy, vested interests, policy advice, past experience (both success and failure), impact analysis, and, more recently, assessment against the politically contested and controversial Regulatory Standards Act 2025 and its principles.

Regulatory implementation operates within the resulting legal and institutional frameworks and is typically independent, with regulators making decisions in the public interest, following guidance such as Crown Law's *Te Pouārahi: the judge over your shoulder* (2019) and *The Solicitor-General's Prosecution Guidelines* (2015). However, implementation is still influenced by government preferences and expectations – sometimes driven by minority views – expressed through mechanisms such as letters of expectation provided to policy and regulatory agencies, and by resourcing decisions.

widespread deficiencies, complacency and resource challenges in the regulatory system, alongside increasing expectations and complexity. Key responses included the establishment of the Government Regulatory Practice Initiative (G-Reg) and *Government Expectations for Good Regulatory Practice* (New Zealand Government, 2017), which set out expectations for the design of regulatory systems, regulatory stewardship and regulatory practice. Stewardship was further supported by the Treasury's *Starting Out with Regulatory Stewardship* (Treasury, 2022).

significant benefits compared with a stand-alone ministry (Treasury, 2024). The new ministry's mandate is to improve regulatory quality, transparency and capability. Its work includes regulatory reviews and regulatory capability development, including developing guidance, such as on artificial intelligence (Ministry for Regulation, n.d.a).

In 2026, building on the advice in the 2014 Productivity Commission report, the ministry released *The State of New Zealand's Regulatory Systems* (Ministry for Regulation, 2026), mapping the regulatory landscape and enabling potential future steps in relation to regulatory systems, described as including understanding, strengthening, reducing complexity, and reform.

Against this background, the contemporary focus of regulation in New Zealand requires regulators to achieve their main purposes, such as harm reduction, while acting in a way that facilitates economically beneficial activity. This mirrors international developments: for example, in 2025 the Australian government announced a focus on improving Australia's productivity performance and encouraging regulators to enable innovation and growth as well as focusing on risk management (Department of Finance, 2026); in the United Kingdom the chancellor unveiled an action plan to cut red tape and kick-start growth (HM Treasury, 2025); and in Canada the government began steps to address regulations that raise costs, reduce productivity and stifle economic growth (Government of Canada, 2025).

Regulation is complex not only due to its political context and the tensions between that and the public interest.

High-level influences on regulation

Since the late 20th century, regulatory change has accompanied a broader shift from deregulation, market liberalisation, new public management and fiscal discipline, to whole-of-government approaches (Christensen & Lægreid, 2007) – which may be regarded as an antidote to one of the outcomes of new public management, siloed government structures. Within regulation itself, reform has included variations of 'better' or 'less' regulation agendas, modern legislative design, and a shift from prescriptive to performance-based approaches. More recently, attention has turned to regulatory stewardship and systems thinking (Searancke et al., 2014), reflecting a move from command-and-control compliance towards the application of discretion to achieve outcomes.

Regulatory stewardship promotes a whole-of-system perspective, ensuring that frameworks remain fit for purpose in a complex, rapidly changing environment. This approach was strongly influenced by the New Zealand Productivity Commission's 2014 inquiry into regulatory institutions and practices (Productivity Commission, 2014), which found

These initiatives have improved regulatory design and practice but have yet to mature into the powerful forces they can be to ensure that regulation plays its role as effectively as would be ideal. For example, G-Reg was regarded as a leading approach internationally to developing professional regulators and improving regulatory practice during its existence during the period 2014–24. It partnered with the Treasury and Victoria University of Wellington in supporting a chair in regulatory practice, saw the development of a body of vocational qualifications for front-line regulators, led efforts to support regulatory organisations to improve through peer-learning activities, supported governance-level masterclasses and supported a developing sense of regulators being part of a regulatory profession.

In 2024, the Ministry for Regulation was established following the 2023 National Party–ACT coalition agreement, with the closure of the Productivity Commission and G-Reg and resources shifted from the Treasury and the Ministry for Business, Innovation and Employment, noting advice from Treasury that alternative arrangements (a branded business unit or a departmental agency) would have

Regulation is a complex field

Regulation is complex not only due to its political context and the tensions between that and the public interest. Broadly defined, regulation includes laws, regulations and rules, and their implementation – using regulation first as a noun, then as a verb (Coglianese, 2024). It is a means of shaping behaviour, drawing on disciplines such as economics, law, public policy and sociology. Narrowly defined, and thought of only as a noun, it may appear simply as rules, but this understates the complexity of both design and implementation.

