



Annual Report

2024-2025

For the period 1 March 2024 – 30 June 2025



Ministry for Regulation Annual Report 2024-2025

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Chief Executive's foreword

When the Government established the Ministry for Regulation we were given a clear purpose: to improve the quality of regulation in New Zealand by getting rid of unnecessary red tape and improving the entire regulatory system. It is hard to believe it has been over a year and a half since the Ministry opened its doors. In that time, we have stood up a new central agency from scratch, delivered real change for New Zealanders, and laid strong foundations.

When government gets regulation right it enables trust, unlocks innovation, and supports our economic and social wellbeing. But when regulation is unclear, outdated or simply unnecessary, it creates barriers – for people trying to do the right thing, for businesses wanting to grow, and for regulators working to deliver on their purpose.

That is where this Ministry comes in. Over the reporting period, we have completed our first regulatory reviews that are already delivering deregulation and change in the early childhood education, agriculture and horticulture, and hairdressing and barbering sectors. We have tackled real-world problems – such as stopping new charges for Buy Now, Pay Later providers which would have hiked the cost for consumers, and cutting red tape that was stopping medical conferences – and supported hundreds of agencies, regulators and individuals to improve regulatory practice and design.

We have also launched major system tools, including RegRoom – our online learning and collaboration hub for government regulators – and our Red Tape Tipline. Alongside these, we ran a public consultation on the proposed

Regulatory Standards Bill, which attracted more than 20,000 submissions.

None of this would be possible without the commitment and calibre of the people at the Ministry. I am immensely proud of the team – their energy, integrity and dedication to supporting better outcomes for New Zealanders is clear in everything they do.

I also want to thank the many individuals and organisations who have worked with us in our first year. Whether through engaging in our reviews, sharing feedback, submitting to our red tape tipline, co-designing resources, or simply asking tough questions – your insights have helped shape our direction and improve the work we do.

Looking ahead, we have an ambitious programme to deliver. But if our first year has shown anything, it is that there is real appetite – across government and the wider community – for regulation that is fit-for-purpose, future-ready, and focused on helping people get things done.



Gráinne M Moss

Gráinne Moss

Secretary for Regulation and Chief Executive
Ministry for Regulation

Statement of responsibility

About this annual report

This 2024/25 annual report is the primary accountability document for the Ministry for Regulation. It describes the work we have carried out to achieve better regulation and better outcomes for all New Zealanders.

The annual report informs our stakeholders – Parliament, New Zealanders, and public organisations – about our strategic intentions, priorities, service performance and financial performance.

This is our first annual report since the Ministry was established and therefore covers the sixteen-month period from 1 March 2024 to 30 June 2025. It has been prepared in keeping with the requirements of the Public Audit Act 2001 and the Public Finance Act 1989.

Statement of Responsibility

I am responsible, as Chief Executive of the Ministry for Regulation (the Ministry), for:

- the preparation of the Ministry's financial statements, and statements of expenses and capital expenditure, and for the judgements expressed in them
- having in place a system of internal controls designed to provide reasonable assurance as to the integrity and reliability of financial reporting
- ensuring that end-of-period performance information on our appropriation

administered by the Ministry is provided in accordance with sections 19A to 19C of the Public Finance Act 1989, whether or not that information is included in this annual report, and

- the accuracy of any end-of-period performance information prepared by the Ministry, whether or not that information is included in this annual report.

In my opinion:

- the financial statements fairly reflect the financial position of the Ministry as at 30 June 2025 and its operations for the sixteen-month period ended on that date, and
- the forecast financial statements fairly reflect the forecast financial position of the Ministry as at 30 June 2026 and its operations for the year ending on that date.



Gráinne Moss

Secretary for Regulation and Chief Executive
Ministry for Regulation

Our role and mandate

All regulation comes at a cost – it demands that time and effort be redirected away from growing businesses and living our lives, into complying with rules and submitting reports. Where the benefits outweigh the costs we can justify the expense, however bad regulations are a drag on productivity – they are like the barnacles on the bottom of a boat, building up over time and slowing down the economy.

Our mandate

The administration cost of regulation compliance is estimated to be over \$5 billion per annum, and that amount is growing¹. We cannot afford unnecessary regulation – red tape – that stops us being an attractive place to invest, or a competitive player in the international economy.

When regulation is well designed and well managed, it helps New Zealanders live safer, freer, and more productive lives. But when it is poorly designed, outdated, unnecessarily complex, or ineffective, it slows down innovation, drives up costs, harms competition, and holds people back. In a regulatory system with over 1,200 primary Acts, and a resulting cascade of secondary legislation, it is vital that there is a central agency putting the voice of regulated entities front and centre, and identifying opportunities to deregulate when out of date, ineffective, and unnecessary regulation can be removed or improved to make the boat go faster.

A new Ministry

Established on 1 March 2024 as a central government agency, The Ministry for Regulation is mandated to drive change across regulatory systems, and to deliver better outcomes for New Zealanders through better regulation.

Beginning with nine interagency secondees and an establishment Chief Executive, we have assembled a team of 89 — bringing together talent from The Treasury, the Ministry of Business, Innovation and Employment, and new hires.

We are a strong and credible voice at the centre of government, advocating for continuous improvement and smarter regulation across the system. We are using evidence and insight to identify what is working, what is not, and what needs to change. We are actively shaping a more effective and enduring regulatory management system for New Zealand.

¹ As reported by NZIER, the 2016 estimated cost of compliance on business

A complex system of regulation

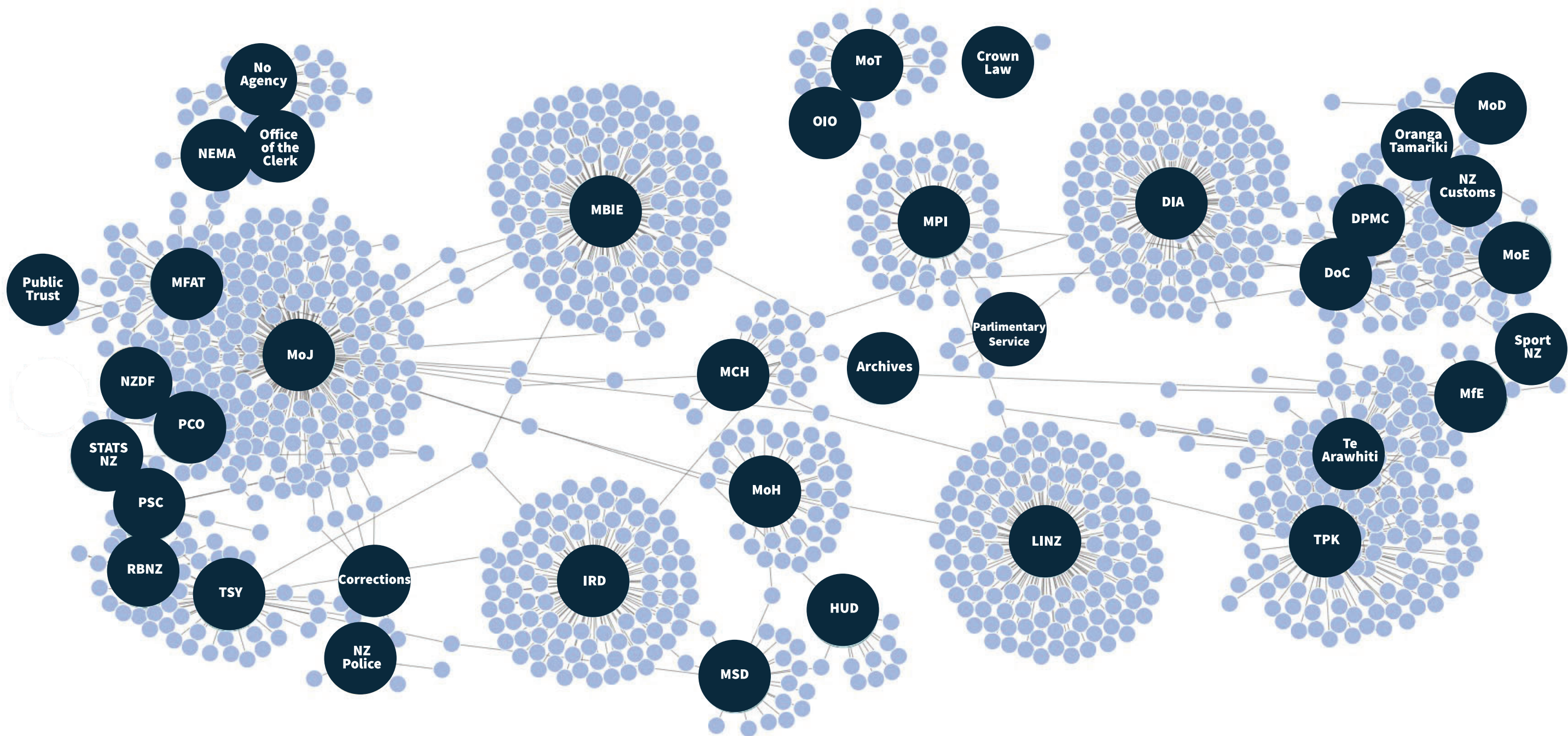


Figure 1: This visualisation depicts primary legislation as light blue dots, and the linkages between primary legislation and administering agency. In some cases, the administration may be shared across two or more agencies.

Data Source: Parliamentary Counsel Office pco.govt.nz

Our core functions

Our functions affect every part of the regulatory management system. We do this by intervening early to ensure proposed regulation is high quality. We review entire systems of regulation to identify what is not working, and to remove unnecessary rules. We help regulators lift capability, so the experience of regulation is better for people and businesses, and we work with government agencies to strengthen stewardship of their regulatory systems. We are also supporting the passage of the Regulatory Standards Bill to lift the quality of all regulation.



Figure 2: Our core functions within the regulatory management system

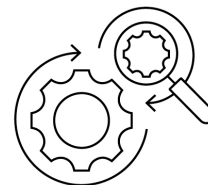
Highlights since our establishment

3

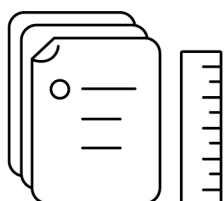
Three sector reviews completed, with two in progress

272

\$272 million of opportunity unlocked for the agricultural and horticultural sectors



Almost 23,000 public submissions on the Regulatory Standards Bill Discussion Document analysed



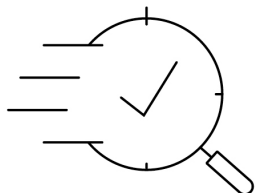
600+ Regulatory Impact Statements queries managed from across government

1000+

OIAs and WPQs processed by our Ministerial team

\$90m

\$90 million in opportunity for future revenue unlocked for the medical conferences and events sector



98% increase in the financial threshold for carers who manage income and assets on their loved one's behalf



794 red tape issues reported by New Zealanders through the Ministry's tipline.



