

Minister for Regulation

Information Release

Hon David Seymour

June 2025

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Documents in this information release

#	Reference	Title	Date	Information withheld
1	EXP-25-SUB-0047	Cabinet paper	6 May 2025	Paragraph 10, 31, 32, recommendation 7: s 9(2)(f)(iv) – to maintain the confidentiality of advice tendered by Ministers of the Crown and officials
2	EXP-25-SUB-0047-C	Regulatory Impact Statement	6 May 2025	Signature withheld under s 9(2)(a) – to protect the privacy of individual persons
3	EXP-25-MIN-0047	Cabinet Committee minute	6 May 2025	Paragraph 7: s 9(2)(f)(iv) – to maintain the confidentiality of advice tendered by Ministers of the Crown and officials
4	CAB-25-MIN-0157	Cabinet minute	12 May 2025	Information not related to the current Cabinet paper

Information withheld

Some parts of this information release would not be appropriate to release and, if requested, would be withheld under the Official Information Act 1982 (the Act). Where this is the case, the relevant sections of the Act that would apply have been identified. Where information has been withheld, no public interest has been identified that would outweigh the reasons for withholding it.

Sections of the Act under which information has been withheld:

- s 9(2)(a) – to protect the privacy of natural persons, including that of deceased persons
- s 9(2)(f)(iv) – to maintain the confidentiality of advice tendered by Ministers of the Crown and officials

The following information has been excluded from this proactive release:

- information being published through a separate process on the Ministry for Regulation website (for example, Appendix A)
- information not related to the Hairdressing and Barbering Regulatory Review.

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Office of the Minister for Regulation

Office of the Minister of Health

Cabinet Expenditure Committee

Hairdressing and Barbering Regulatory Review Recommendations

Proposal

- 1 This paper seeks approval of the Hairdressing and Barbering Regulatory Review (the Review) recommendations and the revocation of the Health (Hairdressers) Regulations 1980 (Hairdressers Regulations).

Relation to government priorities

- 2 The Review was undertaken as part of the Government's commitment to carry out regulatory sector reviews and reduce unnecessary regulation to ensure regulatory requirements are fit for purpose, reduce regulatory burden where possible, and maximise economic growth and productivity.

Executive Summary

- 3 The Review is complete with four recommendations. Overall, the Review found there was sufficient market failure (information asymmetry and negative externalities) to warrant government intervention to mitigate public health risk.¹ However, the Review recommended that specific regulation was not required (and that the current Hairdressers Regulations are outdated and overly prescriptive) and government should intervene through existing general legislative regimes and new health and hygiene guidance.
- 4 Two options to address these findings were considered by the Review. They were either revoke the current Hairdressers Regulations and replace with guidance or revoke the Hairdressers Regulations and replace with new risk-based regulations. The Review concluded that given the low likelihood of harm occurring, especially compared to other industries, revoking and replacing with guidance would be unlikely to present an increase in the risk of harm.
- 5 Most of the risks presented by the industry are broadly managed under general legislative schemes applying to businesses. While these general requirements do not eliminate the market failures and ensuing health risks identified, they do mitigate them. The Final Report is attached in **Appendix A**.

Proactive release note:
Appendix A will be released
separately on the Ministry for
Regulation website

¹ Under economic theory, the presence of a market failure alone is not justification for government intervention. The Review considered the harm occurring, or likely to occur, because of the market failures and assessed whether it was of sufficient magnitude to warrant a corrective solution, whether any solution can be provided by the private market or through government intervention, and if the latter then what type of government intervention.

- 6 Revocation will be supported by the introduction of updated guidance for the hairdressing and barbering industry about public health i.e., health and hygiene practices. This will be developed by the Ministry for Regulation, in collaboration with the Ministry for Health, Health New Zealand, and other key stakeholders from the industry. There will also be a report back to Cabinet two years following revocation of the Hairdressers Regulations on whether risks are being appropriately managed under the new regime.
- 7 The new guidance will cover public health, which is different to work-related health and safety. Hairdressing and barbering will continue to be regulated under the Health and Safety at Work Act 2015 (HSWA). Serious work-related health and safety “notifiable events”² are rare and hairdressing and barbering is not considered to be a high-risk industry.
- 8 Revoking the hairdressing regulations and replacing them with voluntary guidance comes with risk. Firstly, there will be no regular monitoring regime in place. There is also a risk that revocation could cause quality impacts in the market arising from new entrants that do not follow good safety practices, undercutting businesses that have invested time and money in training and developing hygienic processes and price their services accordingly. However, we consider it unlikely these risks will materialise, and the proposed Cabinet report back will assess the impact of revocation.
- 9 Additionally, key stakeholders, particularly industry representatives, want continued regulation of the hairdressing and barbering industry. The Ministry for Regulation will work through any challenges this presents to developing and implementing the new public health guidance.
- 10 The Review also heard from eleven business owners and workers who want to be able to provide a small quantity of alcohol to customers as part of a service. ^{s 9(2)(f)(iv)}