Freiberg's *Regulation in Australia* (Freiburg, 2025) illustrates this complexity. Despite its 771 pages, he describes his book

as only a 'brief introduction' to the field, noting that the bibliography expanded from 40 to 60 pages between editions yet still 'barely reflects what is available or relevant'. That bibliography references work from academics who have in varying degrees influenced the design and implementation of regulation in New Zealand and who will be familiar to many New Zealand regulators.

Those listed who have influenced me significantly include Ayres and Braithwaite (1992) in respect to responsive regulation, with particular reference to the regulatory pyramid; Black and Baldwin (2010) in respect to really responsive risk-based regulation; Cary Coglianese (2017) on achieving regulatory excellence; Peter Mumford on performance-based regulation and sources of regulatory failure (Mumford, 2011); Grant Pink in respect to developing a common regulatory language to support the professionalisation of the regulatory profession (Pink, 2025); Graham Russell and Christopher Hodges on regulatory delivery, particularly ethical business regulation, intervention choices, risk-based prioritisation, outcome measurement and regulatory culture (Russell & Hodges, 2019); Malcolm Sparrow in respect to the regulatory craft, with particular reference to the limits of customer service framing of regulated parties and problem solving (Sparrow, 2000); and Jeroen van der Heijden through the range of writing he undertook in his role as professor of regulatory practice at Victoria University of Wellington, captured in his blog *From the Regulatory Frontlines*.

However, translating theory into practice remains difficult without a contemporary, coherent and accessible body of theory that leaders, managers and front-line regulators can refer to. Front-line regulatory staff come from a range of backgrounds, including law enforcement, other public sector roles and roles in the sectors they regulate, with various professional backgrounds across a range of disciplines that don't automatically create a professional regulator. Building individual and organisational system-wide regulatory capability is therefore essential.

The 2011 handbook *Achieving Compliance: a guide for compliance agencies in New Zealand* (Manch et al., 2011) sought

to address this gap by providing a foundational and practical guide 'by regulators, for regulators'. Developed under the Compliance Common Capability Programme (discussed below), it complemented capability-building initiatives later continued by G-Reg. Although not since updated, revisiting and maintaining it as a contemporary handbook through collaboration with regulatory practitioners could enhance regulatory practice at the individual and organisational level.

Regulation is a political activity

As discussed above, regulation is inherently political. As Short (2019) notes, it 'emerges

The reform process has been controversial. Critics have described it as 'non-democratic' and 'suspicious', citing a 14-day consultation period and limited engagement. The responsible minister has rejected these criticisms, arguing that reform is needed to address burdensome and unclear regulation (Frykberg, 2024). The proposed reforms arise from the National Party–ACT coalition agreement. The current minister – an ACT party MP – previously held roles connected to firearms advocacy, including with the Mountain Safety Council and the Council of Licenced Firearms Owners.

The bill proposes significant institutional changes, including:

... regulation is shaped by political philosophies and imperatives; that regulators operate in politically sensitive environments; and that institutional design can both protect and expose regulatory independence.

from political demands and struggles and is shaped by competing ideas and theories'. While regulation ideally serves the public interest, its design is ultimately determined through political processes involving debate, competing interests and trade-offs.

A contemporary example is firearms regulation. Laws introduced in 2019 following the Christchurch mosque attacks were passed with near-unanimous parliamentary support, with only one ACT party MP opposing the Bill – not in opposition to changing gun laws, but on process and unintended consequence grounds. Implementation was led by the New Zealand Police through the Firearms Safety Authority.

In 2026, the government proposed changes to this legislation to 'provide greater protection of public safety', 'simplify regulatory requirements' and 'improve compliance', as outlined in the general policy statement of the Arms Bill. This illustrates the interaction between politics and regulation over time.

- establishing an autonomous arms regulator located within the police, with the police providing resources but with no executive role for the police commissioner;
- a chief executive appointed by the governor-general on ministerial recommendation, with statutory independence for specific decisions; and
- ministerial responsibility for overall conduct and general policy direction.

