



**Ministry for Regulation
Te Manatū Waeture**

Quality Assurance of Regulatory Analysis Summaries

Guidance Note

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1. Introduction

The Ministry for Regulation has developed guidance on the quality assurance process for Regulatory Analysis Summaries to support Cabinet’s regulatory policy decisions.



The purpose of quality assurance (QA) is to provide an independent view on the extent to which Cabinet Ministers can rely on the information and analysis in the Regulatory Analysis Summary (RAS) to help them make an informed decision on the regulatory proposal. The RAS template is available on the [Ministry for Regulation’s website](#) and replaces the old Regulatory Impact Statement (RIS) template.

Quality assurance is the process which ensures that officials’ advice to Cabinet is robust, well-evidenced and thorough, even when it is subject to constraints.

Before the Regulatory Analysis Summary is lodged with the Cabinet paper, Cabinet requires that an independent panel assesses the RAS against the QA criteria provided by the Ministry for Regulation.

The panel provides a final QA statement, which includes an assessment and an associated overall rating (i.e. ‘meets’, ‘partially meets’ or ‘does not meet’ the criteria). The final QA statement is included in the RAS and in the Impact Analysis section of the Cabinet paper.

The RAS should be independently quality assured before final advice is provided to the portfolio minister for submission to Cabinet. If a RAS is not quality assured before it is lodged with the Cabinet paper, then it will be subject to the process for proposals with non-compliant impact analysis (see [The Regulatory Analysis Summary Process – Guidance Note](#)).

If you have any issues or queries about the QA process, please contact the Ministry for Regulation’s mailbox: RMS@regulation.govt.nz.

Link to the Regulatory Standards Act

The panel’s QA statement for a regulatory proposal can also be a helpful input when an agency later assesses the consistency of legislation drafted to give effect to a regulatory proposal with the principles of responsible regulation, particularly those relating to good law-making.

Purpose

The purpose of this guidance note is to set out for RAS authors and QA assessors what the Ministry for Regulation considers to be a good process for the quality assurance of RASs when implementing Cabinet's QA requirements (refer [Cabinet Office Circular CO \(26\) 2](#) (paras 25-27)).

The Ministry for Regulation has responsibility for oversight and coordination of the regulatory impact analysis system, which includes confirming QA arrangements for regulatory proposals and providing guidance for agencies on how to implement Cabinet's QA requirements. There is scope for some variation in how agencies operate their QA panels depending on the circumstances (i.e. the agency's size, QA capability and type of regulatory proposals), as long as Cabinet's requirements are met. However, the assessors must be independent and use the QA criteria outlined in this guidance.

This guidance note covers:

- The QA process, who should undertake QA, and what it involves
- How assessors should apply and balance the QA criteria
- Preparing the QA statement for inclusion in the Cabinet paper and RAS
- The process for moderation and review
- Some additional material for QA assessors is also provided in the appendices
- Appendix one: Types of RASs and approach to QA
- Appendix two: A quick guide to QA for assessors
- Appendix three: Frequently asked questions about the QA process.

2 The quality assurance process

Why independent quality assurance is undertaken

The Cabinet Office Circular *Expectations for Good Law-Making (CO (26) 2)* requires that independent QA is undertaken on all RASs. The purpose of independent QA is to advise Cabinet on whether it is making decisions based on the best possible advice. It does this by requiring that appropriate people (who are not responsible for and have not been involved in the policy process for the proposal) have considered whether the analysis and information summarised in the RAS are of a sufficient standard to properly inform the decisions being taken. This independent assessment is summarised in a formal QA statement in the RAS and included in the Cabinet paper which the RAS accompanies.

Link to the Regulatory Standards Act

As noted earlier, the panel's QA statement for a regulatory proposal can also be a helpful input when an agency later assesses the consistency of legislation drafted to give effect to a regulatory proposal with the principles of responsible regulation, particularly those relating to good law-making.

Who should undertake quality assurance

The Ministry for Regulation's RIA team determines who will be responsible for QA after considering the information the RAS author provides through [RIA Online](#) about the agency's processes and the particular proposal. The Ministry considers a range of possible arrangements for carrying out QA.

Quality assurance may be undertaken by a/an:

- internal QA panel within the agency
- inter-agency QA panel with people from several agencies
- joint Ministry for Regulation and agency QA panel
- individual assigned as the QA specialist, who may be from inside or outside the agency (especially in the case of smaller agencies).

QA arrangements are determined by the RIA team. Whether the Ministry for Regulation is involved in a joint panel is guided by the following criteria:

- **Whether the proposal is significant.** The potential impacts and how it fits with the Government's strategic priorities.
- **Whether the Ministry for Regulation can add value through QA.** This depends on other factors such as the strength of the agency's regulatory stewardship, the robustness of the planned policy process, the agency's policy capability, and the level of risk and uncertainty.

QA panels are usually made up of three people – including one panel chair. The agency's CE nominates or delegates a person or group to select the QA panellists. When selecting people to provide QA, the agency must ensure that it is done by a person or group not directly involved in the policy process for the proposal. The following factors also should be considered in the selection process:

- QA assessors should have suitable capability – including a thorough understanding of Cabinet's impact analysis requirements, and sufficient experience and expertise in policy analysis.
- There is some flexibility in relation to sign-out of the QA Statement depending on the agency's internal processes. The statement may be signed out by the QA panel chair where they are sufficiently senior to have sign-out authority on behalf of the agency. Alternatively, some agencies have a sign-out process that involves a manager who is not on the panel and has oversight of the QA processes.
- A certain level of independence is required. The person providing QA should not be a member of the same team that has prepared the RAS or otherwise involved in the policy process. In smaller agencies where this is not possible, panel members could potentially be drawn from the same team that developed the policy, but clear boundaries must be maintained, and the panel members must not be involved in the policy process. Alternatively, these smaller agencies may need to outsource QA to ensure independence.

Many agencies have standing QA panels from which individuals may be assigned to take on responsibility for specific cases. Some agencies may not have QA capability themselves and may have an arrangement with a larger agency for help in such cases.

If your agency does not have QA capability, you can contact the RIA team for assistance with setting up QA arrangements for individual cases. However, if your agency is likely to produce more than two RASs per year on an ongoing basis you should consider a more permanent arrangement. The RIA team can provide advice on establishing a panel.

If a permanent internal panel is not possible, another option is to identify a pool of experienced people to draw on, on an *ad hoc* basis. This pool could include people from other agencies.

Agencies can suggest and/or enlist a panel member from another agency. The RIA team can help to facilitate this.

Outsourcing independent QA from a private sector consultant or subject matter expert (e.g. academic) may be appropriate for some large or complex pieces of work, or for small agencies where conflicts of interest are difficult to avoid. In these circumstances, it is important that the assessor is familiar with Cabinet's impact analysis requirements and the QA criteria. Depending on the circumstances, this could be a single person or part of a three-person panel.

Maintaining effective quality assurance

Senior management buy-in and support is essential to the credibility and effectiveness of a robust QA process.

A high level of awareness and understanding throughout the agency about Cabinet's impact analysis requirements, the role of assessors and the QA process is important to ensure all RASs are independently assessed to a consistent and robust standard. The QA process should be documented and communicated across the agency to people involved in developing and implementing regulation.

