Regulatory institutions and practices inquiry

The Government asked the Productivity Commission to conduct an inquiry into improving the design and operation of regulatory regimes, given the importance of good regulation to the wellbeing of New Zealanders.

This inquiry focussed on better understanding what good regulatory institutions, practices and system management look like in the New Zealand context and on ways to improve them.

The problem

Regulation can go wrong

Common themes in 18 disaster reports from New Zealand and around the world.

- Poor role clarity
- Weak governance, culture and leadership
- Complex regulation
- Obsolete regulation
- Inadequate resources
- Insufficient oversight
- Failures of implementation

Regulators have weak leadership and poor culture

Fewer than ¼ of central government regulatory workers agree that “the management systems in this organization encourage people to challenge poor practice”

Regulatory workers are not sufficiently skilled

10,000+ workers

How can we improve regulation in New Zealand?

– System thinking

The most important actions:

- Stronger ownership and leadership from the centre
- Better coordination of the whole system
- More front end quality assurance
- Professionalisation of the workforce
- Evaluation and feedback loops to design

Results

Improving capability / guide for designing new regimes

The Compliance Common Capability Programme is using the report to improve the capability of regulatory staff across all regulatory regimes.

Guide for designing new regulatory regimes

The Ministry of Health is finding the report valuable in the design of a new therapeutics regime.

The Government is considering the recommendations and preparing a response.