These arrangements align generally with the departmental agency model under the Public Service Act 2020, and the Public Service Commission considers the departmental agency model suitable for regulatory functions with stable policy settings (Public Service Commission, 2024).

The bill also provides for: a statutory review committee to review licensing decisions, appointed by the minister and chief executive; and continuation of the Arms Advisory Group, established under

the 2019 legislation, to advise the minister, and appointed by the minister.

Commentators have suggested that the minister's approach reflects regulatory capture by vested interests, noting, for example: 'The latest revelations around her hand-picked appointments to a key firearms advisory group have exposed what looks like naked cronyism, casting doubt on political integrity and the influence of the gun lobby in our democracy' (Edwards, 2026), consistent with a broad definition of capture across the policy and practice cycle (Doole et al., 2024). Whatever the merits of such claims, the example illustrates that regulation is shaped by political philosophies and imperatives; that regulators operate in politically sensitive

Regulatory capture and regulatory failure

Regulatory capture

Regulatory capture is discussed widely in the literature, indicating its many forms, including economic, cultural, structural, procedural, political, social and capacity-driven. Two local authors (New Zealand and Australian) – both former practitioners and now academics – provide complementary perspectives that span design through to implementation.

Doole et al. (2024) take a broad view, defining capture as excessive influence by vested interests at any stage of the political or policy cycle. This influence may be subtle or overt, cumulative in effect, and capable of undermining public interest outcomes across policy design, implementation and

capture is one form of failure, it is not the only one. As with regulation itself, regulatory failure is complex.

In New Zealand, the 2014 Productivity Commission report examined regulatory failure in depth, identifying common contributors across 18 major inquiries. These included outdated legislation, unclear roles and weaknesses in regulatory practice, alongside broader issues of regulatory architecture and institutional design (Bailey and Kavanagh, 2014). Although not the focus here, understanding the drivers of regulatory failure is essential to designing effective regulatory policy, institutions and practice.

The link between regulatory capture and regulatory failure

Commentary on the minister's approach to firearms regulation suggests possible regulatory capture, drawing on the Doole et al. (2024) and Doole & Stephens (2025) papers.

Consistent with Pink's definition, the 2019 *Review of the New Zealand Transport Agency's Regulatory Capability and Performance* (MartinJenkins 2019) illustrated a form of capture driven in part by an excessive focus on customer service (indicating lack of consideration of what an appropriate regulator-regulated party relationship involves), alongside factors such as organisational priorities competing against significant transport infrastructure and investment functions that received most governance and leadership attention, alongside weak regulatory capability and culture.

This article does not assess the commentary about capture relating to firearms regulation or delve into the NZTA example. Should there at any point be another significant event involving misuse of firearms, no doubt policy, institutional and practice arrangements will be examined, just as the MartinJenkins independent review of the regulatory capability and performance of NZTA (cited above) did when questions of regulatory performance were raised. That review led to policy, institutional and practice changes at NZTA.

Rather, the article highlights the importance of understanding regulatory capture and its relationship to regulatory failure on the basis that the concept warrants attention from politicians, policy

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environments; and that institutional design can both protect and expose regulatory independence.

Overall, arms regulation highlights the reality that regulators operate within political contexts (Hawkins, 1984, p. 9). They must maintain integrity and statutory independence while responding to government policy direction, pressures and sensitivities. This is often a tension point: where it is not possible to respond effectively to government policy directions, pressures and sensitivities due to the requirements of the extant regulatory framework and the application of independent, good regulatory decision making, explaining system conditions and 'why things are as they are' can risk losing ministerial confidence. Offering ministers options for change while maintaining a focus on the public interest is more constructive and can help secure support for necessary reforms that are beyond the remit of operational regulators on their own.

review. Doole & Stephens (2025) subsequently offer mitigation strategies for dealing with such capture.

Pink (2025), focusing more on implementation of regulation, describes capture as a form of misconduct arising when regulators overidentify with regulated parties, become overly sympathetic, or fail to maintain appropriate toughness. It often occurs when assistance functions – such as advice, guidance and licensing – are prioritised over enforcement. Pink's 'regulatory capture continuum' – collaboration, conflicted, compromised, captured, corrupt – provides a practical tool for identifying and discussing capture in practice.

