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Don't Build a Profession, Govern a System
rethinking regulatory capability

Abstract
For over a decade, New Zealand built regulatory capability without a central mandate to do it. That work laid real foundations, but it could never reach the leadership and governance where regulatory performance is decided. Training, common qualifications and practitioner networks have all played a part. Regulatory performance is shaped by many factors, including resourcing, statutory design, the political cycle and the capability of the workforce, and no single lever explains success or failure on its own. This article makes a narrower argument: that one lever, the regulatory leadership and governance that determines whether good practice is possible, has been harder to move than the others, and that the arrival of the Ministry for Regulation now provides a stronger platform for shifting it than earlier arrangements were able to. The case for investing in workforce capability is settled. The argument here is about what must travel alongside it.

Keywords regulation, capability, leadership, professionalisation, stewardship

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The appeal of the badge
'Professionalisation' is an appealing idea because it converts a hard problem into a delivery plan. Define the competencies, accredit the learning, stand up a pathway, count the graduates and report progress. It is tangible, fundable and relatively straightforward to show. That is a strength, not a fault. But it also means the most visible markers of progress tend to sit with the practitioner workforce, while the conditions that most shape regulatory outcomes sit higher up, with the leaders and boards who set a regulator's purpose, posture and culture.

Across New Zealand and Australia, a strong and largely constructive conversation has developed about building the regulatory profession, through training, credentials and community among practitioners (Manch et al., 2015; Leavoy, 2026). The better strands of that conversation already reach well beyond credentials, into stewardship, judgement and system care. This article does not argue against that project. It offers a complementary caution: that because credentials and training are the easiest part of capability to fund and measure, the harder and less visible work of leadership and governance can receive comparatively less sustained attention, even when everyone agrees it matters more.

It is worth drawing one distinction clearly. *Professionalising* regulatory work, lifting the knowledge, skills and judgement of the people who do it, is a legitimate and continuing need, and it is what New Zealand's prior regulatory capability initiatives have focused on. That is different from building a *profession* in the formal sense of a closed, licensed occupation, which would sit awkwardly with how regulatory authority is delegated through statute and organisation rather than held by individuals. The caution in this article is not about occupational closure. It is about the subtler risk that credentials come to stand in as the main proxy for a regulatory system's health.

The establishment of the Ministry for Regulation in 2024 reflects a recognition that capability initiatives, however good, needed a more permanent institutional home if their ambitions for system-level improvement were to be realised. It should also be acknowledged that both the ministry and the Regulatory Standards Act 2025 were established in a contested political environment, and views on each differ across the sector and along political lines. This article is concerned less with that debate than with a question that outlasts it: whatever regulatory oversight and quality institution endures, what makes a regulatory system perform?

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A fair account of what came before

New Zealand's history of capability work has laid real and lasting foundations from the start, and it is important to say so plainly. The Compliance Common Capability Programme, which took shape from 2008, set out to build a framework of qualifications across the full range of regulatory functions, and it deliberately engaged both central and local government. Crucially, it recognised early that improvement was needed not only at the front line but in the management and leadership of regulatory functions, and that qualified people in organisations that did not understand or follow good regulatory practice would not deliver sustainable improvement (Compliance Common Capability Programme, 2014).

What that programme lacked was not vision, but standing. It operated as a network, running on goodwill and the interest of a coalition of the willing, without a durable mandate or secure funding. Its architects understood this clearly. In its 2014 submission to the New Zealand Productivity Commission, the programme argued for a stronger footing than it could give itself, proposing some form of functional leadership model with a clearer mandate, stronger governance and broader leadership, and explicitly framed its interest as supporting lasting system-wide improvement by building on the work done to date (ibid.). Read now, that submission looks less like a confession of weakness than an accurate diagnosis, one that anticipated the case for the standing institution New Zealand would eventually build.