Background

- 11 The Review was publicly announced on 12 December 2024, following Cabinet agreement on 25 November 2024 [CAB-24-MIN-062 refers]. Its purpose was to ensure the regulations that applied to the hairdressing and barbering industry are proportionate to the risks posed.
- 12 The Terms of Reference directs the Review to form findings and make recommendations about whether the:
 - 12.1 regulation of hairdressing salons, barber shops, and hairdressers and barbers continue to have valid rationale

² Notifiable injury or illness, incident or event are defined in sections 23 – 25 of HSWA.

12.2 current regulatory framework is effective and efficient (to the extent the review finds valid rationale for regulation).

- 13 The legislative instruments expressly in scope of the Review were the Hairdressers Regulations³ and the Health (Registration of Premises) Regulations 1966.⁴ Both are made under the Health Act 1956. Regulation of the broader appearance industry was out of scope of the Review.⁵

The Review is complete and makes four recommendations

- 14 The Review found there are low to moderate public health risks associated with the hairdressing and barbering industry. These involve the risk of transmission of communicable diseases and ectoparasites (such as head lice) and harm from the use of hazardous chemicals. The Review found that market forces alone cannot sufficiently mitigate these risks, but that general legislation, such as HSWA, is likely to sufficiently manage them given the level of risk.
- 15 The original objective of the Hairdressers Regulations, to promote healthy practices, are valid. However, the Review found they are not an effective or efficient intervention by government. The Hairdressers Regulations are outdated, and the level of prescription required is in most cases not proportionate to the risk of harm. They take a one size fits all approach that does not account for the differing service profiles, and therefore differing levels of risk, across different types of businesses within the industry. There is also inconsistent enforcement of some aspects of these regulations by local authorities which creates uncertainty and costs (albeit low costs) for businesses.
- 16 The Review heard that the Hairdressers Regulations do not carry high compliance costs, in either financial or time cost (for regulated parties or the regulator), although some unnecessary costs are being incurred by some business owners. The Review did not find that the Hairdressers Regulations were acting as an unreasonable barrier to entry, innovation or expansion of hairdressing and barbering businesses.
- 17 There is no one 'best practice' model for government intervention in the hairdressing and barbering industry internationally. Different jurisdictions take different approaches depending on their local context. Western Australia revoked hairdressing and barbering-specific rules when they fully reformed their public health legislation. This meant they could rely on general legislation and guidance to manage public health risks. Most other jurisdictions considered by the Review continue to have specific regulation for hairdressing

³ The objective of these regulations is to set out and enforce healthy hairdressing practices in line with the wider legislative purpose of the improvement, promotion and protection of public health.

⁴ The objective of these regulations is to set out requirements for registration by local authorities of premises that are required to be registered by virtue of other regulations (current the premises captured under this set of regulations are hairdressers' or barbers' shops, campgrounds, and funeral director's premises).

⁵ The wider appearance industry includes tattoo parlours, skin piercing, nail salons and skincare services.

and barbering, as well as other appearance industry practices such as skin piercing.

18 As a result, the Review makes the following recommendations:

18.1 **Recommendation 1:** Revoke the Hairdressers Regulations in full

18.2 **Recommendation 2:** Ministry for Regulation collaborate with the Ministry of Health, Health New Zealand and other relevant parties to develop updated guidance for the industry about health and hygiene practices and communicate changes to the industry and local authorities

18.3 **Recommendation 3:** Ministry for Regulation monitor and report back to Cabinet two years following revocation of the Hairdressers Regulations on whether risks are being appropriately managed under the new regime or whether new risk-based regulations should be introduced

18.4 **Recommendation 4:** Ministry for Regulation work with the Ministry of Justice to respond to issues raised by submitters with how the Sale and Supply of Alcohol Act 2012 (SSAA) applies to the hairdressing and barbering industry.