Regulatory failure

Regulatory failure occurs when a system's outcomes are compromised (van der Heijden, 2022b) or when it fails to achieve its intended purpose due to inaction, poor judgement, weak design, or undue influence (Lodge, 2015). While regulatory

advisors, and regulators across all aspects of regulation, informed by Doole et al.'s illustrative scenarios, Doole & Stephens' mitigation approaches, Pink's continuum, and the wider literature.

Regulatory institutional design

Regulatory institutional design – New Zealand's 'machinery of government' – is complex. The Productivity Commission report described a vast regulatory landscape, and *The State of New Zealand's Regulatory Systems* (Ministry for Regulation, 2026) confirms that this complexity persists 12 years on, with responsibilities spread across departments, Crown entities, statutory bodies, local government, and some nongovernment organisations, each with distinct governance arrangements and priorities.

Two broad institutional design models operate within central government:

- integrated – design, implementation and review sit within a single agency; and
- separated – design and oversight sit with a ministry; implementation sits with a Crown entity or other statutory body.

There is no optimal structure. Current arrangements reflect historical developments and governments' desire for focus and accountability, as outlined in Public Service Commission advice (Public Service Commission, 2024). These arrangements perhaps also reflect new public management principles and evolving political philosophies and priorities.

That 2024 Public Service Commission report recommends:

- a more strategic approach to machinery-of-government reform;
- an evolutionary (not revolutionary) approach to minimise costs and risks;
- greater use of sectors or clusters of related functions;
- more strategic use of departmental agencies;
- clearer use of interdepartmental executive boards; and
- that departmental agencies are well-suited to regulatory and service-delivery functions with stable policy settings.

Recent changes – such as the merger of the Ministry for the Environment, Ministry of Housing and Urban Development,

Ministry of Transport, and local government functions of the Department of Internal Affairs into the Ministry of Cities, Environment, Regions and Transport – reflect a move towards integration, in this case a cluster of functions put together to tackle 'some of New Zealand's greatest economic and environmental challenges – from housing affordability, our infrastructure deficit, and adaptation to climate change' (Bishop et al., 2025), albeit with ongoing debate about the intended and likely impacts, with the main criticism being about the impact on the stewardship of the environment (News Wire, 2026).

Drawing on experience across both integrated and separated systems; having observed the potential synergies across transport regulatory functions at first

hand; and noting the Productivity Commission's insights on effective regulation, and the importance of regulatory coherence highlighted in Ministry for Regulation report, I believe that where institutional change can potentially create stronger alignment between policy and operational agencies, scale to support effectiveness in like functions, and support clarity of organisational purpose, it should be considered.

Example: the transport regulatory system

Subject to detailed analysis, a more integrated approach could bring aviation, maritime and land transport regulatory functions into a single transport regulator as a departmental agency, with a chief executive and three divisions led by statutorily independent directors (maintaining independence in regulatory decision making). This would increase the potential for alignment between transport regulatory policy, create scale across similar regulatory functions, and align the land transport regulatory approach with

the maritime and aviation approach, each of which have a clear regulatory purpose and are not at risk of being overshadowed by other preoccupations, while allowing effectiveness and efficiency in overall organisational management.

Compared with the current model of separate Crown entities, integration in this way could achieve the following:

- remove the need for multiple boards (noting that NZTA's broader infrastructure and investment roles would require separate consideration);
- reduce administrative and reporting burdens in supporting executive management and a board as well as other public sector accountability processes;
- improve alignment across transport regulatory strategy, policy, planning,

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delivery and evaluation;

- enable more effective crossmodal responses to emerging technologies (e.g., propulsion and autonomy);
- support shared regulatory information systems, including the considered and careful use of artificial intelligence;
- improve consistency and quality of regulatory practice;
- strengthen workforce capability, career pathways and professional identity;
- reduce fragmentation and achieve economies of scale in enabling functions (e.g., IT, HR, property and administration).

Key design issues requiring careful consideration include:

- aligning corporate and enabling functions (e.g., IT, finance, people) with regulatory accountability to maintain culture and prioritisation;
- maintaining integrity of funding models (noting userpays arrangements, particularly in road regulation); and
- ensuring strong apolitical, sector-based engagement in each of the modes

– such as, for example, the Aviation Council, which has broad representation, including government and industry, and a clear action plan (Meager, 2025).