470 regulatory professionals from 74 organisations signed up to our online training portal RegRoom

Top 5

Ranked in the top 5 government agencies for staff engagement

Our strategic direction

In October 2024 the Ministry released its Strategic Intentions for 2024/25–2028/29 which set the direction of our work for the upcoming four years. In our first sixteen months, we have identified multiple opportunities for deregulation and regulatory reform, and have laid strong foundations for a more effective, transparent, and trusted regulatory system.

Our Strategic Intentions were developed and submitted to the Minister for Regulation six months into our establishment (as required under the Public Finance Act 1989). They reflect our commitment to lifting the quality of regulation and strengthening the performance of regulatory systems and set out four long-term outcomes that guide our strategy.

The impact of our work

We are a small Ministry tasked with delivering big results. Our work is unlocking millions in economic value through regulatory reviews and reducing compliance costs for small businesses and individuals. By improving how regulation works across the system we are helping New Zealanders get things done — safely and efficiently, minimising unnecessary or uneven impacts on individuals and businesses — while delivering value that far exceeds our cost.

We have made a strong start, and results show we are already making a positive impact for New Zealand and New Zealanders. Being new, the way we measure our performance and success will evolve as we embed the Ministry into the public sector.

Over the next year we will be testing and benchmarking our measures and will refresh our strategic intentions in early 2026 to include a performance framework that will build on our current strategic intentions and set out how we intend to assess our future performance and measure success.

Throughout this report we have included case studies which provide an in-depth look into some of our work.

Our objectives

As we continue to mature and embed the Ministry within the public service, our focus remains on leading a system that removes unnecessary regulation and delivers higher quality regulation that works — regulation that supports a thriving economy, empowers individuals, and delivers lasting value. We are committed to making life better for New Zealanders by supporting the development of rules that are fair, clear, and fit for purpose. The foundations we have laid will support a more responsive, capable, and trusted regulatory system for years to come.

To achieve that, we are delivering on four strategic objectives:

- **Providing leadership across government** to strengthen the Regulatory Management System.
- **Improving the quality of new regulatory proposals and advice**, so decisions are based on sound evidence and analysis.
- **Enhancing the performance of regulatory systems**, ensuring they are efficient, resilient, and responsive.
- **Building capability across the regulatory workforce**, equipping leaders and practitioners with the tools and knowledge to apply good regulatory practice.

These objectives are not ends in themselves – they are interdependent and collectively support our outcomes. By cutting red tape, we help reduce compliance costs, make it

easier for businesses to grow, and ease regulatory burdens on people and communities. By improving scrutiny, we support the development of laws that are more effective and less burdensome. And by building capability, we support a public service that is better equipped to design and administer regulation that works.

Our work programme has been shaped around these objectives. The next section of this report outlines the initiatives we have delivered and the progress we have made, as well as an overview of our performance against our appropriation. The final section presents our financial results. Together, they provide a clear picture of how we are making an impact.

What we have achieved

In our first sixteen months the Ministry for Regulation has delivered tangible results that are improving the lives of New Zealanders. Our work is helping businesses grow, reducing costs for individuals, and making regulation easier to understand and navigate. We have unlocked millions in economic value, supported better decision-making, and laid the groundwork for a more capable and trusted regulatory system.

Better regulation, better outcomes

We want rules and regulations that enable New Zealanders to do more – to lead to a more productive use of people’s time, and better outcomes for all.

Regulatory reviews



Government Priority

Our regulatory reviews focus on delivering positive changes to regulatory settings that can improve outcomes

for New Zealanders. We have delivered the government’s expectations to initiate four regulatory reviews over the reporting period, and have intervened early in the policy development process to ensure new regulations are both necessary and effective. These efforts are already improving regulatory design and performance. The following examples show how better regulation supports productivity, reduces costs, and improves decision making and outcomes for New Zealanders. The opportunity for the return on investment from our work to the New Zealand economy is significant.

Our reviews have focused on regulatory issues that have an impact at a national level

and each review has been developed with a tailored engagement plan. We took a targeted approach to ensure that those best positioned to offer insight into how specific rules and regulations operate in practice and where improvements could be made, had the opportunity to engage in the process.

Our focus has been to identify where unnecessary regulation can be removed, and how existing regulation could be improved. This work has been both broad, looking at whole sectors, and more targeted, examining a specific aspect of a regulatory system.

We commenced our first sector review into the Early Childhood Education (ECE) sector just over three months after our establishment and we have since completed two further reviews, with our fourth review announced and underway as at 30 June 2025.

ECE Sector Review

Reviewing the ECE sector was a priority for the Coalition Government's Action Plan. The Minister for Regulation announced the review on 5 June 2024, and our final report was delivered to the Minister in December 2024.

We worked together with the Ministry of Education and the Education Review Office, consulting with government agencies with regulatory functions in the ECE sector, to test findings and options and consider implementation in parallel to the review.

Our approach was designed so that we could identify quick wins and could be progressed immediately rather than waiting for the formal review to be completed.

We conducted an extensive engagement and consultation process working directly with those impacted by, and subject to, the ECE regulatory system. We received over 2,320 submissions and written feedback from parents, teachers, service providers, child advocacy groups, unions, academics, research bodies, and others connected to the sector. In addition, information was gathered through face-to-face meetings outside of Wellington.

Cabinet's endorsement of our review recommendations will substantially reduce licencing requirements for the sector – reducing complexity and unnecessary cost.

For more information, visit
regulation.govt.nz/ECE

Agricultural and Horticultural Products Review

Our review recommendations pave the way for innovation by enabling faster access to new and potentially lower-impact products – supporting health, safety and environmental sustainability.

Read the Agriculture and Horticulture Review case study on **page 14**.

By halving product approval times, the changes are expected to unlock \$272 million in economic benefits over 20-years.

For more information, visit
regulation.govt.nz/agriculture

Hairdressing and Barbering Industry Review

The Hairdressing and Barbering Industry Regulatory Review was the third regulatory review undertaken by the Ministry. It was initiated in response to long-standing concerns from industry professionals and small business owners about outdated and inflexible regulations that had not been substantively updated since 1980.

The review was launched in late 2024 and concluded in early 2025. It examined whether the current regulatory settings were proportionate to the risks posed by the industry and whether they remained fit-for-purpose in a modern context. The Ministry led the review in close partnership with the Ministry of Health, and consulted with the Ministry of Business, Innovation and Employment, Department of Internal Affairs, WorkSafe, Health New Zealand, and the Ministry of Justice.

We engaged with the sector, including hairdressers, barbers, business owners, local authorities, environmental health officers, and the national industry body. The Ministry also reviewed international regulatory approaches and considered whether existing general legislation sufficiently managed the risks posed by the industry, or whether specific regulation was required. Cabinet endorsed all the review's recommendations in May 2025, and the Health (Hairdressers) Regulations 1980 were revoked at the end of July 2025.

Deregulating this industry will save New Zealand businesses up to \$1 million annually.

For more information, visit
regulation.govt.nz/hairdressing

Telecommunications Sector Review

The Telecommunications Sector Regulatory Review is the latest major review underway by the Ministry for Regulation. It was launched in June 2025 in response to concerns raised by industry stakeholders that aspects of the current regulatory framework are outdated and may be limiting innovation, investment, and competition in a sector that underpins nearly every aspect of modern life.

Telecommunications are as essential as electricity and water, enabling education, healthcare, commerce, and social connection. The review is focused on ensuring that regulation keeps pace with rapid technological and market changes, and that it supports a competitive, innovative, and resilient digital infrastructure for New Zealand.

The Ministry is leading the review in close collaboration with the Ministry of Business Innovation and Employment and the Commerce Commission, a key agency for stewardship of the telecommunications regulatory system. These agencies are providing expert advice and data to support the review.

We are using a variety of engagement methods to reach stakeholders so that we consider as wide a range of views as possible. We want to hear from many different voices including regulated parties, providers of services, and consumers including rural communities and disabled communities, and other stakeholders who are impacted by the regulations.

The review is being conducted alongside other sector reforms and is designed to complement, not duplicate, existing work. It is expected to deliver findings and recommendations to the Minister for Regulation and the Minister for Media and Communications in late 2025.

For more information, visit
regulation.govt.nz/telco

Early intervention

As the government's lead regulatory advisor, our role includes monitoring the flow of new regulation and looking for improvements across all portfolios. This function forms a key part of our role as a central agency. We provide independent advice on policy proposals being developed across government, particularly proposals with significant regulatory or economic impact.

The revised Cabinet requirements for impact analysis, that came into effect on 1 January

2025, reflected the transfer of functions from The Treasury and added new requirements for agencies to contact the Ministry when they start work on a regulatory proposal.

New direction by Cabinet for the Ministry to provide early scrutiny of new regulation, combined with earlier engagement with policy processes across portfolios, requires regular prioritisation to focus effort. To apply the requirements proportionately, and aiming for effective influence on the quality of the Government's substantial regulatory programme, we consider:

- the significance of the policy issue and potential for significant impacts or risks
- the degree to which the use or exchange of property rights may be affected, and
- the plans for conducting transparent impact analysis – including the approach to consultation.

Our work with lead policy agencies has primarily focused on three processes to provide independent advice and feedback:

- engagement on regulatory policy proposals early in their development
- agency consultation on draft Cabinet papers prior to, or simultaneously with Ministerial consultation
- feedback on Legislative bids via the annual submission process.

In 2024/25 we received more than 90 individual requests for early engagement about new regulatory proposals and have

reviewed more than 264 Cabinet papers. We have also reported to our Minister on key regulatory proposals.

Our advice is improving the quality of new regulation by assisting and challenging regulatory policy agencies at various stages of their policy development. It is also providing assurance to Ministers that the impacts of regulation and any alternatives have been fully considered before a regulatory proposal is added to New Zealand's significant stock of regulation. Our efforts support the work of other central agencies by providing insights about policy proposals that are currently being progressed across portfolios.

We are already seeing signs of the impact of this work. In one case, our feedback led to a new recommendation in a Cabinet paper that added safeguards around new regulatory powers. This is a promising example of how our advice can improve outcomes. The early engagement can also sometimes result in regulatory work not commencing, where non- or de-regulatory solutions arise during policy development.

We are continuing to develop ways to measure our impact and over time, we expect our work to contribute to more transparent, evidence-based regulation across government. These are early steps, but they matter. More transparency and scrutiny of possible impacts leads to quality regulation, better enabling people, communities, and businesses.



CASE STUDY

Agriculture and horticulture review

Keeping farmers and growers internationally competitive by cutting through the regulators waitlist for approving new products.

Agriculture and horticulture make up the largest sector of New Zealand's tradeable economy – however, regulation in this space has not kept pace with innovation or on-the-ground realities. Stakeholders told us they were facing duplicated requirements, outdated approval processes, and a lack of clarity across the system. These issues were getting in the way of productivity, innovation, and global competitiveness.