Having the impact analysis framework embedded early as part of the generic policy development process can enable the RAS to be drawn together more easily and in a concise form. This will help lift the overall quality of analysis and enable the requirements to be met.

3 What quality assurance involves

Assisting, reviewing and assessing

There are three aspects to quality assurance of the RAS: (1) assisting, (2) reviewing and (3) formal assessment. Even if the same people are involved, the assisting function should be kept separate from reviewing and formal assessment. The level of panel involvement will depend on a range of factors including the number of iterations required and the time available. This is illustrated in the following diagram.

Table one - Degree of QA involvement

Assisting (Voluntary)	Reviewing (Voluntary)	Formal Assessment (Mandatory)
<p>Agency’s panel coordinator/ QA assessors/ RIA team</p> <p>Advice on Cabinet’s impact analysis requirements and how they should be built into the policy work, including suitable analytical frameworks.</p> <p>Explaining what the assessors will be looking for (nature and depth of analysis).</p>	<p>QA assessors</p> <p>Comments on draft RAS (at least one iteration).</p>	<p>QA assessors</p> <p>Formal QA of RAS submitted to Cabinet for in-principle or intermediate policy decisions (including decisions that discard alternative options).</p> <p>Formal QA of final RAS submitted to Cabinet.</p>

Assisting with RIA

If the RAS author needs advice on the regulatory impact analysis process, they should contact the RIA team or their QA panel coordinator in the first instance, who may put them in touch with the assessors assigned to their RAS. However, this is voluntary, and the approach may vary across agencies depending on whether the agency has a QA coordinator and established panel.

QA assessors may be asked to be involved earlier in the policy process to assist in lifting the quality of the analysis in the final RAS, and ultimately the regulatory proposal itself. This is a separate process from the review and formal assessment of the RAS.

The assistance role can involve engaging at key points in the process. The assessors might provide advice at the outset of the policy development process on:

- how impact analysis could be built into the policy work, including suitable analytical frameworks and tools, and
- what the assessors will be looking for in terms of the nature and depth of impact analysis and the extent of evidence on the problem, impacts and risks.

Reviewing the draft RAS

In a typical RAS QA process, the RAS author will provide a draft RAS to the assessors for feedback prior to the formal assessment. The draft RAS should be in a good state with all the sections completed. The panel's feedback can assist the RAS author to refine and produce a good quality RAS prior to the formal assessment. It is good practice for the author to seek at least one round of feedback on the draft RAS. However, this is not mandatory.

It is usually helpful if early comments are as comprehensive as possible, to avoid raising substantive issues late in the process. The assessors should take care to preserve the independence of their formal QA assessment by focusing on the nature and quality of the impact analysis rather than the features of the proposal.

The assessors' comments should relate to the substance of the analytical methods employed and the analytical process (including consultation), looking to the nature and level of information that will need to be presented in the final RAS. Areas of focus may include:

- the extent of evidence on the nature and size of the problem, and likely impacts,
- the analytical framework and techniques including whether an established methodology (e.g. market analysis or cost benefit analysis) will be employed,
- analysis of the range of feasible options
- identification and assessment of costs, benefits and risks,
- the distribution of the impacts,
- the nature and quality of the consultation process, and
- whether there is evidence of a viable implementation plan.

It can be useful for assessors to provide an indication as to the likely final assessment, highlighting any areas that require further work (and what the specific gaps are) so that effort can be focused on these main areas.

As well as offering to meet with the RAS author to discuss the comments, the assessors should also provide a written summary of their combined comments. Written feedback can be helpful for authors as well as fulfilling the agency's obligation to maintain public records.

Assessing the RAS (Mandatory)

The core role of the QA assessor involves assessing the final version of the RAS. In practice, the boundary between reviewing and assessing can be fluid. However, when the assessors receive the final RAS, they need to switch roles from reviewing to assessing. Formal assessment of the final RAS is a mandatory requirement. The assessors assess the overall quality of the RAS using the QA criteria in this guide.

Formal assessment is required for RASs provided for final policy decisions, as well as those that are to be submitted to Cabinet to support any in-principle or intermediate policy decisions. However, the QA for interim RASs needs to be tailored to the circumstances. This includes considering the stage of policy development, the nature of the decision being sought, and the level of analysis possible. At early stages of the policy process, it may not be feasible to prepare a comprehensive RAS, so the QA assessment needs to reflect these constraints.

Both the QA assessors and the people responsible for the preparation of the RAS should be clear that the assessors are concerned solely with the quality of the underlying analysis and its presentation in the RAS. The role of assessors is not to assess the merits of any policy options considered in the RAS – they do not provide a view on whether the proposal is a good idea.

Link with the Regulatory Standards Act

Given the alignment between the QA criteria and the good law-making principles in the Regulatory Standards Act, the panel's conclusions are likely to be relevant to the agency's later assessment of the consistency of drafted legislation that gives effect to the proposal.

In practice, it can sometimes be hard to draw a firm distinction between the quality of the RAS and the quality of the proposal. Essentially, the assessors need to determine whether Ministers have enough information of sufficient quality to make an informed decision.

Quality assurance criteria

The assessors are required to use the following criteria to quality assure the RAS.

Complete

- Is all the necessary information in the RAS, as set out in the relevant template with links / references to supporting evidence where appropriate?

Convincing

- Is the analysis proportionate, accurate, robust and balanced?
- Are the analysis and conclusions supported by the analytical framework, and commensurate assessment of costs and benefits, distributional impacts and supporting evidence?
- Do the assumptions make sense?

Consulted

- Does the RAS show evidence of efficient and effective consultation with stakeholders, key affected parties and relevant experts?
- Does it show how any issues raised have been addressed or dealt with?

Clear and concise

- Is the material communicated in plain English?
- Is the RAS of an appropriate length?

The same QA criteria are used regardless of the type of RAS (i.e. interim RAS, final RAS or cost recovery), the template used for the RAS or who independently assesses it. The different types of RASs and the approach to QA are outlined in appendix one.

Guidance on how to balance and apply the RAS QA criteria is provided in the next section on *How to do Quality Assurance*.

Background material can inform the QA process

As the RAS is a summary of the analysis with a 20-page limit (including appendices), the QA assessors may ask for additional material to test statements made in the impact analysis. If there are assertions in the RAS without evidence, the assessors may want to explore underlying material supporting that assertion. For example, they may wish to view evidence that has been cited in links or referenced such as:

- briefings and reports to Ministers
- legal advice on the risks to Government associated with the options
- the range of options considered for different components of the system where there is a complex legislative reform, such as repeal and replacement of a current legislative regime.
- assumptions and calculations underlying the cost benefit analysis (including any modelling), and
- the summary of stakeholder submissions.

The QA assessors need to know what the Cabinet paper is asking Ministers to decide (i.e. what the nature of the recommendations in the Cabinet paper are), so they can assess whether the decisions sought are adequately supported by the accompanying impact analysis. The Cabinet paper should be provided with the RAS and if not, the assessors should request a copy.