Regulatory policy design

A core requirement for effective regulation is maintaining fit-for-purpose frameworks over time, particularly in fast-moving sectors. Historically, New Zealand has struggled with this, often adopting a ‘set and forget’ approach, as highlighted in the 2014 report.

The increasing focus on regulatory stewardship, improved practice, and the establishment of the Ministry for Regulation are driving change. Empirical research (Kudrna, 2025) shows progress,

hospitality. While Kudrna’s research indicates progress, the need for a central agency to undertake regulatory reviews also indicates that stewardship capability and practice is not yet fully embedded across the system.

Despite the overall progress, ensuring that regulatory frameworks remain fit for purpose in a timely way remains challenging, as illustrated by the drawn-out process to modernise the civil aviation regulatory system.

Example: the civil aviation regulatory regime

Following consultation in 2014, the Civil Aviation Act 1990 was replaced by the Civil Aviation Act 2023, with most provisions coming into force in 2025. The Act is said

to support aviation, ensure its growth and address challenges, which included a significant section on ‘renewing the focus of the Civil Aviation Authority’, with emphasis on economic activity. The minister noted:

A key part of our plan involves ensuring that the Civil Aviation Authority (CAA) is fully equipped to support our vision for the future of aviation in New Zealand. The CAA plays a critical role in keeping our skies safe and secure, but it must also be a true partner to the industry – one that enables growth and supports innovation. (Brown, 2024)

He went on to talk about delivering better outcomes for the industry, including reducing processing times for certification, particularly in the rapidly evolving area of emerging aviation technologies – developments that are vital for the future of aviation and its ability to innovate and contribute to economic prosperity.

While improving efficiency (such as reducing certification processing times through using technology and optimising decision-making processes) can support growth and innovation by reducing regulatory burden, two important tensions arise. The first is the regulator–regulated relationship. Language matters. As Wauchop and Manch (2017) note, framing regulated parties as ‘customers’ raises questions about whose interests the regulator serves, and can contribute to regulatory failure, as in the NZTA example. Similarly, describing and expecting regulatory relationships generally to be ‘partnerships’ can risk regulatory capture unless carefully bounded. The Port and Harbour Marine Safety Code demonstrates how structured partnerships can work effectively (see Manch, 2017; Maritime New Zealand, 2026). Warner (2025) advances the discussion about the relationship between regulators and regulated parties by focusing on what constitutes effective relationships in the context of the tension between service delivery and regulatory delivery.

The second issue is the limits of decision-making frameworks. Regulatory decisions on safety and security must follow legal requirements that do not

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with nine agencies strengthening stewardship through activities such as defining systems, developing strategies, conducting assessments and reporting progress between 2013 and 2024.

The same research identifies regulatory systems amendment bills as an important innovation arising from the 2014 report. Unlike statutes amendment bills or single-Act reforms, regulatory systems amendment bills enable systemwide legislative updates. They require near-unanimous support and were used 13 times between 2016 and 2024. Kudrna concludes that both these and stewardship are genuine policy innovations and recommends that the Ministry for Regulation take a strategic approach to supporting them.

Since March 2024, the ministry has undertaken regulatory reviews across sectors including early childhood education, agricultural and horticultural products, hairdressing and barbering, telecommunications, product labelling and

to reflect modern regulatory design, with a primary purpose of a ‘safe and secure civil aviation system’, supported by additional purposes including environmental sustainability, economic prosperity, innovation and national security. The Act clearly allocates responsibilities: safety and security with the Civil Aviation Authority; and additional purposes with the secretary for transport. This addresses a key issue identified in Shipton (2025): regulators often lack precise and meaningful role clarity in their governing statutes.

However, legislative clarity does not always translate into shared understanding. Regulated parties may focus more on government messages about economic growth and innovation than on the regulator’s statutory role, creating tension and unrealistic expectations. This is illustrated by the minister’s comments to the Aviation Industry Association conference in 2024 about how the government is working with the industry

incorporate broader purposes such as economic prosperity or innovation. Regulated parties may be disappointed when such concerns are not considered alongside safety and security requirements when the regulator is taking regulatory action.