In 2024, we launched a comprehensive review of the regulatory system for agricultural and horticultural products. The review focused on identifying the key regulatory barriers affecting how producers, growers, and suppliers operate and get their products to market. It looked across multiple agencies and legislation, including the Agricultural Compounds and Veterinary Medicines Act 1997 (ACVM Act) and the Hazardous Substances and New Organisms Act 1996 (HSNO Act). Working in close partnership with industry and regulators, we mapped out the

pain points, analysed international approaches, and developed options for reform.

What we found

The review revealed that producers and suppliers were facing long wait times for product approvals, unclear application requirements, and a fragmented process that often-duplicated effort across agencies. The current system made little use of international approvals, despite the rigorous standards already applied by trusted overseas regulators. These inefficiencies were slowing down the adoption of new tools and technologies, raising costs, and making it harder for New Zealand's primary industries to compete internationally.

What happens next

In February 2025, Cabinet endorsed all 16 of the Ministry's recommendations. Ministers have committed to implementing the changes through an Omnibus Bill, which will

support faster, more transparent approvals and better use of international data. The reforms are designed to reduce unnecessary delays, clarify requirements, and create a more cohesive regulatory system that works for both the regulators and the regulated.

What it means for New Zealand

The changes are expected to deliver substantial long-term benefits. Modelling suggests that reducing approval times by half could generate around \$272 million² in economic benefits over the next two decades. More importantly, the reforms will make it easier for farmers and growers to access innovative products that improve productivity and sustainability.

Faster access to newer products – that often have reduced environmental impact – also enables the phase-out of older, more environmentally harmful chemicals – with benefits for both human health and the environment. A more diverse and up-to-date product landscape strengthens our ability to manage biosecurity risks and supports long-term resilience in the sector.

This being just our second review, also set a strong precedent for how joined-up regulatory reform can support New Zealand's broader goals – a smarter, more competitive economy, better public sector performance, and regulatory systems that keep pace with the needs of industry and society.

² Scenario analysis of economic impacts published by the Ministry for Regulation in the report *Improving access to agricultural and horticultural products* November 2024

Open regulation, trusted decisions

Our commitment to principled, transparent and high-quality regulation aims to make the purpose, cost and benefits of regulation clearer to government and the public.

Transparency builds trust and enables better decision-making. It also helps identify where regulation is working – and where it is not. Through our work we have engaged with government, agencies, and thousands of New Zealanders. By involving them in our work we can better understand the purpose and costs of regulation and bring about the benefits of regulatory change.

We have strengthened the quality of regulatory advice by developing improved guidelines for Regulatory Impact Assessments and updated the Cabinet Circular that informs best practice. We are lifting the quality of advice provided to Ministers and Cabinet and we published our first report on compliance with the new requirements in September 2025.

Our engagement with the public has been strong. Almost **23,000 submissions** were received on the Regulatory Standards Bill (RSB) reflecting a high level of interest and engagement.

We have also honoured our commitment to transparency and accountability to the public with thousands of pages of advice to Government proactively released on our website.

The Ministry has also responded to almost 750 Official Information Act requests, ensuring the public has access to the information they are entitled to.

Regulatory Standards Bill



Government Priority

The Regulatory Standards Bill (RSB) is a key initiative of the Government's commitment to principled, transparent, and high-quality regulation. The Bill aims to lift the standard of regulation by introducing a set of principles of responsible regulation and requiring most new and existing legislation to be assessed for consistency with these principles. These principles include respect for the rule of law, protection of rights and liberties, and the use of sound policy-making processes such as consultation and cost-benefit analysis.

In November 2024, the Ministry for Regulation consulted on a proposal for the Regulatory Standards Bill through its discussion document "Have your say on the proposed Regulatory Standards Bill". When public submissions closed in January 2025, almost 23,000 submissions had been received.

The Ministry undertook considerable work to analyse every submission received, including working with a specialist consultancy to quantitatively assess support and opposition to the proposed Bill. We also qualitatively assessed a sample of submissions to better analyse the reasons behind support or opposition to the proposed Bill. The Ministry published a Summary of Submissions in early May 2025.

These submissions informed further development of the proposal before a Bill was finalised. The RSB was introduced to Parliament and passed its first reading in May 2025. It is currently before the Finance and Expenditure Select Committee.

For more information, visit
regulation.govt.nz/submissions

Regulatory Impact Analysis

Our focus is on improving the way agencies assess the impacts of new regulations and to streamline the requirements where appropriate. We revised the Cabinet Office Circular that sets out Cabinet's impact analysis requirements, which guide how regulatory proposals are developed. These changes were endorsed by Cabinet in November 2024 and took effect on 1 January 2025.

We made several changes including:

- ensuring Regulatory Impact Statements are only produced where needed, and raising the threshold for the 'minor impacts exemption' for proposals with limited impacts that are easy to assess
- putting greater emphasis on accessibility of impact analysis for Ministers and other readers
- simplifying and streamlining the quality assurance standard for discussion documents
- ensuring agencies provide early-stage information to the Ministry for Regulation when starting new regulatory proposals
- introducing a new requirement for agencies to provide draft impact analysis

alongside Cabinet papers for Ministerial consultation, making sure Ministers have access to information at an important step in the policy making process.

We have worked closely with regulatory agencies to support the transition. This included publishing updated guidance, running workshops, and providing tailored advice. Feedback from agencies has been positive.

To improve regulatory oversight, we have work underway to publicly report on how well ministerial portfolios are meeting their impact analysis requirements and will undertake periodic audits to ensure ongoing quality. We are working through options for reporting arrangements and will work closely with agencies to keep them updated on key developments.

These improvements are starting to be reflected in the quality of advice going to ministers. There is a long lead time but we are already starting to see improved Regulatory Impact Statements coming through in the new template.

Ultimately our work helps build public trust in the regulatory system by making it more open and evidence based. This is a long-term shift, but it is a vital one. Better regulation means better outcomes for people, communities, and businesses. We are proud to be leading this work.

For more information, visit
regulation.govt.nz/RIA



CASE STUDY

Making things better for families

Farewelling a loved one who has passed away, or caring for a disabled family member is already challenging. We heard from families in these situations that struggles with red tape was making their lives harder.

Relief for grieving kiwis

A submitter to our Red Tape Tipline told us about suffering distressing and needless legal difficulty administering an estate because the probate threshold was too low. The threshold for estate assets that can be distributed without probate had not been updated since 2009. Inflation since then has gone up by 48 per cent.

We found these current settings out-dated and no longer fit-for-purpose, creating unnecessary difficulty in the lives of New Zealanders mourning the loss of a loved one.

We worked with the Ministry of Justice to highlight these concerns and it agreed to review and raise the threshold.

Our intervention will help spare New Zealanders unnecessary administrative burden when distributing smaller estates, so

they can focus on what is most important to them during a difficult time in their lives.

Easier to care for loved ones

We also heard about how hard the system had made it for families to manage the income and assets of someone lacking decision-making capability.

The low thresholds at which the regulatory regime kicked in – the individual income threshold was \$20,000 and asset threshold was just \$5,000 – impose a significant regulatory burden.

Above the threshold, regulation required the formal appointment of a property manager (process, time and energy costs), along with ongoing reporting and audit requirements.

We considered the regime to be unnecessarily onerous for these very low income and asset threshold amounts, which we found had not been updated in years.

We worked with the Ministry of Justice to support changes to the income and asset thresholds.

From 3 October 2024, income thresholds increased from \$20,000 to \$38,800 and will continue to rise in stages to \$45,000 over the

next 5 years. The asset threshold was also increased from \$5,000 to \$25,000.

Our intervention will make life easier for parents and caregivers who step into this important supporting role, allowing them to get on with what is important.

“...I’ve been “heard” many times, but action towards tangible change hasn’t come along until now. You don’t know what this means to me.”

- Feedback from submitter to the Ministry for Regulation

Regulation that works for people

We created the Red Tape Tipline as a simple way for New Zealanders to tell government about the regulation that is tying them up in red tape. Twenty-six submissions to the tipline have resulted in recommendations for regulation reform. Notably, the majority of submitters have not raised their issue with government before – showing that the tipline is providing a new and meaningful way for people to raise their issues.

We may not be able to resolve every issue that is brought to our attention, but we want to understand more about people's experiences with regulations that are negatively impacting their everyday lives. The issues raised help us decide what regulation to formally review, and where to prioritise supporting good regulatory practice. The submissions we have received have helped us to:

- identify and respond to regulatory system trends
- prioritise future regulatory reviews
- recommend updates to guidance
- seek legislative change.

Red Tape Tipline in numbers

Since the Tipline launched in November 2024 we have received 794 submissions covering a wide variety of regulatory issues that are getting in the way of people's lives and business operations. We are encouraged by the fact that roughly 70% of the issues raised with us have not previously been raised with another agency or regulator, which means there is an opportunity for us to make a significant positive impact.

We have reviewed, considered and responded to all the issues raised through the Tipline. Where needed, we contact submitters directly to clarify and understand the issues raised or seek more information. As a result, we undertook 93 investigations during the reporting period into a variety of red-tape issues.

You can find more information about the breakdown of those investigations in the latest red tape report on our website: ***regulation.govt.nz/submission-reports***

These submissions have helped us to identify potential areas for future sector reviews. They have also led to engagement with other agencies and the data and insights we gain over time provide broader insights into regulatory burdens impacting New Zealanders.

The Ministry reports quarterly on red tape submissions to our Minister, the public and other agencies. The report presents insights drawn from our analysis of submissions, highlighting key themes, emerging trends, and challenges across regulatory systems.

Our work on several issues has already led to positive change. Some highlights include:

Buy Now Pay Later — prevented unnecessary new fees and unreasonable cost hikes for consumers

Our investigation identified that the regulatory reforms to the Credit Contracts and Consumer Finance Act 2003 (CCCFA) to Buy Now Pay Later (BNPL) providers would likely have an adverse impact on consumers. After considering our analysis, Cabinet approved the Minister for Regulation's recommended approach which aims to avoid higher compliance costs for BNPL providers being passed on to consumers.

Flour dust — prevented unworkable new limits to avoid cost increases on basic food items

The Ministry worked with commercial bakers and WorkSafe to analyse whether a proposed change to the Workplace Exposure Standard for flour dust would deliver benefits to the baking industry or create an unneeded compliance burden. By applying the principles of good regulatory design, the Ministry worked with WorkSafe who agreed to review their initial plan and further assess whether the standard is fit-for-purpose.

Medical conferences – unlocked \$90 million in future economic activity through advertising rule change

We reviewed how current rules under the Medicines Act affect New Zealand's ability to host medical trade shows.

Our advice supported changes that have the potential to unlock \$90 million in future

economic opportunity and already we are seeing positive impacts from this work.

To learn more, see our case study on **page 23**.

Making it easier to care — increased financial thresholds for managing income and assets for disabled dependents

We identified that the income and asset thresholds under the Protection of Personal and Property Rights Act (1988) were outdated and too low. This meant carers managing modest sums on behalf of others were subject to unnecessary regulatory burdens.