Sometimes the author is not able to provide the Cabinet paper, or it has not been drafted at the time the RAS is being quality assured. The inability to provide the Cabinet paper at the time of QA is not an issue in itself (i.e. it does not necessarily indicate a flawed process). However, if the panel is unable to understand the content of the RAS without reading the Cabinet paper and this issue is not remedied by the final assessment, then the panel should note this in the QA statement.

4 How to do quality assurance

Balancing the criteria and assigning a rating

When undertaking the assessment, the QA assessors need to balance/weigh the four criteria to assign an overall rating as to whether the RAS ‘meets’, ‘partially meets’ or ‘does not meet’ the criteria. The QA statement then needs to explain the key matters that have informed the overall rating.

Table two – Quality assurance ratings

Does not meet	<ul style="list-style-type: none">• The RAS has:<ul style="list-style-type: none">○ a major deficiency in a key component/dimension or○ falls short of the standard on two or more dimensions• The deficiency or deficiencies should be highlighted and explained. The assessors may make a recommendation as to how the deficiency or deficiencies could potentially be addressed.• A ‘does not meet’ rating is a judgement that the RAS does not contain sufficient information and analysis to allow Ministers to make a properly informed decision.
Partially meets	<ul style="list-style-type: none">• Meets the quality standard on most dimensions. However, it falls short of the standard on one dimension (but it is not a major deficiency).• The key deficiency should be highlighted and explained. The assessors may make a recommendation as to how the deficiency could potentially be addressed.• A ‘partially meets’ rating is a judgement that there are deficiencies in the information and analysis provided. But, if Ministers are made aware of that, take that into account and are willing to take a risk in the circumstances, they should still be able to make a reasonably informed decision.
Meets	<ul style="list-style-type: none">• Meets the quality standard across all dimensions, however there may still be scope for comment on what has been done well and what could have been done better.

A major deficiency related to any one of the QA criteria can be enough to justify an overall ‘does not meet’ rating. However, this depends on the context and nature of the decisions being sought. For instance, if a Cabinet paper is only seeking high-level in-principle decisions with the promise of further work that could potentially see those decisions revisited, there may be a greater degree of tolerance for gaps in the analysis relating to some criteria, such as ‘consulted’.

The length of the RAS should not exceed 20 pages, and agencies will be expected to have a strong justification for a departure from this expectation.

The depth of analysis should be proportionate to the significance of the proposal. For example, if it is a complex regulatory reform with significant impacts on parties, then for the RAS to meet the ‘convincing’ and ‘complete’ criteria a full cost benefit analysis would be required. Also, it is best practice for authors to include links and references to supporting evidence and analysis (i.e. briefings and reports to Ministers) to show how the agency has reached its conclusions for transparency purposes. However, a RAS for a relatively simple regulatory change may be shorter with less sophisticated impact analysis and be assessed as meeting the ‘convincing’ and ‘complete’ criteria, without the assessors requesting supporting evidence.

In all cases, the analysis should be accurate, robust and balanced. If there is not a clear analytical framework and it has not been consistently applied, then the conclusions are not likely to be supported by the analysis in the RAS. In such cases, the ‘convincing’ criteria would not be met, and the RAS should be assessed as ‘does not meet’ the QA criteria.

The effect of limitations and constraints

External limitations or constraints can have a significant impact on the quality of the analysis presented in the RAS and may affect an assessment against the QA criteria. Examples of such constraints could be:

- a lack of relevant, quality data or other forms of evidence,
- limited options due to direction from the portfolio minister or prior government decisions or commitments,
- timing and confidentiality,
- a lack of time for consultation, or
- not identifying the correct groups/stakeholders

Judgement is required when factoring any limitation or constraint into an assessment of the quality of analysis. The key issues for the QA assessors to consider are as follows:

- Has the limitation or constraint been explicitly disclosed?
- Could the limitation or constraint have been avoided?

- Is the limitation or constraint on the analysis such that it impairs the capability of Cabinet to fully rely on the analysis and make a decision?
- What might be done to address the limitation or constraint? If this appears to be possible, the panel could consider including a recommendation to address the issue in the QA statement.

Authors should use the ‘Limitations and Constraints’ section of the RAS to clearly set out important limitations and constraints that have affected the analysis presented in the RAS. Knowing that a limitation or constraint exists, and why, can itself help Ministers make more informed decisions because they can factor that into their decision-making.

The nature and circumstances of the limitations and constraints should determine whether they affect the QA rating. The assessors need to consider:

- Whether the constraint is a genuine analytical constraint and whether it was reasonably possible to overcome it.
- The context of the decisions being taken (e.g. whether they are in-principle or final policy decisions).

Examples of constraints and how they can potentially impact on the QA rating

- ***A lack of relevant data or other forms of evidence.*** If relevant data doesn’t exist and/or cannot be generated, then, if disclosed, this should not affect the QA rating as Ministers would have all the information that is reasonably available to inform their decision.

If the data is absent due to lack of time to review it and build it into the analysis, then this is considered avoidable and should factor into the QA decision. However, this could be mitigated to some extent by a commitment to obtain or collect relevant data to update the analysis ahead of finalising the planned change.

- ***The portfolio minister has directed that analysis be undertaken only on particular policy options (and other feasible options are taken off the table prior to the preparation of the RAS).*** Even if a Minister(s) has requested analysis of a specific subset of options, it is best practice to include the wider range of feasible options in the RAS. If normal options analysis is not possible, the assessors may state whether the analysis is as good as could be expected. However, given these constraints, the RAS can only be rated as ‘does not meet’ or ‘partially meets’ at best against the QA criteria. In such a situation, the RAS should also identify the alternative options that the author would have analysed, if they had been able to consider the full set of feasible options.
- ***The limitations appear to stem from Ministerial decisions about timing or confidentiality, rather than being a result of the nature of the proposal and current state of reasonably available knowledge. Therefore, these limitations could have been avoided.*** The issue is not whether officials could overcome the limitations, but whether Government could. If Government has choices about the timing of its policy decisions

(and possibly stakeholder input) and chose to take a decision without full information or analysis, this should be reflected in the rating.

These limitations should be clearly acknowledged in the RAS. This means Ministers are more aware of the nature of and risks associated with their decision. However, acknowledging limitations is not sufficient to upgrade the rating, as Ministers could choose to take a decision with more complete information and analysis. The only case for providing a higher rating with these limitations would be where the decision had to be taken urgently and could not be postponed.

- ***A lack of consultation, or consultation which hasn't involved the right groups/stakeholders*** should be acknowledged in the Limitations and Constraints section and reflected in the overall rating of the RAS. Consultation on the problem definition and range of options is an important part of the impact analysis process and is one of the key quality assurance criteria. The following section outlines how to exercise judgement and assign a rating when there is no or only partial consultation.

Sometimes these limitations and constraints are outside the agency's control. While the constraints may impact the quality rating, this doesn't necessarily reflect poorly on the work undertaken by the RAS author. The QA assessors need to be mindful of this.

Applying the quality assurance criteria

This section outlines the key issues that the QA assessor needs to consider when assessing whether the RAS meets each criterion. As outlined in the previous section, the assessor needs to exercise judgement when considering whether the criteria have been met on balance.