The Government Regulatory Practice Initiative (G-Reg), established in 2015 when regulatory chief executives agreed to oversee a shared practice initiative, carried this work forward (Manch et al., 2015). While G-Reg as a brand became synonymous with a qualifications programme, and the NZQA-recognised pathway was a visible achievement, its own framing was broader. The business case for the qualifications framework listed, among its benefits, the ability to monitor and exercise stewardship of regulatory capability at the agency and system level, and its authors were explicit that the benefits were 'not narrowly focused on well-trained staff, but rather on the development of a profession and the delivery of regulatory stewardship' (ibid., p. 74). In practice, G-Reg delivered masterclasses for the boards of regulatory organisations, convened communities of practice, co-funded a chair in regulatory practice, and promoted a shared regulatory language.

Seen this way, the story of the past 15 years is one of successive initiatives which understood the whole picture but lacked the mandate, scale and continuity of resourcing to act on it across many systems at once. They did the parts that a voluntary, thinly resourced network could do, and they said, clearly and early, what they could not. The fact that frontline capability advanced further than leadership and governance is a reason to give the latter more focused attention now, not evidence of any fault in the former.

There is a measurement asymmetry worth naming, because it shapes behaviour quietly and without anyone intending it. Training and qualifications are easy to count and report; changes in governance, decision quality and system design are slow, contested and hard to attribute to any single intervention. Capability was rightly recognised as one contributor to stewardship, including through G-Reg's representation in cross-government stewardship forums. The risk is not that anyone mistook training for stewardship. It is subtler: that the part of stewardship easiest to show, capability and credentials, can gradually come to stand in for the part that is hardest to do.

How the hard part gets deferred

The 2014 Productivity Commission inquiry famously described regulation as the 'poor cousin of government', attracting far less systematic scrutiny than fiscal policy and lacking a consistent discipline that forces maintenance of the regulatory stock (New Zealand' Productivity Commission, 2014). That framing needs care, to avoid overstating the case that regulation has simply been 'low-attention' work. The 2013 amendment to the State Sector Act made stewardship of legislation an explicit chief executive responsibility, and Treasury's 'Initial expectations for regulatory stewardship', later succeeded by the 2017 'Government expectations for good regulatory practice', were deliberate attempts to focus attention (Treasury, 2017).

The more accurate diagnosis is that attention was created on paper but not always converted into governed practice. A duty that sits in statute but not in the things ministers and the public service commissioner actively hold chief executives to account for will tend to lose ground to the deliverables that are measured. In that environment, capability that can be commissioned within a budget cycle will tend to move faster than capability that requires sustained senior ownership: clarifying trade-offs, funding stewardship, building feedback loops, and changing what 'good' looks like in performance terms. That is not a criticism of anyone's choices. It is an observation about incentives.

The Productivity Commission was also blunt about one consequence: too much of the system, it found, relied on the goodwill and commitment of dedicated individuals (New Zealand Productivity Commission, 2014). New Zealand's regulatory baseline has too often been sustained by personal effort compensating for institutional settings that were never quite finished. That is precisely the gap a standing steward exists to close.

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The evidence: capable people, unfinished governance

One of the clearest New Zealand cases is the 2019 review of the New Zealand Transport Agency's regulatory function, conducted after a widely publicised failure (MartinJenkins, 2019). The review found failures across the regulatory cycle and identified, as one contributor, a focus on providing a customer-based service when the primary role was to regulate. It pointed to internal framing in which customers purchased products or services and NZTA then regulated them as network users, and judged this a fundamental misunderstanding of the regulator's role at the point of entry and re-entry into the system.

These were largely leadership and governance failures rather than workforce failures. The review traced the drift to the top: senior leaders in the relevant group had been recruited primarily for skills in customer service and operations management, not regulatory management or practice, and regulatory issues and risks had low visibility at both the executive and board levels, with little proactive challenge until late in the period. Tellingly, staff at lower levels often held genuine regulatory expertise, but their voice was not always heard at the executive level, and at one point there was no representation of the regulatory function on the executive team. The capability largely existed. What was missing was a governance setting that valued and acted on it.