We worked with the Ministry of Justice to support changes that reduce compliance costs and make the system more proportionate and practical for families and carers.

To learn more, see our case study on **page 18**.

Gift cards — making the rules more efficient to keep down costs for consumers

We heard from a business struggling to comply with anti-money laundering rules for gift cards. We completed a rapid review and found the rules were unclear and lacked practical guidance. Following our recommendations, new best practice guidance has been published to help businesses comply without imposing unnecessary cost. This change reduces red tape, lowers compliance costs, and helps keep prices down for consumers – while still protecting the integrity of the anti-money laundering system.

Relief for grieving families – simplified processes for small estates

Some New Zealanders were facing unnecessary legal hurdles when managing the estate of a passed loved one. We completed a rapid review and found that if the threshold were adjusted for inflation, it would make a small but meaningful change

that would spare grieving families from unnecessary stress, time and cost, allowing them to focus on what matters most at an already difficult time.

To learn more, see our case study on **page 18**.

Learn more about the work we have done through our Red Tape Tipline:

regulation.govt.nz/what-we-have-done



CASE STUDY

No more missing out on medical conferences

We challenged an unnecessary rule that was stopping millions of dollars of medical conferences and events from taking place in New Zealand.

This regulatory barrier limited New Zealand's ability to host major international medical events, with flow-on effects for the conference and tourism sectors, as well as for health professionals wanting access to the latest global innovations.

Industry bodies such as BusinessNZ and Business Events Industry Aotearoa raised the alarm, estimating these restrictions could be costing the country up to \$90 million in lost revenue over the coming years.

What we found

Our rapid review showed that the regulations were significantly more restrictive than those in comparable countries, including Australia, Canada, the EU, and the United States. The Medicines Act's broad definition of "advertising" effectively banned the promotion of new, unapproved medicines – even in carefully controlled, professional settings like medical conferences and trade shows.

What happens next

Based on our review, Ministers have agreed to reform the Medicines Act to allow advertising of unapproved medicines at professionally controlled events. The Government announced these legislative changes in 2025, aimed at removing unnecessary regulatory barriers and unlocking business and tourism opportunities.

What it means for New Zealand

This reform is expected to position New Zealand as a more attractive destination for international medical conferences, boosting tourism and hospitality revenue.

Already, two of Australasia's largest medical conferences have confirmed they are coming to New Zealand in 2026, providing greater access to global medical innovation, unlocking economic benefits and supporting our health workforce to achieve improved health outcomes for New Zealanders.

Stronger regulators, smarter systems

We are committed to lifting the capability of regulators across government. Agencies are embedding our tools into their core learning, and demand for support continues to grow. From boards through to regulatory staff, our work is helping build a more confident and capable regulatory workforce.

In the reporting period we led major initiatives to build and strengthen good regulatory practice across the public sector so that all regulators and regulatory leaders:

- understand and can implement best practice principles for regulation
- know the steps to take to get things done
- have the know-how to get good results, even when things go in unexpected directions.

We worked to provide regulators with the resources and support they need and build arrangements that will deliver long-term benefits for the people who design, operate, and govern our regulatory systems. We have focused on:

- establishing the Ministry's system capability leadership role
- supporting regulators to adopt good practices in regulation
- ensuring regulators have the guidance and tools they need to build their organisational and people's capability
- enabling connection between people who do regulatory work.

A system capability leadership role

Our mandate allows us to work at the centre of government. We connect people and data across agencies, sectors, and borders, identifying good practice, sharing insights,

and supporting all regulators to build capability and improve how regulation is governed, designed and delivered. We have built relationships with stakeholder groups with interests such as:

- regulatory agency governance including Iti Kopara, and the Institute of Directors
- professional bodies and academics such as the Institute for Regulation (UK), Australasian Environmental Law Enforcement and Regulators Network (AELERT), and the Australia and New Zealand School of Government (ANZSOG)
- our departmental equivalents in Australia and the UK.

Supporting adoption of good practice

There has been high demand for the Ministry's support to help regulators increase their capability. We have provided advice to five central government agencies and three local government bodies on leadership recruitment, board induction, board appointments, organisational structure, regulatory strategy and approaches, and compliance strategy.

Providing guidance and tools

Developing guidance to support growing capability has been a feature of our work with regulators.

This includes:

- publishing the first six Quick Guides
- developing learning modules in RegRoom
- providing resources on the Regulators library on our website
- reviewing the Professional Regulators Programme undertaken by the Australia and New Zealand School of Government (ANZSOG) and National Regulators Community of Practice
- Curating a YouTube catalogue of webinars, interviews, and short videos with regulatory practitioners and international experts to support people at all levels of regulation.

Connecting regulators

We launched RegRoom for those working in organisations that develop and administer government regulation in New Zealand. It provides a space for regulators to connect and share best practice in regulatory development.

Signing up to RegRoom gives people access to:

- our Quick Guides and e-learning modules
- an interactive platform for Communities of Practice which will go live in 2025/26.



CASE STUDY

Strengthening regulatory capability

We are building regulatory capability across government to lift the quality, consistency, and confidence of regulatory practice system wide.

Effective regulation depends on the capability of those designing, operating, and governing regulatory systems. Recognising this, we have taken a central role in building regulatory capability across government, equipping regulatory professionals with practical tools, learning resources, and spaces for connection and collaboration.

One of our flagship initiatives is RegRoom, an online platform that provides foundational training and fosters communities of practice for regulatory practitioners. Since its soft launch in January 2025, RegRoom has become a vital channel for strengthening regulatory practice system-wide, meeting strong demand for accessible, high-quality capability support in a dispersed and diverse system.

We are showing how a small, focused Ministry can deliver impact at scale by developing resources that address real-world challenges,

while fostering stronger networks and collaboration across agencies.

What we found

Through our work we found that many regulatory agencies faced inconsistent levels of expertise and limited opportunities to learn from peers. Good regulatory practice was often uneven, and there was a clear appetite for practical, tailored support that could be accessed flexibly alongside busy workloads.

To address this, we developed RegRoom alongside a suite of supporting materials, including Quick Guides, and the ability to facilitate Communities of Practice that enable regulatory professionals to share insights and solve challenges together. We also provided direct support to agencies through capability assessments, system mapping, and early-stage advice to embed good regulatory practice.

Demand for these resources has been strong. Since its launch, over 470 regulatory professionals from over 74 organisations – including Customs, the Civil Aviation Authority, Department of Conservation, and the Real Estate Authority – have engaged with RegRoom. Agencies such as NZQA, Department of Internal Affairs, Environment Canterbury, and the Ministry of Health have requested direct capability support, underscoring the value of this work.

What happens next

We are preparing for a full launch of RegRoom in September 2025, expanding the learning modules from the initial foundational courses to a complete suite of ten. The Communities of Practice will grow in scope and scale, enabling greater cross-agency collaboration.

We will continue working directly with agencies, offering tailored support through capability assessments and system mapping to help strengthen regulatory practice on the ground. Feedback from users will guide the

ongoing development of our tools and learning resources, ensuring they remain practical, relevant, and responsive to agency needs.

What it means for New Zealand

By lifting the consistency and quality of regulatory practice across agencies, we are helping to build a regulatory system that is more effective, agile, and responsive to the needs of New Zealanders. Regulatory professionals are gaining the knowledge and confidence to apply good practice principles in their day-to-day work, improving regulatory outcomes across sectors.

In addition, stronger connections between agencies are enabling more coordinated and coherent regulatory responses and reducing duplication.

Our capability work contributes to broader system change by embedding proportionate, practical regulatory approaches across the public sector.

People and capability

Establishing a new central agency is a complex undertaking. Over the past sixteen months, the Ministry for Regulation has been built from the ground up, while also delivering a high-impact work programme at pace. From legal establishment in March 2024 to the transfer of functions from the Ministry of Business, Innovation and Employment and The Treasury in May 2024, our team has worked intensively to create the systems, structures, and culture needed to support our mandate.

Standing up a new Ministry while delivering results

This dual focus – building the organisation while delivering results – has required agility, commitment, and a clear sense of purpose. From March 2024, a team of nine inter-agency secondees, and an establishment Chief Executive, came together to form the establishment team with a goal to set up the new Ministry for Regulation, and to start delivering on its priorities.

We developed core policies, recruited a highly capable workforce, launched major initiatives, and began shaping the regulatory landscape across government. Our progress reflects the dedication of our people and the strength of our strategic direction.

On 1 May 2024, we welcomed a further 12 colleagues from the Ministry of Business, Innovation and Employment and The Treasury.

We came together as a team to create organisational values and principles that would guide us as a ministry and would demonstrate internally and externally how we

want to operate. We drew inspiration from the Ministry's purpose, our Minister's priorities, and the Public Service Act. From there, our values and principles naturally emerged.

Our people — experienced, engaged, and high performing

The Ministry's workforce is small but highly skilled. As at 30 June 2025, we had 75 permanently employed staff, with a high number holding postgraduate qualifications and extensive experience in regulatory policy, economics, law, and public administration.

The 2025 Te Taunaki Public Service Census showed that our staff are among the most engaged in the public service. This reflects a strong organisational culture built around shared values, meaningful work, and inclusive leadership.

We have also prioritised diversity and inclusion. Our team includes members of rainbow communities, neurodivergent staff, and people from a range of ages, backgrounds and disciplines. We have joined up with the Public Service Commission to support an employee-led rainbow network

and are in the early stages of establishing an employee-led neurodiversity-focused network.

Building capability for long-term impact

As a new Ministry, capability building has been a core focus. We have invested in digital literacy, artificial intelligence (AI) and process automation, policy excellence, stakeholder engagement, and project management. Staff have participated in system-wide training through the Policy Project. We have demonstrated our commitment to growing our digital capability and seeking smarter ways of working through digital enablement.

We have also launched an internal Learning Management System to support professional development and created a community of practice around the use of AI. These initiatives are helping our people stay ahead of emerging trends and deliver high-quality advice and services.

Our early-in-career programmes are also of significance. In 2024/25, we welcomed five summer interns across key teams. We will launch our inaugural graduate programme in February 2026 and we are continuing our intern programme for the 2025/26 summer. These efforts are helping to build a pipeline of future regulatory and public service leaders.

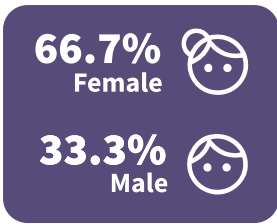
Looking ahead

With our permanent workforce now in place we are preparing to launch a Ministry-wide people strategy in late 2025. This strategy will draw on census insights, staff feedback, and government priorities to guide our next phase of organisational development.

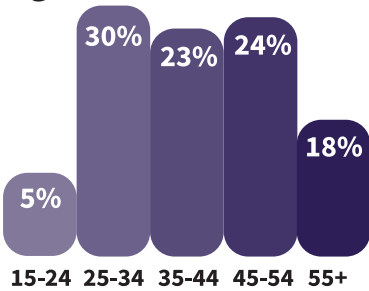
We are proud of what we have achieved in this reporting period. The Ministry for Regulation is now a fully functioning central agency, delivering results while laying the groundwork for long-term impact. Our people are our greatest asset, and we remain committed to supporting their growth, wellbeing, and success.