Complete

Complete

- Is all the necessary information in the RAS, as set out in the relevant template with cross references to supporting evidence where appropriate?

As the RAS should not exceed 20 pages, to meet the 'complete' criterion the author may provide links and references to supporting evidence, especially for more complex proposals. If an assertion is made without evidence in the RAS, the QA assessor may want to explore underlying material supporting that assertion.

The prompts in the template are intended to be used as a guide – some will be more applicable than others depending on the nature of the proposal. Therefore, it is not necessary for the RAS author to address all the prompts.

However, all sections of the relevant template must be filled in and contain an appropriate level of analysis that is relevant and coherent.¹ This requires that no template numbered question is left blank. If the answer to a numbered question is ‘not applicable’, the author needs to clearly explain why that is.

If one of the sections is not completed, it is unlikely that the RAS meets the requirements (i.e. ‘partially meets’ or ‘does not meet’, depending on how badly the section falls short). If two or more sections are not satisfactorily completed it is likely that the RAS does not meet the requirements.

To meet the required standard for ‘complete’ the RAS needs to match the scope of the recommendations in the Cabinet paper. The RAS needs to cover all substantive issues for which decisions are being sought in the Cabinet paper. The assessor should check that the RAS contains sufficient analysis to inform the decisions Ministers are being asked to make in the Cabinet paper.

There are different expectations depending on the stage in the process (i.e. whether the RAS is for an in-principle or final policy decision). The assessor should consider this when assessing whether the impact analysis is ‘complete’. For example, an in-principle decision relatively early in the policy process would not be expected to have a detailed cost-benefit analysis in order to be considered ‘complete’.

¹ Impact analysis must be presented using the standard RAS template provided by the Ministry for Regulation. In some rare situations, departures from, or variations to, the standard template may be appropriate.

Table three - What assessors should consider for different stages in the process for applying the ‘complete’ criterion

Variations	Considerations for assessment
Interim RAS	At the early stage in the policy process, the costs and benefits, distributional impacts, implementation, monitoring and review details may not yet be clear. Consultation may not have yet been undertaken. While all the sections of the RAS template should still be filled out, assessors should be somewhat forgiving of analysis which needs further expansion, so long as the authors have appropriately acknowledged this. In the QA statement, the assessors should acknowledge any limitations identified by authors and note any areas where the analysis needs further development.
Final RAS	The approach to the analysis of the costs and benefits, distributional impacts (where appropriate), implementation, monitoring and review needs to be adequately covered. Because the implementation work has often not yet been done at this stage, the focus in that section can be anticipatory. Only a brief report is required on the implementation plan as there is an opportunity to provide more detail in the next stage of the process when the CAS is being developed.
RAS split into multiple stages	There will have been more time to do the implementation work and therefore the ‘Implementation’ section in the final RAS should be more in-depth than for a standard final RAS. However, there will also be an opportunity to provide more detail on the implementation plan at the same stage the CAS is being prepared.

At the stage where Ministers are making the policy decision, the implementation detail is generally still being developed. Agencies should at least provide a brief report on the implementation plan to provide assurance that the preferred option can be delivered successfully. This should include an explanation of how any implementation risks will be managed. The implementation risks and possibility of unintended consequences are likely to be higher where the preferred option involves some novel regulatory features.

Link with the Regulatory Standards Act

It is expected that the implementation plan will be further developed by the time the drafted legislation is considered by the Cabinet Legislation Committee (noting that the CAS accompanying legislation subject to consistency assessment requirements will need to identify any inconsistency with the good law-making principle relating to planning for implementation – see section 9(k) of the Regulatory Standards Act).

The Monitoring and Review sections can reference planned stewardship and review activity as relevant, reflecting obligations under the Regulatory Standards Act.

Convincing

Convincing

- Is the analysis proportionate, accurate, robust, and balanced?
- Are the analysis and conclusions supported by the analytical framework, and a commensurate assessment of costs and benefits, distributional impacts and supporting evidence?
- Do the assumptions make sense?

It can be difficult, without being a subject matter expert, to know whether the analysis is robust and balanced. However, it should be possible to see whether the analytical approach is clearly outlined, reasonable and consistently applied. For instance:

- Has a clear problem been identified and is it in the public interest to address the issue? Are the scope and scale of the policy problem large enough that solutions need to be considered?
- Is it clear why the problem will not be addressed within the existing regulatory framework or by new voluntary arrangements (and therefore why government intervention is required)? For instance, is there evidence of market failure? Is there evidence or risk of government failure?
- Are the objectives clear and related to the problem definition? (i.e. not set-up to pre-justify a particular solution).
- Are key limitations and constraints on the analysis clearly identified?
- Are the assessment criteria linked to the objectives, so that options are compared based on how likely they are to meet those objectives?
- Are there interdependencies? (i.e. does something need to happen first for this to be a workable option?)
- Have trade-offs been identified between the criteria and if some criteria are given more weight than others, has this been explained?
- Has a clear analytical framework been identified?
- Has the analytical framework been consistently applied? An indicator is whether the assessment criteria have been consistently and fairly applied in the options analysis section.

- Have all reasonably available options been considered?
- Have the costs and benefits been monetised to the extent possible? Have the assumptions been outlined and are the judgements and inferences reasonable?
- Have disproportionate impacts on specific population groups been considered? If not, where these impacts are foreseeable this may indicate that the analytical framework is incomplete or unbalanced, and may warrant a ‘partially meets’ or ‘does not meet’ rating depending on severity.
- Are the conclusions supported by analysis to identify the most effective, efficient and proportionate option (including the status quo)? If not, a coherent case has not been made for the preferred option.
 - The proposed legislation is the most ‘**effective**’ response if it better achieves the defined objective(s) or delivers more net benefits than other available options.
 - The proposed legislation is the most ‘**efficient**’ response if it achieves the defined objectives with the same benefit at less cost than other available options. The benefits of the preferred option should outweigh the costs.
 - The ‘**proportionate**’ consideration needs to link back to the problem definition and objectives. The proposed legislation is the most proportionate response available if it aligns with the level of severity, urgency and/or scope of the problem.
- How will the implementation plan be given effect and is it genuinely feasible?
 - Has the overall strategy for implementing the Minister’s preferred option been outlined, including the steps and actions required?
 - Have the key implementation risks that need to be managed been identified and how this will be done?
 - What are the roles and responsibilities of all parties involved in the implementation process?
 - What resources are required for implementation including financial, human and technical resources?
- How will the impact of the new arrangements be monitored and when would be an appropriate time to undertake a review?
 - Are there existing stewardship strategies or governance arrangements that could be used for monitoring and review?
 - Are there opportunities to review as part of a wider future reform?

If the analysis is not robust and balanced, it may not meet the standard and may also fall short on the ‘complete’ criterion.

The RAS should cover the range of feasible regulatory options and reasonable non-regulatory options. It should also include a deregulatory option where appropriate. (For more information refer to **[Problem definition and options identification – A resource.](#)**)

The depth and sophistication of the analysis should be in line with the significance and scale of the potential impacts. The analysis could be streamlined for a simple proposal and more in-depth for a complex proposal. For instance, a simple proposal could identify the impacts and quantify them, but full monetisation of the costs and benefits would not be essential. If the agency has already established stewardship of the regulatory system, the ‘Monitoring and Review’ section could be quite brief.