Additionally, a fundamental way of enabling growth and innovation is through ensuring that the regulatory policy framework (i.e., the applicable law, regulations and rules) is designed in a way that creates the space for this. While the refresh of the Civil Aviation Act reflects an 11-year journey creating a modernised statute, the civil aviation industry relies on civil aviation rules for daily operations. The rules are widely seen as outdated. The Civil Aviation Act reform did not change the substantive rules. Significant rules reform requires a separate process, which was not possible, not least for resource reasons, while work on the 2023 Act was underway.

In 2026, the Civil Aviation Authority began a substantial programme, with the agreement of the minister (who ‘owns’ the rules) and the Ministry of Transport (which ‘contracts’ with the Civil Aviation Authority and other transport regulators to undertake reviews and redesign of the rules jointly), to modernise a large portion of the civil aviation rules over two to three years. This scale of reform is well beyond typical annual rule updates. This example highlights the ongoing difficulty of keeping complex, rules-based regulatory systems current, particularly where resources are constrained and processes are cumbersome. A broader reconsideration of how rules are developed and maintained within the transport system may be warranted.

Improving the transport rules framework

Changes to institutional arrangements (as discussed earlier) could enable more efficient rule making. One option is to shift responsibility for decision making on the rules to a departmental agency chief executive, including a requirement to follow proper policy processes and undertake effective industry engagement, with the minister approving an annual programme rather than individual rules. This would be an extension of recent changes to include the opportunity to make transport instruments within rules,

which give the transport mode director limited opportunity to manage technical requirements but remain cumbersome. This would improve efficiency by aligning decision making with technical expertise; reflect the operational knowledge of the performance and/or unnecessary regulatory burden imposed by the rules held within agencies; streamline processes for largely technical regulatory rules; and free up the Ministry of Transport to focus on its system leadership and stewardship role more effectively.

The minister could retain oversight through the ability to ‘call in’ specific rules or direct changes where necessary to reflect political priorities, and maintain constitutional propriety.

permanent programme to advance regulatory capability and practice (Manch, 2014). The Productivity Commission’s 2014 report subsequently identified the need for a more permanent, systemwide approach, leading to the establishment of the Government Regulatory Practice Initiative (GReg) in 2015.

GReg was also voluntary and clubfunded, and aimed to advance professionalisation of the regulatory workforce between 2015 and 2022. It developed NZQA-recognised qualifications (levels 3–8); supported more than 6,700 level 3 completions; delivered webinars, workshops and masterclasses; enabled peer learning and communities of practice; cofunded the chair in regulatory practice

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Regulatory practice

Effective regulatory practice depends on strong capability, sound judgement, and a deep understanding of regulatory craft at the front line and in the leadership of regulatory activity. New Zealand has made significant progress in building systemwide capability and practice.

The Compliance Common Capability Programme, established in 2008, was a voluntary, crossgovernment initiative focused on developing individual and organisational capability. It produced regulatory qualifications (now managed by ServiceIQ) and the *Achieving Compliance* guide (Manch et al., 2011), which distilled practitioner knowledge and emphasised the importance of organisational systems, culture and leadership alongside individual skills. With the intervention of the Productivity Commission’s inquiry into regulatory institutions and practices in 2014, the Compliance Common Capability Programme took the opportunity to advocate for the development of a

at Victoria University; and promoted a shared regulatory language. A 2023 evaluation confirmed GReg’s value and highlighted areas for improvement, including the need for a strategic reset, stronger communities of practice, greater responsiveness to emerging best practice, and stable funding (MartinJenkins, 2023).

In March 2024, GReg’s functions were transferred to the Ministry for Regulation and the programme was disestablished. The ministry has since undertaken some capability activities, including providing access to RegRoom (online learning modules); publishing quick guides on evidenceinformed practice, investigations, regulatory tools, the judiciary and compliance; managing a YouTube channel (with more than 80 videos and podcasts); developing guidance on regulatory sandboxes; and engagement with academia, including on AI adoption and publishing an AI guide. The ministry has also signalled an intention to support communities of practice, although these are still emerging.

Recent practitioner-led and governance-focused developments, some of which the ministry has engaged with, have further strengthened the field. These include:

- Iti Kōpara – Public Governance Aotearoa, which delivers regulatory leadership development for governors and senior executives;
- Pink's *Navigating Regulatory Language* (2025), supporting a shared professional language;
- papers by Doole et al. (2024) and Doole & Stephens (2025), advancing understanding of regulatory capture and mitigation, and Warner on 'Regulated experience (Rx)' (2025), supporting the clarification of effective regulator-regulated relationships;
- Beaumont et al.'s *Regulatory Intelligence Handbook* (2025), supporting

not subject to political direction. This appears to make them both sustainable and flexible in how they engage with regulatory agencies and regulators, giving them the potential to provide long-term benefit to the success of regulation both as a noun and as a verb.