19 We seek Cabinet's approval of these recommendations.

20 The Review also considered whether to revoke the current Hairdressers Regulations and replace them with modern risk-based regulations, which could be extended to the wider appearance industry in the future. However, while the analysis was close, the Review concluded that given the low likelihood of harm occurring, revocation would be unlikely to present an increase in risk.

21 There are risks associated with revoking the Hairdressers Regulations. These are:

21.1 there may be quality impacts from new entrants to the market who do not follow good safety practices undercutting businesses who have invested in training and developing good processes and price their services accordingly. If customers cannot adequately distinguish between the different types of businesses, it may lead to the market being dominated by lower quality providers

21.2 revocation of the Hairdressers Regulations is not supported by all stakeholders, especially industry representatives. This could present challenges in working with them to develop guidance and monitor the impacts of revocation

21.3 the recommended option does not adequately deal with hairdressers or barbers that operate with poor cleaning, disinfection and hygiene practices. Knowing who these businesses are relies on customers or members of the public making a complaint to the local authority or local

public health service. It is important to note that the option to revoke and replace with new risk-based regulations would not adequately deal with this risk either.

- 22 There is a distinction between public health and work-related health and safety. The HSWA regulations will still apply to the hairdressing and barbering industry, and WorkSafe has industry-specific guidance on its website. However, there will be limited monitoring and enforcement as WorkSafe does not consider this industry to be high-risk. This will not change unless the industry's risk profile changes.

Implementation plan for the revocation of the Hairdressers Regulations (Recommendations 1-3)

- 23 Implementation has two parts:
- 23.1 revocation of the Hairdressers Regulations, provision of guidance for the industry, and communication to the industry, members of the public, and local authorities
- 23.2 a two-year report back to Cabinet on the impacts of revocation.

Revocation of the regulations and provision of guidance

- 24 If Cabinet agrees to revoke the Hairdressers Regulations, a new Order in Council will be drafted by the Parliamentary Counsel Office (PCO) to do so. This will then be presented to Cabinet's Legislative Committee (LEG) for approval and sign off by the Governor-General. Revocation will take effect when the new guidance is ready to be published at the end of July.
- 25 The Ministry for Regulation will collaborate with the Ministry of Health, Health New Zealand, and other relevant parties such as industry bodies to develop and communicate changes to the industry and local authorities.

Two-year report back to Cabinet

- 26 The Ministry for Regulation will monitor the impacts of revocation and report back to Cabinet two years after the Hairdressers Regulations are revoked. It will include whether the public health risks are being appropriately managed or whether government should intervene differently.

Implementation timeline

- 27 An indicative implementation plan is set out below.

Milestone/Activity	Timeframe
Cabinet approves revocation of the Regulations	12 May 2025
Ministers announce changes	After 12 May 2025
Ministry of Health issues drafting instructions to PCO	After 12 May 2025
Order in Council to revoke the Regulations considered by LEG	26 June 2025

Cabinet approves and Governor-General signs off	30 June 2025
Revocation gazetted	3 July 2025
28-day rule	3 July to 31 July 2025
Revocation takes effect	31 July 2025
Two-year report back to Cabinet	July 2027

The provision of a small quantity of alcohol to customers as part of a service (Recommendation 4)

- 28 The Review heard from 11 business owners and workers who said they should be allowed to serve a limited amount of alcohol (e.g., 1 - 2 standard drinks) to their customers.⁶ However, a few other submitters felt that the risks introduced by serving alcohol (e.g., unruly customers, unknowingly serving intoxicated customers who had previously had drinks elsewhere) were too high.
- 29 A few submitters said they had obtained a licence so they could serve alcohol and differentiate themselves in the market, and that this investment would be undercut if other businesses were able to serve alcohol without a licence.
- 30 While the SSAA allows for a small number of exemptions⁷, none currently apply to hairdressing and barbering, or other similar businesses. There are currently four members' bills in the ballot relating to the SSAA, including one proposing a specific exemption for hairdressers and barbers.⁸

31 s 9(2)(f)(iv)

32 s 9(2)(f)(iv)

⁶ Three said that bring-your-own (BYO) alcohol should be allowed. Some did not refer to the licensing regime, while others specifically said they wanted to be able to do this without a licence.

⁷ Certain sales by makers, importers, distributors, and wholesalers (section 8), certain alcohol not intended for drinking (section 9), certain messes and canteens (section 10), authorised sales of alcohol at international airports (section 11), and homestays (section 12).