On the other hand, a complex proposal with potentially significant impacts should include:

- multi-criteria analysis
- full cost benefit analysis of the preferred option with cost estimates and some distributional analysis
- a report on the implementation plan for the preferred option including the transitional arrangements and the key risks and mitigations
- a plan for monitoring, evaluation and review.

In some cases, the agency’s preferred option in the RAS may differ from the option recommended by the Minister in the Cabinet paper. In these situations, it is helpful if the RAS contains cost benefit analysis of both options even though this increases the length of the RAS.

Generally, Ministers indicate a preference at the outset. However, if the Minister changes their preference or does not give an indication until late in the policy process, it is important to ensure all options are in the RAS.

The nature and scale of the problem and assessment of the anticipated impacts of each option should be supported by references to the best reasonably available empirical data and other evidence, including consultation feedback or, in some cases, anecdotal evidence. The sources of evidence and data should be specified and links or references included where appropriate. If the author heavily relies on only one source of evidence, this may indicate an unbalanced or biased approach. This may mean that the requirement to provide evidence to support judgements, is not satisfactorily met.

Where numbers are given, consider whether they seem intuitively reasonable. Ask for the evidence and the assumptions where these are not provided, and whether the figures have been developed by experts. If the figures do not appear to have a reasonable basis, it is likely that the requirement to summarise the expected costs and benefits is not satisfactorily met. (Refer to **[Cost-benefit analysis – A resource.](#)**)

Consulted

Consulted

- Does the RAS show evidence of efficient and effective consultation with stakeholders, key affected parties and relevant experts?²
- Does it show how any issues raised have been addressed or dealt with?

The RAS should describe how the views of internal and external stakeholders were obtained, including the form of any consultation process. Has an appropriate engagement framework been used to identify and engage with stakeholders? For instance, When engaging with Maōri and iwi/hapū refer to the [*Guidelines for Engagement with Māori*](#).

Internal stakeholders include people within the government agency and other interested agencies who have responsibility for related existing policy/legislation and may have changes planned or underway. Relevant population agencies should be engaged where proposals are likely to have differential impacts on groups.

External stakeholders include people and organisations that are affected by or are beneficiaries of the regulatory proposal.

When identifying stakeholders and affected parties, agencies should consider not only those who are directly regulated by a proposal, but also groups whose rights, access to services, or participation may be foreseeably affected, including through changes to systems, processes, or institutional arrangements. This may include people who rely disproportionately on regulated public services or administrative decision-making, even where the proposal is framed as structural, technical, or organisational in nature. Some proposed regulatory changes will be subject to public consultation obligations set out in statute or international agreements. New Zealand has international obligations in a wide range of sectors, which includes giving notice of proposed regulations and opportunities for consultation.³

It is essential to include information in the RAS about stakeholder views and concerns especially in relation to the problem and options. The RAS should summarise any concerns raised and how those concerns have been addressed. For instance:

² Note that, in preparing a CAS for drafted legislation, agencies will be required to assess consistency with principle 9(l) in the Regulatory Standards Act, which relates to consultation with those directly and materially affected by a proposal. This principle is likely to be narrower than the expectations set out in relation to RASs – reflecting that consultation obligations arise from a range of areas beyond the Act, including from New Zealand’s international obligations.

³ For instance, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (the CPTPP Agreement) obliges New Zealand to “provide interested persons and other parties with a reasonable opportunity to comment” on proposed laws and regulations “of general application relating to any matter covered by the Agreement”.

- Whether or not the problem definition and options have been modified in response to feedback from the consultation process (if applicable), and if so, how.
- Which stakeholders support which options and if not, why.
- If there are disproportionate impacts on specific parties, then further distributional analysis is required including how they are affected and the level of impact.

A non-expert in the subject may not be well placed to know whether all the right people have been consulted, but it may be an indicator of incomplete or unbalanced consultation if no opposing views are recorded. This may mean that the RAS does not meet the requirements to identify stakeholders and explain the nature of their interest, and to comment on stakeholder opinion on the proposed approach.

If there has been no or limited consultation (e.g. due to time pressure) and the relevant stakeholders were unable to engage or engagement was limited, then the ‘consulted’ criterion is not met or only partially met. Generally, ‘partially meets’ is the ceiling for proposals that have insufficient consultation. In these situations, the assessors should explain in the QA Statement how lack of consultation could impact on the quality of the analysis in the RAS and if there is anything that could be done to address that.

It may not always be necessary for there to have been formal consultation specifically about the proposal. This is only the case if RAS authors are able to draw on other evidence of stakeholder views. If the authors can show that it is a reliable guide to stakeholder views in this context, the RAS may be assessed as ‘partially meets’ or ‘meets’ the consultation criteria.

If no consultation has occurred, and any available proxies for consultation are insufficient, then the rating overall for the RAS normally cannot be more than ‘partially meets’.

Clear and concise

Clear and concise

- Is the material communicated in plain English?
- Is the RAS of an appropriate length?

The RAS should be easy to read and well-structured, with a clear and concise summary in the cover sheet. It should be clear what Ministers are being asked to agree to, or what they must decide upon. As the RAS is a published document, it should be written in plain language, tailored for the intended audience (i.e. Ministers and the wider public). The coversheet should be brief and have bulleted key points rather than large sections of text.

Assessors should consider the 20-page limit on the length of the RAS in their feedback. (The 20-page limit also includes appendices). While assessors may require more analysis, they also should identify unnecessary content that could be removed for conciseness and where links/references could be provided to relevant material.

The length of the RAS should be proportionate to the significance of the proposal.

As a rule of thumb:

- Simple proposals should be less than 20 pages.
- More significant proposals should be no more than 20 pages with links/references to evidence and supporting analysis.
- For complex RASs where the policy problem contains several distinct issues/sub-problems, RAS authors are advised to contact the Ministry for Regulation's RIA team for advice. The overall problem definition will likely need an overview as would normally be the case for a single-issue RAS, followed by a breakdown of the problems within it.

Preparing a Quality Assurance Statement

The outcome of the QA process is a formal statement from the assessors on the quality of the impact analysis, which must be copied without edits into the 'Impact Analysis' section of the Cabinet paper.⁴

This QA Statement follows the statement by the responsible agency that the impact analysis requirements apply and, therefore, a RAS is required and is attached to the Cabinet paper.

⁴ Although note the guidance in the section on preparing a Quality Assurance Statement for how to approach situations where there are significant space constraints in the Cabinet paper.

Suggested format for the Quality Assurance Statement

[Name of agency or agencies] [and the Ministry for Regulation’s RIA Team] has/have reviewed the regulatory impact statement (RAS) prepared by [name of agency] and associated supporting material on [date].

[Statement on whether the assessors consider that the information and analysis summarised in the RAS **meets** or **does not meet** or **partially meets** the quality assurance (QA) criteria.]