The Royal Commission on the Pike River Coal Mine Tragedy reached an institutional verdict under far graver circumstances, deliberately broadening its scope to the wider functions, structures and strategies within which regulation occurred. It attributed ineffective regulation to a lack of national leadership, the absence of shared governance responsibility, and insufficient focus and expertise, especially at senior levels (Royal Commission on the Pike River Coal Mine Tragedy, 2012). New Zealand's response was not a training programme; it was a stand-alone regulator, WorkSafe, established on the commission's recommendations.

Both cases point in a similar direction. Durable improvement comes less from goodwill and more from exposing boards and chief executives to performance expectations and incentives aligned with public objectives. The Productivity Commission anticipated this, calling for a senior minister with clear responsibility for the regulatory system, backed by strengthened central-agency support (New Zealand Productivity Commission, 2014). Notably, this echoed what the regulatory capability community itself had asked for: the Compliance Common Capability Programme's 2014 submission proposed a functional leadership model tied to a responsible minister and to stronger accountability and system-wide review (Compliance Common Capability Programme, 2014). A decade later, the creation of the Ministry for Regulation as a central agency is materially consistent with both.

Why this time could be different

A leadership-first reader is entitled to be sceptical, because leadership and governance have been the stated answer before. The 2013 stewardship duty in the State Sector Act and the 2017 government expectations both aimed to shift senior incentives, yet produced only modest and uneven change. Cross-government stewardship groups yielded limited observable improvement, though it is fair to note that progress was rarely measured against clear outcome measures rather than activity, which is itself part of the problem this article describes. Attention tended to spike after each scandal and fade as fiscal and political priorities reasserted themselves. Any honest case for a leadership-first approach has to answer the 'this time is different' challenge rather than assert it.

Part of that challenge is structural. Stewarding a regulatory system requires cross-silo collaboration, yet the machinery of government can pull the other way. The Public Service Act gestures at collective responsibility, but the Public Finance Act still strongly shapes chief executives' incentives, rewarding them for managing their own agency's exposure and treating dependence on agencies they do not control as a risk to be minimised. A stewardship duty that asks leaders to act across boundaries, without changing what they are funded and judged on, will tend to lose to the appropriation. This is why leaders need not just permission but active support to make system-level choices, and why exhortation alone has never been enough.

So what is different now? Three things, in combination, that were not all present in earlier rounds:

A standing central agency rather than a programme

Previous efforts were largely initiatives: hosted, time-limited and dependent on a coalition of the willing, exactly as their own architects observed. The Ministry for Regulation is a dedicated government department and central agency with a system-wide mandate, a budget and an institutional interest in continuity across electoral cycles. A programme has to justify its survival each year; an agency has to be actively dismantled.

A statutory anchor

The Regulatory Standards Act 2025 raises expectations of how regulation is developed and amended and improves understanding of the existing stock and how systems operate over time (Ministry for Regulation, 2026). Where earlier expectations were Cabinet statements a future Cabinet could set aside, a statutory framework creates more durable obligations and a clearer line of accountability.

> The value of a permanent steward with a statutory mandate is that it can keep drawing the system back towards a citizen-centred perspective, towards outcomes and impact, and towards sensible innovation.

A citizen-centred, system-of-systems view

The ministry's first stocktake of the regulatory landscape deliberately starts from how people actually experience regulation, as a single system that either works or gets in the way, rather than from the government-centric view of discrete agencies and statutes (Ministry for Regulation, 2026). When each agency is the unit of account, the space between agencies, where citizens and businesses often get stuck, or left behind, belongs to no one. Starting from the citizen's experience makes those gaps an explicit object of stewardship.

None of this is self-executing. The underlying idea is simply that a permanent steward, equipped with a statutory standard and a shared, citizen-centred picture of the system, can do what episodic programmes could not: keep the governance question on the table after the post-scandal attention fades, and give ministers and chief executives a reason, and a measure by which, to treat stewardship as a real deliverable. That is a hypothesis, not a guarantee. But it is a materially stronger position than any previous round was given, and it builds directly on what those earlier rounds began.