⁸ Sale and Supply of Alcohol (Restrictions on Issue of Off-Licences and Low and No Alcohol Products) Amendment Bill (<https://bills.parliament.nz/v/1/716f11dd-42b1-4d2f-288e-08dd56de38a6>); Sale and Supply of Alcohol (Repeal of Licensing Trust Monopolies) Amendment Bill (<https://bills.parliament.nz/v/1/79df1aef-81e6-4a30-ae1e-08dcf3171669>); Sale and Supply of Alcohol (Participation in Licensing Decisions) Amendment Bill (<https://bills.parliament.nz/v/1/4464f21a-b781-476f-ae1f-08dcf3171669>); Hairdressing (Reducing Restrictions) Legislation Bill (<https://bills.parliament.nz/v/1/2714f8d8-a7e8-4aa3-523b-08dcfd11a33>)

Cost-of-living Implications

- 33 There is no cost of living implications associated with this proposal. As the financial barriers to market entry are already low under the current regulatory framework, it is unlikely the proposal will result in the cost of services by hairdressers and barbers by not having to register annually with local authorities.

Financial Implications

- 34 The main financial implication is the reduced revenue to the regulator (local authorities). However, the Review heard from many local authorities that the annual fee they receive from the annual registration does not cover all their costs associated with inspections.
- 35 With this proposal, the main financial implication is the cost to implement the change. This will fall to the Ministry for Regulation and Ministry of Health and will be managed within baseline.

Legislative Implications

- 36 This paper seeks approval to revoke the Hairdressers Regulations, which means specific hairdressing and barbering regulations will cease to exist. The Health (Registration of Premises) Regulations 1966 will remain in place as it is not specific to the hairdressing and barbering industry. No changes to primary legislation are proposed in this paper.

Impact Analysis

Regulatory Impact Statement

- 37 A Regulatory Impact Statement (RIS) has been completed and is attached in **Appendix B**. A panel comprising officials from the Ministry for Regulation and the Ministry of Business, Innovation and Employment (MBIE) has reviewed the RIS and found that it meets quality requirements.

Climate Implications of Policy Assessment

- 38 The Climate Implications of Policy Assessment (CIPA) team has been consulted and confirms the CIPA requirements do not apply to this proposal as the threshold for significance is not met.

Population Implications

- 39 Revocation of the Hairdresser Regulations will make it easier for business owners to operate, whether in a shop or salon, or a home-based or mobile set-up. This means we are making it easier for women business owners and small businesses.

- 40 Currently, the hairdressing and barbering industry is made up of mainly small independent businesses.⁹ It employs around 13,000 people, 87% of whom are women. Hairdressing and barbering is a relatively low paid sector.¹⁰ Being qualified also does not lead to much difference in income levels.¹¹
- 41 As stated, there are risks associated with revoking the Hairdressers Regulations, and if these risks eventuate, they are likely to fall inequitably. Those at greater risk are more likely to be young people accessing services from their peers who may not be formally trained, those accessing lower-cost services from hairdressers and barbers with lower skill levels due to having a low level of disposable income, and others who have limited general knowledge about health risks.

Human Rights

- 42 There are no New Zealand Bill of Rights Act 1990 or Human Rights Act 1993 implications arising from this proposal.

Use of External Resources

- 43 No external resources were engaged or remunerated during the Review.

Consultation

- 44 The following departments and agencies were consulted on this paper: MBIE, the Ministry of Justice, and the Department of Internal Affairs. The Department of the Prime Minister and Cabinet has been informed.

Communications

- 45 Subject to Cabinet decisions, we will announce the completion of the Review and Cabinet decisions. The Ministry for Regulation intends to release the Final Report on its website following the announcement, alongside other key documentation from the Review. The Review has already generated some media interest, and there is likely to be more media coverage following the Ministry for Regulation's publication of the Final Report.

Proactive Release

⁹ It is challenging to separate data about hairdressing and barbering from other parts of the appearance industry i.e. nail salons, skincare services and tattoo parlours. Therefore, the statistics presented may combine hairdressing, barbering and other beauty services. The number of businesses across the appearance industry is around 5,600.

¹⁰ *Kia Ita! The Barbering and Hairdressing Workforce Development Plan* (Toi Mai Workforce Development Council, October 2024) at 62 – according to Seek the average annual salary for hairstylist jobs in Aotearoa ranges from \$45,000 to \$55,000 or \$865 - \$1057 per week. The median weekly earnings in New Zealand as at June 2024 was \$1343 – see Statistics New Zealand “Income” <www.stats.govt.nz/topics/income>.