These features seem significant, noting the apparent uncertainty about the long-term future of the Ministry for Regulation, given its political origins and the clear government direction about reducing the number of ministries and departments, or indeed of any initiatives that rely on the politics associated with regulatory policy, institutions and practice.

Bringing it all together

Looking across recent decades of New Zealand's regulatory system, it is clear

and the expectations placed on regulators. Regulators must meet their statutory obligations while engaging constructively with ministers who may hold different views about what regulation should achieve. Throughout, they must remain firmly focused on the public interest.

- *Regulatory capture and regulatory failure remain persistent risks.* Capture can be insidious, subtle and cumulative or in plain sight, while failure is multidimensional. Both require constant vigilance from politicians, policy advisors and regulators.
- *Regulatory policy design and practice must keep pace with change.* In sectors shaped by innovation and complexity, maintaining fit-for-purpose frameworks is difficult and may require more adaptive approaches.
- *Institutional design matters.* Organisational arrangements shape how regulatory systems function in practice. Separation can weaken accountability and slow system learning; integration can improve coherence and alignment, but only when supported by clear roles, strong leadership and the right capabilities.
- *Regulatory front-line and leadership capability is the system's engine room.* New Zealand has made real progress in building capability, but momentum has not always been sustained. There remains significant scope to strengthen capability, and therefore policy and practice, further.

Next steps

The Public Service Act 2020 makes clear that stewardship is a core responsibility of public service chief executives, and of the public service more broadly (Public Service Commission, 2020). Stewardship of regulatory systems is not optional; it is part of that wider obligation. Stewardship helps guard against short-term thinking in policy and operational decision making. It also strengthens the capability of the public service to serve future governments, the public, and the long-term sustainability of New Zealand's system of government.

Effective regulatory policy, institutions and practice are essential to New Zealand's social and economic wellbeing. These

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integration of intelligence into practice; and

- Warner and Pink, *Navigating Regulatory Landscapes* (2023), promoting integrated perspectives for adapting to emerging challenges.

These developments reflect a maturing regulatory community committed to continuous improvement. However, a cohesive and active professional community remains underdeveloped.

Strengthening collaboration – drawing on networks such as the Australia and New Zealand School of Government's National Regulators Community of Practice, the Australasian Environmental Law Enforcement and Regulators Network and the UK's Institute of Regulation – could further advance stewardship capability and practice in a way that is apolitical. Notably, these three networks exist independently of central agencies, and their existence is

that much has changed. Good regulation matters at every stage, from policy design and institutional arrangements through to day-to-day practice. Although many worthwhile initiatives have been introduced, progress has been uneven: improvement has been ad hoc, inconsistent, and vulnerable to shifts in priorities that can slow momentum, underuse earlier investments, and dissipate the energy for reform that exists across the system.

Several key themes and enduring challenges stand out: navigating political influence, addressing the risks of regulatory capture and failure, keeping regulatory policy and practice frameworks fit for purpose, and building the capability needed to do this and deliver sound regulatory outcomes in the public interest.

- *Politics is inseparable from regulation.* Political philosophies shape regulatory frameworks, institutional arrangements,

elements will continue to evolve – perhaps more rapidly than ever – and must respond to the politics of the day while also being stewarded with a long-term view.

Regulatory capability remains central to success. Today's regulatory leaders have an opportunity to harness the commitment and energy that already exists and to channel it into a more durable basis for sustainable improvement.

A practical way forward would be for the Ministry for Regulation, together with current leaders, to work with existing networks already active in New Zealand – such as the National Regulators Community of Practice and the Australasian Environmental Law Enforcement and Regulators Network – or to support the development of a New Zealand equivalent of the UK's Institute of

Regulation that is set up in a way that endures. Such an approach would not be tied to the responsibilities of any one agency or the ideology of any one government. Instead, it would support good stewardship and help ensure that regulation contributes to a thriving economy and society on a sustainable basis.

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