

Engineers work across many systems, including local government, resource management, building consent and Three Waters. These systems are failing to deliver optimal outcomes. We know this Government will need to manage the legacy of system failure and change is needed to improve outcomes. We offer our support as Government works through options.

Governments often drive structural change to deliver better systems. However, this is only one way to improve outcomes. In this briefing we discuss the leadership needed from central government regulators, how system reform can be driven through local government, and some high-level positions on the Three Waters, resource management and building consent management systems.

## Central Government leadership

The systems we work in need strong and mature central government leadership from central regulators.

This leadership involves:

- collation of reliable, high-quality information from regulated entities
- evidence based interventions
- clear understandings of roles and responsibilities
- suitable procurement terms and conditions
- appropriate resourcing
- accountability.

Throughout the reform work of the previous Government, we encouraged ongoing reviews of roles, responsibilities and accountabilities. These have been lacking and our natural and built environments have suffered for it.

We believe further change is required and continue to advocate for change that delivers better systems, and better outcomes, for New Zealanders.

## Start local

We have supported reform across the resource management system, building consent system and Three Waters system because the status quo is failing – all of which are managed by local government. The local government system is fragmented, complex and confusing, with 78 local government entities across New Zealand (city councils, local councils and regional councils). The system leads to inefficient and inequitable outcomes. When considering the future of the reform work programmes, we encourage Government to start with local government, reviewing its structure, as well as the roles, resources, and accountabilities between local and central government. If the structure was improved (for example consolidation of local government entities) and the roles, resources, and accountabilities across government better managed, some of the challenges existing in the resource management system, building consent system and Three Waters system would resolve.

## Additional considerations

This briefing will not discuss each system in depth. Instead, we welcome discussions with Ministers on matters raised. For reference, previously Engineering New Zealand has submitted on key reforms as follows:

- **Three Waters reform:** We support the need for water reform, for a central regulator and for the consolidation of water entities. We note Water New Zealand has put forward calls for a Minister for Water. We support the introduction of this portfolio, given the scale of the Three Waters crisis and the need for senior leadership and accountability.
- **Resource Management Act reform:** When introduced, the current RMA was world-leading legislation. Times have changed and the Act has not kept pace with global precedent. This has impacted New Zealand's economic development and the health of our natural environment. We support the centralisation of environmental limits, with appropriate cautionary provisions, as was introduced in the Natural and Built Environment Act. We support clarification of the principles of New Zealand's resource management and how these are governed and applied. We support reforms including clear mandates on climate change and the leading role of tangata whenua in this system.
- **Building Consent System reform:** We support ongoing reform of the building consent system, advising caution on the outcomes sought in this work. While speed, agility and competition can enable systems, they must not be at the cost of quality. Good quality outcomes are critical for the economy. Engineering New Zealand recently published a report Quality issues in the building system – overcoming inadequate structural engineering design. This report highlights our concerns with the current outcomes of the system.

## Next steps

We welcome a discussion with Ministers on the following, at your convenience:

1. **Opportunities for central government to play a stronger leadership role:** Central government (Ministry for the Environment, Ministry of Business, Innovation and Employment and the Department of Internal Affairs) drive the performance of systems. We know where more data is needed, where there is opportunity for leadership, how performance can be improved across government and industry, and where regulations, standards and guidance can be improved to support better outcomes.
2. **Opportunities to strengthen local government:** Local government has a challenging role in overseeing and ensuring compliance of current systems. We know where the challenges exist and have ideas on opportunities to address these. Some challenges are structural, while others are policy/guidance based. For example, in the building system, a review of liability settings would change behaviour and outcomes.