What a leadership-first approach changes

A leadership-first approach shifts the emphasis from improving individuals within existing systems to improving the systems within which individuals work, building on the capability foundations already laid rather than replacing them. It recognises that regulatory system capability is produced, in large part, by leadership and governance choices about purpose, operating model, incentives and feedback. In practice, five shifts follow.

1. Make regulatory purpose and trade-offs explicit, in strategy, operating model and policy settings, so that staff are not left to infer priorities from throughput metrics or a 'customer' narrative. When an operating model states plainly that public safety comes before transactional speed, frontline staff are not left to infer that enforcement is somehow a failure of good service.
2. Appoint and develop regulatory leaders as leaders of practice, not as generic delivery executives, and support boards to interrogate regulatory performance as a core governance duty. This turns today's capable practitioners into tomorrow's regulatory leaders.
3. Pool scarce expertise instead of spreading it thinly. Deep regulatory skill is rare, and asking every agency to build its own from scratch wastes it, especially in small regulators. A permanent system steward can give the mandate and reach that previous voluntary networks could not.
4. Check whether regulation is actually working, not just whether the agency is busy. Counting inspections, licences and prosecutions tells you the agency is active. It does not tell you the harm being prevented or that the burden on the public is reasonable. Leaders need to ask what the regulation is achieving, what it is costing people, and what should change as a result.
5. Use the centre to join the system up and reduce agencies working at cross purposes. Each agency has an incentive to look after its own patch. A system

central steward can help set clear roles, broker the coordination no single agency will lead, and address the funding and accountability rules that quietly discourage collaboration.

There is a deeper point folded into the fourth shift, because it is where capability and governance meet. The hardest thing for any regulator to see is the harm that did not happen and the burden that was never recorded. Good regulation is often invisible: the collapse averted, the unsafe operator deterred, the market that simply functions. Activity counts capture none of this, and a system that manages only what it counts will tend to drift towards the measurable and away from the material. The capability to reason about non-events, about risk, proportionality and intangible cost, cannot be acquired through a certificate alone. It is exercised through judgement, and judgement is shaped by what leaders ask about, reward and protect. This is why a leadership-first approach is not anti-capability. The most sophisticated capability a system can hold, risk-based judgement under uncertainty, only survives where governance makes room for it.

Conclusion: capability is designed, not just trained

Capability, according to this view, is not simply something individuals are trained to hold. It is something designed into a regulatory system through the choices leaders make about purpose, governance, incentives and feedback. The question that follows is less about whether individual regulators are sufficiently skilled or credentialed, and more about whether regulatory systems are being actively led, governed and stewarded in ways that let good practice emerge and endure. New Zealand’s experience suggests that durable improvement comes from leaders taking responsibility for the architecture within which regulatory judgement is exercised, and being held to account for it.

There is a fair challenge to this. The more the Ministry for Regulation must step in, running reviews and choosing which problems to tackle, the more it reveals that agencies are not yet stewarding their own systems as a matter of course. Mature stewardship would see leaders keeping their own systems fit for purpose as ordinary practice, without needing the centre to step in. That is exactly the point. The ministry’s role is not to catch the fish, but to help agencies build the rod: the tools, leadership focus and accountability to steward their systems themselves. On this reading, it should keep actively supporting the learning, standards and connection that prior capability initiatives pioneered, while tipping the balance of its own distinctive effort toward system leadership. The measure of success is not how many reviews the centre runs, but how few it eventually needs to.

None of this has been, or will be, easy. Understanding of stewardship obligations tends to mature slowly, through trial and error, and there is a risk that as agencies come to understand their duties they also learn to manage them down. The value of a permanent steward with a statutory mandate is that it can keep drawing the system back towards a citizen-centred perspective, towards outcomes and impact, and towards sensible innovation. Where the conditions of good governance are present, professionalism and learning take root and matter enormously. Where they are absent, even the most capable workforce will struggle to deliver outcomes the public can trust. Invest in the practitioners, as New Zealand rightly has and should continue to do. But give equal and sustained attention to holding leaders to account, because without that, much of the rest will struggle to hold.

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