[Explanation of the above assessment and comments on any issues that have been identified in relation to any of the dimensions of the QA criteria. For example, where the assessment is that the RAS ‘does not meet’ or ‘partially meets’ the QA criteria, state:

- the areas that do not meet and the impacts of these areas on the robustness of the advice as a support to Ministers’ decision making, or
- how the policy proposal could be put on more solid foundations (e.g. further analysis of a particular issue, consultation with certain stakeholders, or careful monitoring and preparedness to take further action if necessary).]

The purpose of the QA Statement is to provide Ministers with an independent assessment of how reliably the RAS analysis can inform their decision on the regulatory proposal. It is an assessment of the content of the RAS and the robustness of the process for its development.

It does not constitute a comment on the merits of the regulatory proposal or the recommended regulatory option. That remains the responsibility of the policy team. It is not a comment either on the competence or effort of the RAS authors, given the limitations or constraints – often due to timeframes or Ministerial willingness to allow meaningful external consultation – under which the analysis may have had to be produced.

Link to Regulatory Standards Act

As previously noted, the QA statement can be a helpful input to the agency’s later assessment of the consistency of drafted legislation with the principles in the Regulatory Standards Act for the purposes of producing a Consistency Accountability Statement (CAS).

The rating should be explained in the QA Statement, and any significant limitations or constraints noted. These may affect the extent to which Ministers can rely on the RAS analysis to make informed decisions. The difference between a ‘does not meet’ or ‘partially meets’ rating

can be difficult to judge. In these circumstances, the text explaining why the RAS falls short of the standard is particularly important.

There is no set format for the explanation of the assessment or comments on QA issues, as these will depend on the circumstances of each RAS. However, the QA statement should:

- be succinct
- indicate how much confidence decision-makers can have in the RAS as a basis for making informed decisions
- link the issues raised to the relevant QA criterion
- explain any gaps between the impact analysis in the RAS and what the assessors would expect to see, and what those gaps mean in terms of implications or risks. This includes what further analysis could have been done, and what steps can be taken to reduce risks, such as additional, targeted consultation).

In standard situations, the QA statement does not take up significant space in the Cabinet paper. However, with the greater enforcement of the 10-page limit for Cabinet papers, there may be concerns about how much space the QA statement (or statements in the case of multiple RASs) takes up. While it is still best practice to include the full QA statement, in more complex cases, the QA panel can provide an abridged version for the body of the Cabinet paper. The full statement can be attached as an annex to the Cabinet paper and included in the RAS.

If an abridged version of the statement is prepared for the Cabinet paper it must still:

- explain the rating and rationale, including any perceived limits on the analysis, and
- the wording must be provided by the panel.

The RIA team is available to provide advice on the above process.

Where a RAS is assessed as ‘partially meets’ or ‘does not meet’ the QA criteria, agencies should have an internal process to notify the relevant people. This may include briefing senior management and Ministers’ offices. Where a RAS ‘does not meet’ the authors should contact the RIA team to discuss next steps.

All proposals subject to Cabinet’s Regulatory Analysis Summary requirements must include a recommendation noting whether a paper meets or does not meet those requirements. (“Meets” captures both partial and meets ratings). The Cabinet paper and RAS can still progress if that is the desire of the responsible Minister and Cabinet. However, the non-compliance will be published as part of the Ministry’s reporting on compliance with Cabinet’s impact analysis requirements and relevant ministers will be informed.

If the RAS ‘does not meet’, then the resulting legislation could be inconsistent with the principles in the Regulatory Standards Act and this would be reflected in the CAS and the Minister Reason Statement (if needed).

The QA assessment should be considered independent and final. But, if there are significant changes to the Cabinet paper or RAS after the assessors have provided the QA statement, the RAS author should contact the assessors as the statement may need to be revised.

There may be instances where the policy team responsible for preparing the RAS is not satisfied with the final assessment and/or the wording of the QA statement. In anticipation of such scenarios, agencies may wish to consider how to manage these situations. This could involve, identifying the responsible senior manager and how they will support the assessors to maintain their independence.

Non-standard situations

Policy processes are often non-linear, and a wide variety of non-standard situations can arise. QA assessors may come under pressure to provide QA Statements in a very short timeframe, on non-final RASs, or on RASs that change rapidly (e.g. as policy options are altered by Ministers).

Assessors need to exercise judgement. They should always focus on identifying whether decision-makers have enough information to make an informed decision.

The RIA team is available to provide advice on a case-by-case basis, and to share their experiences in dealing with similar situations.

The Policy Project provides guidance and tools that are relevant in a wide range of policy situations. For more information, see the Policy Project webpage ([The Policy Project | Department of the Prime Minister and Cabinet \(DPMC\)](#)) or contact policy.project@dpmc.govt.nz.

Moderation and review

The QA criteria must be applied consistently across proposals. Moderation arrangements could include:

- having centralised oversight of all QA assessments (e.g. the chair of your agency's QA panel)
- ensuring a reasonable proportion of QA assessments are subject to peer review by others within your QA panel or pool of assessors
- rotating QA responsibilities for types of proposals (e.g. policy areas) so that they are not always reviewed by the same person.

Periodic reviews of QA assessments can help provide an extra layer of assurance. One way to do this is by asking an independent party, such as a consultant, to review a random sample of QA assessments. To assist this process, agencies should ensure that all regulatory proposals are registered in [RIA Online](#) and published on the responsible agency's website and Ministry for Regulation's website.

Keeping track of regulatory proposals in this way can help agencies meet their reporting requirements. The Ministry for Regulation may also ask for information to support its reports to

Cabinet on how the regulatory management system is working, how the Government is meeting its commitments, and for any other reporting the Ministry carries out.

Appendix One: Types of RASs and approach to QA

The following is a list of different types of RAS that assessors may encounter, and the high-level approach to QA for each depending on their features.

Type of RAS	Approach to QA
Regulatory Analysis Summary (RAS)	
<p>Formal statement that systematically steps through the Regulatory Impact Analysis that has been undertaken during the policy development process.</p> <p>An interim RAS may be prepared alongside a discussion document that is narrowing the options.</p>	<p>Step through the QA criteria, and the RAS template.</p> <p>Take into account the stage in the process, i.e. whether it is an interim RAS or final RAS.</p>
RAS with Cost Recovery integration – (new template being developed)	
<p>RAS template that contains Cost Recovery prompts.</p> <p>Intended for agencies developing regulatory proposals that involve establishing a cost recovery regime or changing underlying features of an existing cost recovery regime (and setting/amending fee/levy levels in some cases).</p>	<p>Review against the template, and the QA criteria.</p> <p>Take into account the stage in the process, i.e. whether it is an interim or final.</p>
Standalone Cost Recovery Analysis Summary (CRAS) – (new template being developed)	
<p>A standalone template that refers to cost recovery-related questions only.</p> <p>Intended for agencies setting or reviewing cost recovery charge levels without changing the underlying cost recovery regime.</p>	<p>Review against the template and the QA criteria.</p> <p>Take into account the stage in the process i.e. whether it is interim or final.</p>

Appendix Two: Quick guide to quality assurance for assessors

The following is an overview of the steps involved in being on a quality assurance panel.