Our people

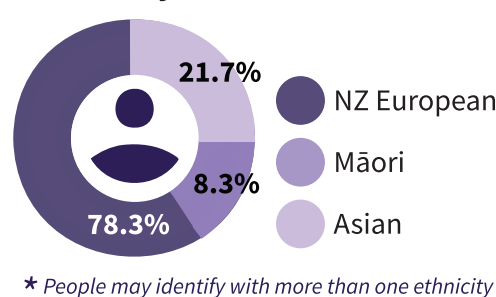
Gender



Age



Ethnicity



Qualifications

Ministry for Regulation



Public Service overall

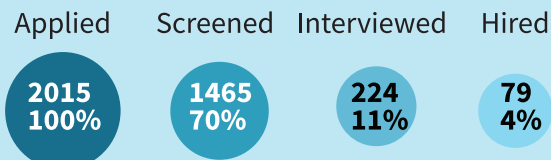


- Post-graduate qualification
- Undergraduate/ other qualification/ no qualification

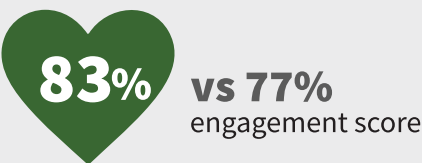
Staffing



Building a new Ministry



Engagement



84% vs 57%

I would recommend my organisation as a good place to work

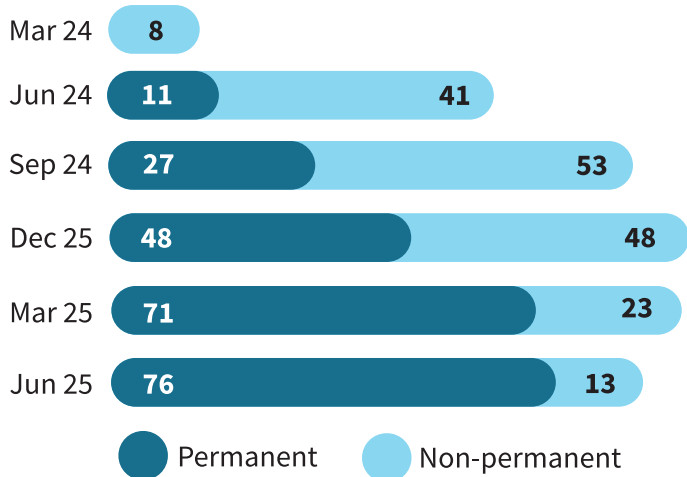
77% vs 62%

I feel good about my work

- Ministry for Regulation
- Public Service overall

Source: Te Taunaki Public Service Census

Staff changes since Ministry set up



Our values

We make a difference

We strive to make an impact on the communities we serve.

We are courageous

We aren't afraid to take risks to get results.

We put people at the centre

We are considerate and treat everyone with respect.

We empower

We ensure our actions, words and engagements empower the people we are working with and for.

Service performance information

The service performance information for the 16-month period ending 30 June 2025 on pages 31 to 40 has been prepared in accordance with *PBE FRS 48 Service Performance Reporting*. To enable a full understanding of the Ministry's service performance, this information should be read together with the information about the Ministry's role and mandate, its strategic direction, and achievements for the period, as reported in previous sections of this report.

Disclosure of judgements

The service performance information has been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practices (NZ GAAP), Treasury Instructions.

In preparing the service performance information, the Ministry has made a number of judgements about what information to present and how to measure its performance.

Judgement was also applied to how the information in this report was structured to support the reader's understanding of performance and to ensure compliance with statutory requirements for presenting information relevant to the financial year.

Performance framework

The first step in developing the Ministry's performance framework was the publication of the Ministry's first Strategic Intentions document in September 2024.

The current Strategic Intentions clearly articulate the outcomes we aim to achieve and our priorities for the establishment phase

of the organisation. We expect how we measure the impact of our activities will continue to evolve over future periods.

With this in mind, we expect to publish a refreshed Strategic Intentions in early 2026, which will allow us to build off the achievements made over the first period of the Ministry's existence.

Selecting our performance measures

Our performance measures have been selected to align with our outputs in accordance with our funding through Vote Regulation to lead the regulatory management system. They have been designed for the Ministry as a new agency to create momentum for core functions and enable the Ministry to rapidly step into its new role.

We considered what information would be most appropriate and meaningful to readers to help demonstrate our performance as a new central government agency.

We consulted with the Minister for Regulation and The Treasury to identify measures that were appropriate for the Ministry in its early stages of establishment.

Reporting against appropriations

2023-2024

Report for the period: 1 March 2024 to 30 June 2024 (4 months)

On 23 January 2024, Cabinet agreed to establish the Ministry for Regulation effective from 1 March 2024.

Leadership of the Regulatory Quality System

Purpose

The single overarching purpose of this appropriation is to provide the Government with high-quality policy advice to ensure focused leadership of the regulatory quality system so that regulations are well designed and implemented.

Why is this important

The Ministry serves as a central agency responsible for leading and coordinating regulatory quality and reform with those agencies who create and use rules and regulations, thereby enhancing the overall regulatory management system. Our work plays a vital role in ensuring that New Zealand's regulatory environment is effective, efficient, and responsive to changing societal needs.

Financial Information

Forecast spend	Actual spend
\$2.334m	\$2.120m

Performance information

Measure	Budget Standard	Actual 2023/24 (4 months)
Ministerial Satisfaction – the satisfaction of the Minister for Regulation with the policy advice service, as per the common satisfaction survey. (Note 1)	Average score 4 out of 5 or better	3.4 out of 5

Policy quality – the average quality of policy advice papers, using an appropriately robust assessment process, meets a standard of 'acceptable' as defined by quality advice standards. (Note 2)	At least 3.3 out of 5	3.4 out of 5
Ministry establishment – this Ministry is established as a legal entity and regulatory functions transitioned from the Treasury and the Ministry of Business Innovation and Employment to the Ministry for Regulation. (Note 3)	Achieved	Achieved
Regulatory reviews – the Ministry initiates one regulatory review. (Note 4)	Achieved	Achieved

Further information on the performance measures is provided in the notes on pages 35-38.

2024-2025

Report for the period: 1 July 2024 to 30 June 2025 (12 months)

Leadership of the Regulatory Quality System

Purpose

The single overarching purpose of this appropriation is to provide the Government with high-quality policy advice to ensure focused leadership of the regulatory quality system so that regulations are well designed and implemented.

Why is this important

The Ministry serves as a central agency responsible for leading and coordinating regulatory quality and reform with those agencies who create and use rules and regulations, thereby enhancing the overall regulatory management system. Our work plays a vital role in ensuring that New Zealand's regulatory environment is effective, efficient, and responsive to changing societal needs.

Financial Information

Forecast spend	Actual spend
\$16.936m	\$16.617m

Performance information

Measure	Budget Standard	Actual 2023/24 (4 months)	Actual 2024/25 (12 months)
Ministerial satisfaction – the satisfaction of the Minister for Regulation with the policy advice service, as per the common satisfaction survey. (Note 1)	Average score 4 out of 5 or better	3.4 out of 5	3.7 out of 5
Policy quality – the average quality of policy advice papers, using an appropriately robust assessment process, meets a standard of 'acceptable' as defined by quality advice standards. (Note 2)	At least 3.3 out of 5	3.4 out of 5	3.4 out of 5
Regulatory reviews – the Ministry initiates three regulatory reviews. (Note 4)	Achieved	Achieved	Achieved
Regulatory Impact Analysis – issue updated requirements for regulatory impact analysis and quality assurance. (Note 5)	Achieved	New measure in 2024/25	Achieved
Regulatory capability – attendees at Ministry-run events are satisfied. (Note 6)	75% Satisfied	New measure in 2024/25	100% Satisfied

Further information on the performance measures is provided in the notes on pages 35-38.

Notes to the service performance information

Note 1: Ministerial satisfaction measure

This measure assesses the extent to which the Minister for Regulation has trust and confidence in the advice he receives from the Ministry.

This measure uses the common satisfaction survey to assess the satisfaction of Ministers with the advice received from government agencies. The Department of Prime Minister and Cabinet (DPMC) prepares Ministerial Policy Satisfaction Survey questions, and the Ministry sends them to the Minister for him to complete.

The Ministry calculates the ministerial satisfaction score according to DPMC guidance, which is used across public service agencies.

Satisfaction is measured on a scale from 1 to 5, where 1 means never met expectations and 5 means always exceeded expectations.

The survey contains a common set of questions that agencies use to assess their Minister's satisfaction with the services provided. The Policy Quality Framework (PQF) sets out a public service-wide methodology for assessing Ministerial and stakeholder satisfaction. The PQF does not set a public-service wide standard for this

measure. The satisfaction measure has a target of 4 out of 5, reflecting the high level of ambition for supporting our Minister with timely, robust advice.

The satisfaction score is based on weighted average score for each topic surveyed. The average for each topic is generated by adding up the scores for each and dividing them by the number of questions that have been answered in that topic. This weighted average from the Minister for Regulation is the ministerial policy satisfaction score.

Four months to 30 June 2024

For the 4-month reporting period ending 30 June 2024, feedback was sought from the Minister for Regulation for the period 1 March 2024 to 31 August 2024 which is a longer period than indicated in the measure. The Ministry had just been established, and this longer period was chosen to cover the six-month establishment period to ensure there was a meaningful sample of policy advice for the Minister to consider in making his assessment.³

Twelve months to 30 June 2025

In this reporting period feedback was sought from the Minister for Regulation on four separate occasions:

³ The Ministry was not required to produce an Annual Report for 2024 and instead published a Report on Appropriations to meet its statutory obligations. The Minister's score for that period was included in that report. For more information the report can be found on the Ministry for Regulation's website: regulation.govt.nz/appropriations

- 1 March 2024 to 31 August 2024
- 1 September 2024 to 30 November 2024
- 1 December 2024 to 31 March 2025
- 1 April 2025 to 30 June 2025

The scores from these four surveys were weighted according to the period they covered to generate an overall average score for the full year. We anticipate aligning future Ministerial satisfaction surveys to the yearly quarters.

The weighted average of the Minister's responses gave an overall score of 3.7 out of 5 and this score has been used for the 2024-25 financial year. While just under the target we set with the Minister, the score represents a growing trust and confidence in the new Ministry and its advice.

Note 2: Policy quality measure

The Minister for Regulation relies on the advice he receives from the Ministry, and we must ensure that as a minimum the advice is of an acceptable standard.

In October 2024 the Ministry published a *Report on Appropriations 2023-24* without a measure of the quality of its policy advice, stating that this would be undertaken in the 2024-25 year. The measure was not reported on for the following reasons:

- at the time of reporting the Ministry was newly established and lacked the necessary resources and processes to carry out the assessment; and

- the volume of advice produced in that initial four months was too limited to provide an adequate sample size to complete a cost-effective process.