Purpose of the panel

Regulatory impact analysis is a Cabinet endorsed and required analytical tool (refer [Cabinet Office Circular CO \(26\) 2](#)). A key function of impact analysis is to help avoid bias and ensure that a thorough analysis of the impacts is undertaken to inform Ministers' decisions.

The purpose of independent QA is to advise Cabinet on whether it is making decisions based on the best possible advice. The assessors on the QA panel do this by considering whether the analysis and information summarised in the RAS is of a sufficient standard to properly inform the decisions being taken. The panel's role is not to comment on the merits or otherwise of a policy. The panel assesses the RAS against the QA criteria. This independent assessment is summarised in a formal QA statement that is included in the Cabinet paper accompanying the RAS.

The Ministry for Regulation determines the panel arrangements

Quality assurance arrangements are determined by the Ministry for Regulation's RIA team following consideration of information provided by the agency about its processes and the particular regulatory proposal in the process confirmation form available through RIA online. Whether the agency undertakes QA or there is a joint agency/Ministry for Regulation panel is determined by the Ministry for Regulation and is guided by the following criteria.

- **Whether the proposal is significant.** The potential impacts – e.g. whether the impacts are nationwide as opposed to localised – and how it fits with Government's strategic priorities.
- **Whether the Ministry for Regulation can add value through quality assurance.** This depends on other factors such as the strength of the agency's regulatory stewardship, the robustness of the planned policy process, the agency's policy capability, and the level of risk and uncertainty.

Proposals need to meet both criteria for the Ministry for Regulation to get involved in quality assurance on the RAS.

The quality assurance criteria

The assessors are required to use the following criteria to quality assure the RAS.

1. Complete

- Is all the necessary information in the RAS, as set out in the relevant template with cross references to supporting evidence where appropriate?

2. Convincing

- Is the analysis proportionate, accurate, robust and balanced?
- Are the analysis and conclusions supported by the analytical framework, and commensurate assessment of costs and benefits, distributional analysis and supporting evidence?
- Do the assumptions make sense?

3. Consulted

- Does the RAS show evidence of efficient and effective consultation with stakeholders, key affected parties and relevant experts?
- Does it show how any issues raised have been addressed or dealt with?

4. Clear and concise

- Is the material communicated in plain English?
- Is the RAS of an appropriate length?

The quality assurance process

There is some flexibility around how agencies operationalise the QA process. The RIA Team suggests allowing around two to three weeks for QA of a standard RAS and longer for a complex RAS (i.e. containing several RASs or complex issues within it). The time required depends on how early authors engage with the RAS QA panel, and how much feedback panellists have. Sometimes, if there is a lot of feedback, the panel can go through several feedback iterations before the formal assessment.

When the Cabinet paper and RAS are circulated for ministerial consultation, there can be further changes to the proposals with adjustments occurring in the days before lodging.

Role of the QA panel chair

The panel chair has a coordination and communication role, liaising with the author and panel members on when the panel's feedback and the QA Statement will be provided. The role of the chair involves:

- agreeing the QA timeframe with the RAS author (and panel coordinator as relevant)
- arranging and chairing panel meetings

- ensuring the panel’s combined feedback is provided to the RAS author, and
- developing the formal assessment of the RAS, based on the combined view of the panel members.

It is good practice to develop and agree on a QA timetable at the start of the QA process. For example, if time is constrained, we suggest working back from when the Cabinet paper is being lodged and allowing 2–3 weeks for QA, as shown in the following table. This is likely to be longer for large or more complex proposals.

Example – QA timetable for a constrained timeframe

Date	Activity
14 October	Draft RAS submitted to panel for assessment.
16 October	Panel meeting to discuss combined feedback on draft RAS.
17 October	Panel meets with RAS author(s) to discuss feedback.
17 October	Panel provides combined written feedback to RAS author(s).
21 October	RAS with one round of feedback submitted for final assessment.
	Ministerial consultation on draft RAS. Ideally this would occur after the QA Statement has been signed off, but this may not be possible due to time constraints.
24 October	Panel meeting to formally assess the RAS and start preparing the QA Statement.
	Panel reaches agreement on wording of Statement (by email).
29 October	QA Statement signed off.
	Panel revises the QA Statement if there have been any significant changes to the RAS following Ministerial consultation. The revised Statement is signed off.
31 October	Cabinet paper and RAS lodged.

Step one – providing feedback on the draft RAS

Ideally, the QA panel should provide at least one round of feedback before the final assessment.

- Each panel member reads the draft RAS and draft Cabinet paper.

- The chair arranges a meeting for the panel members to discuss their feedback.
- It is best practice for the panel to prepare combined written feedback for the author on each section of the RAS, referring to the QA criteria. Written feedback can be helpful for authors as well as fulfilling the agency's obligation to maintain public records. The panel's feedback may be requested under the Official Information Act, and it is easier to release if in a single document.
- The panel chair sends written feedback to the RAS author copied to the panel. Written feedback may be provided before or after the QA panel meets with the author.
- The panel offers to meet with the RAS author if they wish to discuss the feedback and the author indicates how they intend to address the feedback.
- The author updates the RAS, highlighting the changes, and may either submit another draft for feedback, time permitting, or the final draft for assessment.

Step two – undertaking the final assessment and assigning a rating

- When undertaking the final assessment, the panel needs to balance the QA criteria to assign an overall rating as to whether the RAS 'meets', 'partially meets' or 'does not meet' the criteria.
- Each panel member reads the final RAS and Cabinet paper.
- The chair arranges a meeting for panel members to discuss their feedback and how they each rate the RAS.
- The panel then needs to agree on the rating and text in the QA Statement.

Step three – preparing the QA statement

- If the RAS 'does not meet' or 'partially meets' the QA criteria, the panel needs to briefly explain why in the QA statement with reference to the relevant QA criterion.
- If the RAS 'meets' there may still be scope to include a comment, but this is not essential.
- The panel chair is typically responsible for signing-off the final QA statement. However, some agencies have a sign out process that involves a manager who is not on the panel and has oversight over QA processes.
- The panel chair sends the QA statement by email to the RAS author, copied to the panel members. At this point the rating shouldn't be a surprise to authors, based on feedback. If the rating is 'does not meet' we would expect the Chair to demonstrate additional care and have a conversation with the author and/or their manager ahead of sending the QA statement.
- The RAS author copies the QA statement into the coversheet of the RAS, and the Statement is also included in the Impact Analysis Section of the Cabinet paper.

- If the RAS is assessed as ‘does not meet’ then the RAS is non-compliant, and the Minister for Regulation may be informed. The RAS author needs to contact the Ministry for Regulation’s RIA team. The non-compliance will be published as part of the Ministry’s reporting on compliance with Cabinet’s impact analysis requirements. The author must advise the panel if there are substantive changes to the Cabinet paper or the RAS after the QA statement has been provided.
- All proposals subject to Cabinet’s Regulatory Analysis Summary requirements must include a recommendation noting whether a paper meets or does not meet those requirements. (“Meets” captures both partial and meets ratings).

For more information

Refer to *Quality Assurance of Regulatory Impact Statements – Guidance Note* on the [Ministry for Regulation website](#).