The Ministry decided to defer the assessment to 2024-25 to allow time to engage a suitable provider and include advice from the first quarter of the new financial year, increasing the sample size and making the process more cost-effective.

Four months to 30 June 2024

The New Zealand Institute of Economic Research⁴ (NZIER) was contracted to assess the quality of the Ministry's policy advice using PQF. The Ministry achieved an average score of 3.4 out of 5 for the 4-month reporting period ending 30 June 2024. All papers assessed scored higher than the PQF acceptable standard of 3 or above out of 5. NZIER feedback included that the A3s and visual aids developed by the Ministry were a strength.

A panel process is used to ensure that scoring is consistent. A random sample of six Ministry papers were assessed across the four elements of the framework: Context, Analysis, Advice, and Action. Final scores are cross-checked, and a random sample undergoes a blind reassessment by the panel chair.

⁴ NZIER is a highly experienced and competent organisation with more than 20 years' experience in undertaking reviews of policy quality. They use the PQF in completing reviews for up to 20 government agencies and 10 local government agencies.

Twelve months to 30 June 2025

In this reporting period samples of Ministry policy advice were assessed on three separate occasions. For the periods:

- 1 July 2024 to 30 September 2024 (NZIER)
- 1 October 2024 to 31 March 2025 (Ministry)
- 1 April 2025 to 30 June 2025 (Ministry).

Our capability has grown since we were established, and we have initiated our own assessment panel, aligned with the practice of other agencies. We have included an external member on the Ministry panel to provide challenge and moderation in our assessment. This is consistent with other agencies.

The Ministry's policy quality assessment for 2024/25 provided an overall score of 3.4 out of 5 and this score has been used for the 2024-25 financial year. We have exceeded the target we set with the Minister, and while the score is generally the same as the previous financial year, the quality of individual papers has increased with some achieving a score of 4 out of 5. We have aligned future measures for Policy Quality to expectations that 20% of Ministry papers achieve a score of 4 or above out of 5, and that 80% of papers score 3 or above

Note 3: Ministry establishment

This measure was chosen as a key output in standing up a new Ministry following decisions made by the Government.

The Order in Council to bring the Ministry for Regulation into legal existence from 1 March 2024 was made on 19 February 2024 and

published on 22 February 2024. This order also required regulation management functions be transferred from the Treasury and the Ministry of Business, Innovation and Employment (MBIE) by 1 May 2024 Public Service (Ministry for Regulation) Order 2024.

Note 4: Regulatory reviews

A priority of the Minister for Regulation is for the Ministry to undertake a number of regulatory reviews every year to drive regulatory reform that delivers positive outcomes for New Zealanders.

A review is considered to have been 'initiated' when a formal public announcement of a decision by the Minister to commence regulatory review is made.

Four months to 30 June 2024

The Ministry initiated its first regulatory review into the Early Childhood Education Sector on 5 June 2024.

Twelve months to 30 June 2025

In this period, the Ministry initiated three regulatory reviews including:

- Agricultural and Horticultural Products
- Hairdressing and Barbering Industry
- Telecommunications Sector

Note 5: Regulatory impact analysis

This measure was introduced as a new measure for the 2024-25 financial year.

Cabinet's requirements for impact analysis are designed to encourage systematic and evidence-informed policy development, which helps support high quality regulation. They also help ensure Cabinet can make well-informed decisions about the regulatory changes being proposed.

The requirements for impact analysis are set out in full in a Cabinet circular, which also gives effect to the government's expectations for good regulatory practice.

The Ministry strengthened the requirements for regulatory impact analysis and on 1 January 2025. These new requirements for Cabinet regulatory proposals were published in the Cabinet Office circular CO (24) 7.

Note 6: Regulator capability

This measure is also a new measure introduced for the 2024-25 financial year. Raising the capabilities of regulators to design, operate and govern regulatory systems effectively is a strategic Ministry objective. This measure was chosen to

validate the efforts of the Ministry that its work had relevance and was adding value to regulators who participated.

A survey was conducted of attendees at Ministry-led events. Among the areas surveyed attendees were asked about their satisfaction with the events. The result of the survey demonstrated 100% satisfaction which exceeded the target we agreed with the Minister for 75% satisfaction.

We aim to make an impact on increasing capability of regulators and regulatory leaders to be more capable stewards and operators of regulatory systems, so it was important for the Ministry to test its effectiveness with regulators.

Appropriation statements

The following statements report information about the expenses and capital expenditure incurred against the appropriation administered by the Ministry for the year ended 30 June 2025. They are prepared on a GST exclusive basis.

Statement of cost accounting policies

Vote Regulation is comprised of one Departmental Output Expense, Leadership of the Regulatory Quality System. All costs have been directly attributed to this output.

Statement of budgeted and actual expenses and capital expenditure incurred against appropriation for the year ended 30 June 2025

	30-June-24 (4 months)		30-June-25 (12 months)		30-June-25 (16 months)		30-June-26 (12 months) forecast
Vote Regulation	Actual \$000	Supp. Estimates Unaudited \$000	Actual \$000	Supp. Estimates Unaudited \$000	Actual \$000	Supp. Estimates Unaudited \$000	Main Estimates Unaudited \$000
<i>Departmental Output Expenses</i>							
Leadership of the Regulatory Quality System	2,120	2,334	16,617	16,936	18,737	19,270	18,000
Total Departmental Output Expenses	2,120	2,334	16,617	16,936	18,737	19,270	18,000
<i>Departmental Capital Expenditure</i>							
Ministry for Regulation - Cap Expenditure PLA	83	-	130	356	213	356	200
Total Departmental Capital Expenditure	83	-	130	356	213	356	200
Total Annual Appropriations and Permanent Appropriations	2,203	2,334	16,747	17,292	18,950	19,626	18,200

Statement of expenses and capital expenditure incurred without, or in excess of, appropriation or other authority for the year ended 30 June 2025

The Ministry has not incurred any departmental expenses or capital expenditure without, or in excess of appropriation, or other authority.

Statement of capital injections for year ended 30 June 2025

	30-June-24 (4 months)		30-June-25 (12 months)		30-June-25 (16 months)		30-June-26 (12 months) forecast
Vote Regulation	Actual \$000	Supp. Estimates Unaudited \$000	Actual \$000	Supp. Estimates Unaudited \$000	Actual \$000	Supp. Estimates Unaudited \$000	Main Estimates Unaudited \$000
<i>Capital Injections</i>	2,145	2,145	-	-	-	-	-

Statement of capital injections without, or in excess of, authority for the year ended 30 June 2025

The Ministry has not received any capital injections during the year without, or in excess of, authority.

Departmental appropriations

Leadership of the Regulatory Quality System.

What is intended to be achieved with this appropriation

This appropriation is intended to achieve the work of the Ministry for Regulation to support regulatory system reform; to ensure the quality of new regulation, to improve the functioning of the existing regulatory systems, to raise capability of design and operation of regulatory systems, and enduring improvement of the regulatory system.

Financial information

	30-June-24 (4 months)		30-June-25 (12 months)		30-June-25 (16 months)		30-June-26 (12 months) forecast
Vote Regulation	Actual \$000	Supp. Estimates Unaudited \$000	Actual \$000	Supp. Estimates Unaudited \$000	Actual \$000	Supp. Estimates Unaudited \$000	Main Estimates Unaudited \$000
<i>Expenses</i>	2,120	2,334	16,617	16,936	18,737	19,270	18,000

Ministry for Regulation

2024/25 Financial Statements

This section sets out the financial statements, notes to the financial statements and other explanatory information.

Statement of comprehensive revenue and expense

For the sixteen-month period ended 30 June 2025

	Note	2025 Actual (16-months) \$000	2025 Unaudited Budget (16-months) \$000	2026 Unaudited forecast (12-months) \$000
Revenue				
Revenue Crown	2	19,270	18,334	18,000
Revenue other	2	142	-	-
Total revenue		19,412	18,334	18,000
Expenses				
Personnel costs	3	13,342	10,776	14,404
Other operating expenses	5	5,245	7,558	3,274
Depreciation and Amortisation expense	8,9	42	-	215
Capital Charge	4	107	-	107
Total expenses		18,737	18,334	18,000
Surplus/(deficit) for period		675	-	-
Other comprehensive revenue and expense		-	-	-
Total comprehensive revenue and expense		675	-	-

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of financial position

As at 30 June 2025

	Note	2025 Actual \$000	2025 Unaudited Budget \$000	2026 Unaudited forecast \$000
Assets				
Current assets				
Cash and cash equivalents	6	2,455	2,645	2,000
Debtors and other receivables	7	1,257	-	1,447
Prepayments		51	-	6
Total current assets		3,763	2,645	3,453
Non-current assets				
Property, plant and equipment	8	54	-	116
Intangible assets	9	117	-	235
Total non-current assets		171	-	351
Total assets		3,934	2,645	3,804
Liabilities				
Current liabilities				
Creditors and other payables	10	1,232	386	1,525
Employee entitlements	12	303	114	134
Total current liabilities		1,535	500	1,659
Non-current liabilities				
Employee entitlements	12	15	-	-
Provision for repayment of surplus	11	239	-	-
Total non-current liabilities		254	-	-
Total liabilities		1,789	500	1,659
Net assets		2,145	2,145	2,145
Equity				
Total equity		2,145	2,145	2,145

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of changes in equity

For the sixteen-month period ended 30 June 2025

	Note	2025 Actual (16-months) \$000	2025 Unaudited Budget (16-months) \$000	2026 Unaudited forecast \$000 (12-months)
Opening balance		-	-	2,145
Total comprehensive revenue and expense		675	-	-
Capital injection	14	2,145	2,145	-
Return of operating surplus to the Crown	11	(675)	-	-
Balance as at 30 June		2,145	2,145	2,145

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of cash flows

For the sixteen-month ended 30 June 2025

	2025 Actual (16-months) \$000	2025 Unaudited Budget (16-months) \$000	2026 Unaudited forecast (12-months) \$000
Cash flows from operating activities			
Receipts from the Crown	18,092	18,334	17,985
Receipts from other revenue	142	-	-
Payments to suppliers	(4,942)	(7,196)	(3,274)
Payments to employees	(12,292)	(10,638)	(14,404)
Payments for Capital Charge	(107)	-	(107)
Goods and services tax (net)	67	-	-
Net cash flow from operating activities	960	500	200
Cash flows from investing activities			
Purchase of property, plant and equipment	(83)	-	-
Purchase of Intangible assets	(130)	-	(200)
Net cash flow from investing activities	(213)	-	(200)
Cash flows from financing activities			
Capital contribution	2,145	2,145	-
Repayment of Surplus to the Crown	(436)	-	-
Net cash flow from financing activities	1,709	2,145	-
Net Increase/ (Decrease) in cash and cash equivalents	2,455	2,645	-
Cash and cash equivalents at the beginning of the period	-	-	2,000
Cash and cash equivalents at the end of the period	2,455	2,645	2,000

The accompanying notes form part of these financial statements. Explanations of major variances against budget are provided in Note 18.