If you have any issues or queries about the QA process, please contact the Ministry for Regulation’s RIA team. Mailbox: RMS@regulation.govt.nz.

Appendix Three: Frequently asked questions

How many people are on a QA panel?

There are usually three people on a QA panel. However, there may be two panellists in a limited number of cases where the RAS is not complex, and the agency has strong stewardship and a robust process. Sometimes there may need to be flexibility if a panellist is unwell or unexpectedly away when the final assessment is required. It is also possible in some rare circumstances to have a RAS reviewed by an independent expert.

In case of a lengthy and complex multi-RAS it can be helpful to have more than three panel members to share the workload.

What is a joint QA panel?

Members of the panel may be from more than one agency. A member of the Ministry for Regulation's RIA team may also be on the QA panel if the proposal is significant, and the Ministry can add value by being involved.

Who should chair the QA panel?

Generally, a panel member from the lead agency chairs the panel (i.e. the agency authoring the RAS). The chair has a coordination and communication role, liaising with the author and panel members on when the panel's feedback and the QA Statement will be provided.

The panel chair is usually responsible for signing-off the QA statement (where they have sign-out authority), although some agencies have a sign out process that involves a manager who is not on the panel and has oversight over QA processes. If the RAS is highly significant, a member of the RIA team may chair the panel. This provides some independence from the authoring agency. In this instance, a manager in the Ministry for Regulation confirms that the required QA process has been followed and that the QA Statement reflects the views of the panel.

What is meant by an 'independent' QA assessment?

Panel members must be independent from the RAS authors and not involved in the policy process.

How should feedback be provided to the author?

The panel should provide constructive feedback to the RAS author in person as well as in writing. The feedback needs to be delivered and received in a respectful way remembering that the purpose is to strengthen the analysis.

Why should the panel provide the QA feedback in writing and meet with the author?

It is quicker and easier for the author to revise the RAS if they have written feedback that refers to the relevant sections in the RAS and QA criteria. It is also good practice to record feedback in written form to make sure everyone is on the same page and to ensure there is a public record of the process, which may be requested under the Official Information Act. The feedback should highlight key issues that need to be addressed to achieve a 'partially meets' or 'meets' rating. Discussing the feedback enables the author to explain any limitations and constraints in more detail and what changes are feasible.

What is the difference between 'does not meet' and 'partially meets'?

A 'does not meet' rating is a judgement that the RAS does not contain sufficient information and analysis to allow Cabinet Ministers to take a properly informed decision. A 'partially meets' rating is a judgement that there are deficiencies in the information and analysis provided. If Ministers are made aware of those deficiencies, take that into account and are willing to take a risk in the circumstances, they might still be able to make a reasonably informed decision.

A major deficiency related to any one of the QA criteria can be enough to justify an overall 'does not meet' rating. However, this does depend on the context and nature of the decisions being sought. For instance, if a Cabinet paper is only seeking high level in-principle decisions with the promise of further work to be done that could potentially see those decisions revisited, there may be a greater degree of tolerance for deficiencies in analysis relating to some criteria, such as 'consulted'.

What happens if the panel rates the RAS as 'does not meet' the QA criteria?

If the RAS 'does not meet' the QA requirements, the agency is non-compliant, and the Minister for Regulation may be informed. The RAS author needs to contact the Ministry for Regulation's RIA team. The non-compliance will be published as part of the Ministry's reporting on compliance with Cabinet's impact analysis requirements. If the RAS 'does not meet', the resulting legislation could be inconsistent with the principles in the Regulatory Standards Act and this would be reflected in the CAS and the Minister Reason Statement (if needed).

What should the panel do if they are having difficulty reaching agreement on rating the RAS?

The difference between 'does not meet' and 'partially meets' can be difficult to judge. In these cases, the panel should focus on the assessment text in the QA statement explaining the deficiency.

If there are disagreements between panel members on the appropriate rating, the wording of the QA statement can sometimes be used to reach a compromise. For instance, if two panellists agree on ‘partially meets’ and one panellist proposes ‘does not meet’, the panel may want to:

- assign a rating of ‘partially meets’ with a more negative QA Statement outlining the deficiency raised by the dissenter, **OR**
- assign a ‘does not meet’ rating and in the QA statement acknowledge the RAS’s deficiencies but also provide an explanation of what the RAS did well and any relevant limitations or constraints.

Ideally, the agency should have a process in place to resolve any disagreements between panel members on rating the RAS. This includes getting a different Chair/panel to review or raising it up to Manager/Director level. The RIA Team can provide advice if required.

What is the purpose of the QA statement?

It is a statement on whether the panel considers the information and analysis summarised in the RAS ‘meets’ or ‘partially meets’ or ‘does not meet’ the QA criteria. If the RAS ‘meets’ the panel can choose whether to insert a comment. If the RAS ‘partially meets’ or ‘does not meet’, the panel must explain the deficiency in relation to the QA criteria. The panel may choose whether to make any recommendations.

The QA statement is a signal to Ministers, and other readers of the Cabinet material, whether they can have confidence in the analysis.

Link to the Regulatory Standards Act

The panel’s QA statement for a regulatory proposal can also be a helpful input when an agency later assesses the consistency of legislation drafted to give effect to a regulatory proposal with the principles of responsible regulation, particularly those relating to good law-making.

How should the QA statement be framed?

The QA statement should:

- be succinct
- provide an indication of robustness of advice
- relate the issues raised to the relevant QA criterion
- explain any gaps and the implications or risks, i.e. what further analysis could or should be undertaken and what risk mitigation (e.g. additional, targeted consultation).

What happens if the author disagrees or suggests changes to the assessment?

The QA panel is ultimately responsible for the wording of the QA statement, and the QA statement needs to be inserted verbatim in the 'Impact Analysis' section of the Cabinet paper. Note there is some flexibility where there are space constraints.⁵ The panel may choose to make minor changes to the wording if the author raises a point of clarification. However, for significant changes (e.g. to the text or overall assessment) the panel may request further impact analysis to address any deficiencies. The RIA team can provide advice if required.

What happens if changes are made to the Cabinet paper or RAS after the QA statement has been provided?

The RAS author needs to inform the panel of any substantive changes to the Cabinet paper or RAS after the QA statement is provided. The panel confirms that the QA statement can remain intact or provides notification of any further impact analysis required to ensure the QA criteria are met. The panel may revise the QA statement.

What happens when there is a discussion document?

The QA process for discussion documents has changed. If a discussion document does not exclude options from consideration, extensive impact analysis in the form of a separate interim RAS is not required. The discussion document no longer needs to be assessed by an RIA QA panel and can follow the agency's internal processes. However, if the options in the discussion document are narrowed, then a RAS is required and it needs to be assessed by an RIA QA panel. Quality assurance should consider the stage of policy development; the nature of the decision being sought and the level of analysis possible. See link below for guidance on the criteria and process around discussion documents.

For more information

Refer to [Discussion Documents and Cabinet's Impact Analysis Requirements – Guidance Note](#)

⁵ For more detail on preparing a statement when there are space constraints, refer to [***Quality Assurance of Regulatory Impact Statements – Guidance Note***](#), section on preparing a Regulatory Impact Statement.



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