Statement of commitments

As at 30 June 2025

Capital commitments

The Ministry has no capital commitments.

Non-cancellable operating lease commitments

The Ministry leases property, plant and equipment in the normal course of its business. The majority of these leases are for premises and laptops, which have a non-cancellable leasing period ranging from 1 to 15 years.

The Ministry’s non-cancellable operating leases have varying terms, escalations clauses and renewal rights.

There are no restrictions placed on the Ministry by any of its leasing arrangements.

	2025 Actual \$000
Breakdown of non-cancellable operating leases	
No later than one year	975
Later than one year and not later than five years	4,069
Later than five years	12,196
Total non-cancellable operating leases	17,240

The accompanying notes form part of these financial statements.

Statement of contingent liabilities and contingent assets

As at 30 June 2025

Quantifiable and un-quantifiable contingent assets

As at 30 June 2025, the Ministry had no quantifiable or un-quantifiable contingent assets.

Quantifiable and un-quantifiable contingent liabilities

As at 30 June 2025, the Ministry had no quantifiable or un-quantifiable contingent liabilities.

Notes to the financial statements

For the 16-month period ended 30 June 2025

1. Statement of accounting policies

Reporting entity

The Ministry for Regulation (the ‘Ministry’) is a government department as defined by section 5 of the Public Service Act 2020 and is domiciled and operates in New Zealand. The relevant legislation governing the Ministry’s operations includes the Public Finance Act 1989, and the Public Service Act 2020. The Ministry’s ultimate parent is the New Zealand Crown.

The Ministry’s primary purpose is to strengthen New Zealand’s Regulatory Management System and to improve regulatory quality, including the experience that New Zealanders have of complying with regulation. The Ministry’s activities have four key areas of focus:

- a. Lifting the quality of new regulation
- b. Improving existing regulation
- c. Raising the capability of regulators
- d. Making enduring change at a system level

Reporting period

The Ministry was established as a new government department and commenced operations from 1 March 2024. For the four-month period ended 30 June 2024, the Ministry was granted an exemption from providing an annual report, including the presentation of financial statements. As a result, this is the first set of financial statements presented by the Ministry and covers the 16-month period from 1 March 2024 to 30 June 2025.

As this is the first set of financial statements presented by the Ministry since its establishment, no comparative results are provided.

The financial statements of the Ministry are for the 16-months ended 30 June 2025, and the Chief Executive approved them for issue on 30 September 2025.

Basis of preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the 16-month period.

Statement of compliance

The financial statements of the Ministry have been prepared in accordance with the requirements of the Public Finance Act 1989, which includes the requirements to comply with generally accepted accounting practice in (GAAP), and Treasury instructions.

For GAAP purposes the Ministry has applied Tier 2 PBE Standards (Public Sector), as issued by the External Reporting Board in New Zealand.

The Ministry has designated itself a public benefit entity (PBE) for financial reporting purposes, as its primary purpose is to provide goods or services for community or social benefit and where any equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders.

The Ministry is eligible and has elected to apply the disclosure concessions as made available under the Reduced Disclosure Regime (RDR) within the Tier 2 PBE Standards, because its expenses are less than \$33 million and it does not have public accountability as defined by XRB *A1 Application of the Accounting Standards Framework*.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars (\$000).

Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are provided below.

Foreign currency transactions

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the surplus or deficit.

Goods and services tax

All items in the financial statements are presented exclusive of goods and services tax (GST), except for receivables and payables, which are presented on a GST-inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense. The net GST recoverable from, or payable to, Inland Revenue (IR) is included as part of receivables or payables in the Statement of Financial Position.

The net amount of GST paid to, or received from, IR, including the GST relating to investing and financing activities, is classified as a net operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Income tax

The Ministry is a public authority and consequently is exempt from income tax. Accordingly, no provision has been made for income tax.

Critical accounting estimates and assumptions

In preparing these financial statements, the Ministry has made estimates and assumptions concerning the future. These estimates and assumptions may differ from subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Basis of the Budget and Forecast figures

The 2025 budget figures are for the 16-months ended 30 June 2025. They are consistent with the Ministry's best estimate financial forecast information submitted to the Treasury for the 2024 Budget Economic and Fiscal Update (BEFU) for period ending 30 June 2025.

The 2026 forecast figures are for the year ending 30 June 2026, which are consistent with the best estimate financial forecast information submitted to the Treasury for the 2025 BEFU for the year ending 30 June 2026.

The forecast financial statements have been prepared to communicate forecast financial information for accountability purposes, as required by the Public Finance Act 1989.

The budget and forecast figures are unaudited and have been prepared using the accounting policies adopted in preparing these financial statements.

The 30 June 2026 forecast figures are unaudited and have been prepared in accordance and comply with PBE FRS 42 *Prospective Financial Statements*.

The Chief Executive approved the forecast financial statements for issue on 15 April 2025.

The Chief Executive is responsible for the forecast financial statements, including the appropriateness of the assumptions underlying them and all other required disclosures.

Although the Ministry regularly updates its forecasts, it does not expect to publish updated forecast financial statements for the year ending 30 June 2026.

Significant assumptions used in preparing the forecast financial information

The forecast figures contained in these financial statements reflect the Ministry's purpose and activities and are based on several assumptions about what might occur during the year ending 30 June 2026. The forecast figures have been compiled on the basis of existing government policies and ministerial expectations at the time the Main Estimates were finalised.

The main assumptions, which were adopted as at 15 April 2025, were as follows:

- The Ministry's activities and output expectations will remain substantially the same as in the previous period, focusing on the Government's priorities.
- Personnel costs were based on 91 full-time equivalent staff.
- Operating costs were based on historical experience to date and other factors that are believed to be reasonable in the circumstances and are the Ministry's best estimate of future costs that will be incurred
- Remuneration rates are based on current wages and salary costs, adjusted for anticipated remuneration changes.

Estimated period-end information for 2024/25 was used as the opening position for the 2025/26.

The actual financial results achieved for the year ended 30 June 2026 are likely to vary from the forecast information presented, and the variations might be material.

2. Revenue

Accounting policy

Funding from the Crown

The Ministry is primarily funded through revenue from the Crown. Revenue from the Crown is measured based on the Ministry's funding entitlement for the reporting period. Parliament establishes the funding entitlement when it passes the Appropriation Acts for the financial year. The amount of revenue recognised takes into account any amendments to appropriations approved in the Appropriation (Supplementary Estimates) Act for the period and any other funding adjustments formally approved before balance date.

There are no conditions attached to the funding from the Crown. However, the Ministry can incur expenses only within the scope and limits of its appropriations.

The fair value of Revenue Crown has been determined to be equivalent to the funding entitlement.

Other revenue

Revenue from the recovery of costs incurred in relation to the transfer of G-Reg function into the Ministry.

3. Personnel costs

Accounting policy

Salaries and wages

Salaries and wages costs are recognised as an expense as employees provide services.

Defined contribution schemes

Employer contributions to KiwiSaver are accounted for as a defined contribution superannuation scheme and are expensed in the surplus or deficit as incurred.

Defined benefit schemes

The Ministry does not make employer contributions to any defined benefit superannuation scheme.

	2025 Actual (16-months) \$000
Breakdown of Personnel costs	
Salaries and wages	12,521
Defined contribution scheme employer contributions	291
Increase/(decrease) in employee entitlements	237
Other personnel costs	292
Total personnel costs	13,342

4. Capital charge

Accounting policy

The capital charge is recognised as an expense in the financial period that the charge relates to.

Further information

The Ministry pays a capital charge to the Crown on its taxpayers' funds as at 30 June and 31 December each year. The capital charge rate for the year ended 30 June 2025 was 5%.

5. Other expenses

Other expenses are recognised as goods and services are received.

	2025 Actual \$000
Breakdown of other expenses	
Consultancy	174
Contractors	1,924
Lease of premises	959
Technology expenses	1,120
Audit fees for audit of financial statements	200
Other expenses	868
Total other expenses	5,245

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised as a reduction of rental expenses over the lease term.

Operating leases as lessee

The Ministry’s main lease commitment is based on the Co-location Agreement which provides an allocation of office space and related services at 1 Bowen Street, Wellington based primarily on headcount. For financial reporting purposes, the Co-Location agreement has been treated as an operating lease.

The monthly lease expense is reviewed annually based on the expected headcount and an estimate of the landlords operating and building costs.

The Ministry is committed to the ongoing participation in the Co-location Agreement for the initial lease term of 15 years. The Ministry may request to exit from the arrangement at any time during the lease term, if its continued participation is reasonably impracticable due to a material business change affecting its operations and/or funding.

The lease commitment as disclosed has been calculated using the current monthly lease expense based on the lease term of 15 years.

The future aggregate minimum lease payments to be paid under non-cancellable operating leases are as follows:

Breakdown of non-cancellable operating leases	2025 Actual \$000
No later than one year	975
Later than one year and not later than five years	4,069
Later than five years	12,196
Total non-cancellable operating leases	17,240

6. Cash and cash equivalents

Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with banks, and other short term highly liquid investments with maturities of three months or less.

The Ministry is permitted to expend its cash and cash equivalents only within the scope and limits of its appropriations.

Breakdown of cash and cash equivalents	2025 Actual \$000
Cash at bank	2,455
Total cash and cash equivalents	2,455

7. Receivables

Accounting policy

Receivables are recorded at the amount due, less an allowance for credit losses. The Ministry applies the simplified expected credit loss model of recognising lifetime expected credit losses for receivables. Short term receivables are written off when there is no reasonable expectation of recovery. There were no receivable write-offs in the period.

Breakdown of receivables	2025 Actual \$000
Debtors	1,177
Other receivables	80
Total receivables	1,257

8. Property, plant and equipment

Accounting policy

Property, plant and equipment consists of information technology equipment. All items are measured at cost less accumulated depreciation and impairment losses.

Additions

An item of property, plant and equipment is recognised as an asset only when it is probable that the future economic benefits or service potential associated with the item will flow to the Ministry beyond one year or more and the cost of the item can be measured reliably. Property, plant and equipment is initially recorded at its cost. Subsequent expenditure that extends the useful life or enhances the service potential of an existing item of property, plant and equipment is capitalised. All other costs incurred in maintaining the useful life or service potential of an existing item of property, plant and equipment are expensed in the surplus or deficit as they are incurred.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains or losses arising from the sale or disposal of an item of property, plant and equipment are recognised in the surplus or deficit in the period in which the item of property, plant and equipment is sold or disposed of.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant, and equipment, at rates that will write off the cost of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

The estimated useful lives of major asset classes are:

Type of asset	Estimated life
Information technology (IT) equipment	3 to 5 years

Impairment

Property, plant, and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount might not be recoverable. An impairment loss is recognised for the amount that the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Breakdown of property, plant and equipment

Movements for each class of property, plant, and equipment are as follows:

	IT Equipment \$000	Total \$000
Cost or valuation		
Opening balance	-	-
Additions	83	83
Balance at 30 June 2025	83	83

	IT Equipment \$000	Total \$000
Accumulated depreciation		
Opening balance	-	-
Depreciation expense	29	29
Balance at 30 June 2025	29	29
Depreciation expense	29	29
Balance at 30 June 2025	29	29
Carrying amount		
At 30 June 2025	54	54

9. Intangible assets

Accounting policy

Software acquisition and development

Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Direct costs include the costs of services and software development.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs of software updates or upgrades are capitalised only when they increase the usefulness or value of the software.

Costs associated with development and maintenance of the Ministry's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each financial period is recognised in surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Internally developed computer software 5 years 20%

Impairment

Intangible assets subsequently measured at cost that have an indefinite useful life or that are not yet available for use are tested annually for impairment, irrespective of whether there is any indicator of impairment.

For further details, refer to the policy for impairment of property, plant, and equipment in Note 8. The same approach applies to the impairment of intangible assets.

	Internally developed software \$000	Total \$000
Cost		
Opening Balance	-	-
Additions	130	130
Work In Progress	-	-
Balance at 30 June 2025	130	130
Accumulated amortisation and impairment losses		
Opening Balance	-	-
Amortisation Expense	13	13
Impairment losses	-	-
Balance at 30 June 2025	13	13
Amortisation Expense	13	13
Impairment losses	-	-
Balance at 30 June 2025	13	13
Carrying amount		
At 30 June 2025	117	117

Restrictions

There are no restrictions over the title of the Ministry's intangible assets, nor are any pledged as security for liabilities.

Capital commitments

As at 30 June 2025, the Ministry has no capital commitments.

10. Payables

Accounting policy

Creditor and other payables are recorded at the amount payable.

	2025 Actual \$000
Breakdown of payables	
Accrued expenses	149
Creditors	1,083
Total payables	1,232

11. Provision for repayment of surplus

	2025 Actual \$000
Surplus for the 16 months ended 30 June 2025	675
Repayment of surplus for period ended 30 June 2024	(436)
Total provision	239

The return of operating surplus to the Crown is required to be paid by 31 October of each year.

12. Employee entitlements

Accounting policy

Short-term employee entitlements

Employee entitlements that are expected to be settled wholly before 12 months after the end of the reporting period in which the employees render the related service are measured based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

Long-term employee entitlements

The Ministry's long-term employee entitlements relate to staff transferred from other government agencies who retained their entitlements.

Employee entitlements that are not expected to be settled wholly before 12 months after the end of the reporting period that the employees provide the related service in, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlements information; and
- the present value of the estimated future cash flows.

Breakdown of employee entitlements	2025 Actual \$000
Current portion	
Accrued annual leave	303
Total current portion	303
Non-current portion	
Long service leave	15
Total employee entitlements	318

13. Contingencies

The Ministry has no contingent liabilities and no contingent assets at 30 June 2025.

14. Equity

Equity is the Crown's investment in the Ministry and is measured as the difference between total assets and total liabilities. All equity is aggregated and classified as taxpayers' funds.

Capital management

The Ministry's equity is largely managed as a by-product of managing revenue, expenses, assets, liabilities, and compliance with the government budget processes, Treasury Instructions, and operating in a prudent and efficient manner in accordance with the Public Finance Act 1989. The objective of managing the Ministry's equity is to ensure that the Ministry effectively achieves its goals and the objectives that it has been established for, while remaining financially sustainable.

15. Financial instruments

Accounting policy

Financial instruments are comprised of trade debtors and other receivables, cash and cash equivalents, trade creditors and other payables.

Financial assets and financial liabilities are recognised when the Ministry becomes a party to the contractual provisions of the financial instrument.

Financial assets and financial liabilities are recognised initially at fair value plus transaction costs, except for those carried at fair value through surplus or deficit, which are measured at fair value.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or the Ministry transfers the financial asset to another party without retaining control or transfers substantially all the risks and rewards of the asset.

A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

The Ministry measures all financial assets at amortised cost less any provisions for impairment.

Categories of financial instruments

The classification of the Ministry's financial assets and liabilities in accordance with PBE IPSAS 41 *Financial Instruments* are as follows:

	2025 Actual \$000
Financial assets measured at amortised cost	
Cash and cash equivalents	2,455
Receivables	1,257
Total financial assets measured at amortised cost	3,712
Financial liabilities measured at amortised cost	
Creditor and other Payables	1,232
Total financial liabilities measured at amortised cost	1,232

16. Related party transactions

The Ministry is a wholly owned entity of the Crown.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect the Ministry would have adopted in dealing with the party at arm's length in the same circumstances. Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies and undertaken on the normal terms and conditions for such transactions.

Key management personnel

The key management personnel remuneration disclosure includes the Chief Executive and three other members of the Executive Leadership Team and those formally acting in these positions during the financial period on a full-time equivalent basis. The below key management personnel disclosure excludes the Minister for Regulation. The Minister's remuneration and other benefits are not received only for his role as a member of key management personnel of the Ministry. The Remuneration Authority sets the Minister's remuneration and other benefits under the Members of Parliament (Remuneration and Services) Act 2013, and they are paid under permanent legislative authority on behalf of the Crown by the Department of Internal Affairs, not by the Ministry of Public Accountability.

Key management personnel compensation	2025 Actual (16-months) \$000
Leadership team, including the Chief Executive	
Remuneration	1,283
Full-time equivalent	2.5

Full-time equivalent values reflect the remuneration provided in exchange for the employee services provided in the period covered by these financial statements.

No other related party transactions were entered into during the period with key management personnel.

17. Events after balance date

There were no significant events after the balance date.

18. Explanation of major variances against budget

Statement of comprehensive revenue and expenses

	2025 Actual (16 months) \$000	2025 Unaudited budget (16 months) \$000	Variance
Revenue Crown	19,270	18,334	936

Revenue Crown was greater than expected due to an initiative to bring forward funding \$0.500m from out-years to cover the cost of an urgent Waitangi Tribunal claim for the Regulatory Standard Bill process; and a carry forward of the 2023/24 underspend of \$0.436m.

Personnel costs and other operating expenses – Overall the Ministry’s total expenditure is close to budget. Faster recruitment of Ministry staff meant less reliance than expected on contractor and consultants, resulting in a greater than expected spend on personnel with a corresponding lower spend on other operating expenses.

Independent Auditor's Report

To the readers of the Ministry for Regulation's annual report for the 16 months ended 30 June 2025

The Auditor-General is the auditor of the Ministry for Regulation (the 'Ministry'). The Auditor-General has appointed me, Anthony Heffernan, using the staff and resources of Audit New Zealand, to carry out, on his behalf, the audit of:

- The financial statements of the Ministry that comprise the statement of financial position, statement of commitments, statement of contingent liabilities and contingent assets as at 30 June 2025, the statement of comprehensive revenue and expenses, statement of changes in equity, and statement of cash flows for the 16 months ended on that date and the notes to the financial statements that include accounting policies and other explanatory information on pages 42 to 61.
- The end-of-period performance information for the appropriation of the Ministry for the 16 months ended 30 June 2025 on pages 31 to 38.
- The statement of budgeted and actual expenses and capital expenditure incurred against appropriation of the Ministry for the 16 months ended 30 June 2025 on pages 39 to 40.

Opinion

In our opinion:

- The annual financial statements of the Ministry:
 - fairly present, in all material respects:
 - its financial position as at 30 June 2025; and
 - its financial performance and cash flows for the 16 months ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The end-of-period performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriations; determined in accordance with generally accepted accounting practice in New Zealand; and
 - fairly presents, in all material respects:
 - what has been achieved with the appropriations; and

- the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.
- The statement of budgeted and actual expenses and capital expenditure have been prepared, in all material respects, in accordance with the requirements of section 45A of the Public Finance Act 1989.

Our audit was completed on 30 September 2025. This is the date at which our opinion is expressed.

Basis for our opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of the Chief Executive and Secretary for Regulation for the information to be audited

The Chief Executive and Secretary for Regulation is responsible on behalf of the Ministry for preparing:

- Financial statements that fairly present the Ministry's financial position, financial performance, and its cash flows, and that comply with generally accepted accounting practice in New Zealand.
- End-of-period performance information for appropriations that:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation; determined in accordance with generally accepted accounting practice in New Zealand;
 - fairly presents what has been achieved with the appropriation;
 - fairly presents the actual expenses or capital expenditure incurred in relation to the appropriation as compared with the expenses or capital expenditure that were appropriated or forecast to be incurred; and
 - complies with generally accepted accounting practice in New Zealand.

- Statement of budgeted and actual expenses and capital expenditure of the Ministry, that are prepared in accordance with section 45A of the Public Finance Act 1989.

The Chief Executive and Secretary for Regulation is responsible for such internal control as is determined is necessary to enable the preparation of the information to be audited that is free from material misstatement, whether due to fraud or error.

In preparing the information to be audited, the Chief Executive and Secretary for Regulation is responsible on behalf of the Ministry for assessing the Ministry's ability to continue as a going concern.

The Chief Executive and Secretary for Regulation's responsibilities arise from the Public Finance Act 1989.

Responsibilities of the auditor for the information to be audited

Our objectives are to obtain reasonable assurance about whether the information we audited, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of the information we audited.

For the budget information reported in the information we audited, our procedures were limited to checking that the information agreed to the Estimates of Appropriations for the Government of New Zealand for the 16 months ended 30 June 2025. For the forecast financial information for the year ending 30 June 2026, our procedures were limited to checking to the best estimate financial forecast information based on the Budget Economic Fiscal Update for the year ending 30 June 2026.

We did not evaluate the security and controls over the electronic publication of the information we audited.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the information we audited, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ministry's internal control.

- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Chief Executive and Secretary for Regulation.
- We evaluate whether the end-of-period performance information for appropriations:
 - provides an appropriate and meaningful basis to enable readers to assess what has been achieved with the appropriation. We make our evaluation by reference to generally accepted accounting practice in New Zealand; and
 - fairly presents what has been achieved with the appropriation.
- We evaluate whether the statement of budgeted and actual expenses and capital expenditure have been prepared in accordance with legislative requirements.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Chief Executive and Secretary for Regulation.
- We evaluate the overall presentation, structure and content of the information we audited, including the disclosures, and whether the information we audited represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Chief Executive and Secretary for Regulation regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other information

The Chief Executive and Secretary for Regulation is responsible for the other information. The other information comprises all of the information included in the annual report other than the information we audited and our auditor's report thereon.

Our opinion on the information we audited does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

Our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the information we audited or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Independence

We are independent of the Ministry in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Ministry.



Anthony Heffernan
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand



Te Kāwanatanga o Aotearoa
New Zealand Government

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