¹¹ *Kia Ita! The Barbering and Hairdressing Workforce Development Plan* (Toi Mai Workforce Development Council, October 2024) at 42.n

- 46 We intend to proactively release this Cabinet paper as part of the public announcements, subject to any appropriate redactions under the Official Information Act 1982.

Recommendations

The Minister for Regulation and Minister of Health recommends the Committee:

- 1 **note** the hairdressing and barbering regulatory review conducted by the Ministry for Regulation has been completed
- 2 **approve** Recommendation 1: revoke the Health (Hairdressers) Regulations 1980 in full
- 3 **invite** the Minister of Health to issue drafting instructions to the Parliamentary Counsel Office for a new Order in Council to revoke the Health (Hairdressers) Regulations 1980
- 4 **approve** Recommendation 2: Ministry for Regulation officials will collaborate with the Ministry of Health, Health New Zealand, and other relevant parties to develop guidance for the industry about health and hygiene practices and communicate changes to the industry and local authorities
- 5 **approve** Recommendation 3: Ministry for Regulation monitor the impacts for two-years after the Health (Hairdressers) Regulations 1980 are revoked
- 6 **invite** the Minister for Regulation to report back to Cabinet on the impacts, two years following revocation
- 7 **note** that officials at the Ministry for Regulation are working with the Ministry of Justice on Recommendation 4: s 9(2)(f)(iv)

Authorised for lodgement.

Hon David Seymour
Minister for Regulation

Hon Simeon Brown
Minister of Health

Appendix A: Final Report of the Hairdressing and Barbering Review

Proactive release note:

Appendix A will be released
separately on the Ministry for
Regulation website

Appendix B: Regulatory Impact Statement



Regulatory Impact Statement: Revocation of the Health (Hairdressers) Regulations 1980

Decision sought	Analysis produced for the purpose of revoking the Health (Hairdressers) Regulations 1980
Agency responsible	Ministry for Regulation <i>The Ministry for Regulation is completing this RIS as part of the Hairdressing and Barbering Regulatory Review. The Ministry of Health administer the Health (Hairdressers) Regulations 1980.</i>
Proposing Ministers	Minister for Regulation
Date finalised	8 April 2025

The proposal is to revoke the Health (Hairdressing) Regulations 1980 (the regulations). This is one of the recommendations made in the Hairdressing and Barbering Regulatory Review (the Review) conducted by the Ministry for Regulation.

*This Regulatory Impact Statement is based on the Review's Final Report, and both documents should be read together. The Final Report is attached in **Appendix A**.*

Summary: Problem definition and options

What is the policy problem?

The Review found there are low to moderate public health risks associated with the hairdressing and barbering industry. These involve the risk of transmission of communicable diseases and ectoparasites (e.g. headlice) and harm from use of hazardous chemicals.

Market forces alone cannot sufficiently mitigate the identified risks. This is because customers have little ability to know or find out about how risks are mitigated, e.g., cleaning and disinfection practices (information asymmetry), and hairdressers and barbers do not bear the full consequences of the risk they create, e.g., infectious diseases causing costs to the health system (negative externalities).

The original objective of the current industry-specific regulations to promote health practices are valid. However, the Review found they are not an effective or efficient intervention. The regulations are outdated, and the level of prescription required to be met, is in most cases, not proportionate to the risk of harm. They take a one size fits all approach that does not account for the differing service profiles, and therefore differing levels of risk, across different types of businesses within the industry. There is also inconsistent compliance with some aspects of the regulations which creates uncertainty for businesses.

The Review heard that the regulations do not carry high compliance costs, in either financial or time cost (for both the regulator and regulated parties), although some unnecessary costs are being incurred by some business owners. However, the Review found limited evidence

that the regulations are acting as a barrier to entry, innovation or expansion of hairdressing and barbering businesses.

What is the policy objective?

The policy objective is to ensure:

- a well-functioning market where public health risks posed by hairdressing and barbering are well-managed (i.e. no market failures)
- the industry can invest and innovate to meet reasonable customer expectations, as the costs of entry and expansion for businesses are not prohibitive.

What policy options have been considered, including any alternatives to regulation?

Having determined the status quo needed to change, the Review considered a range of options to address the issues. Four were discounted, including the status quo, and two progressed to further analysis. The two other options were fully analysed for the Review:

1. Option 1 - Revoke the current regulations and not replace with anything (supported revocation)
2. Option 2 - Revoke the regulations and replace with risk-based regulations focused on health and hygiene practices (revoke and replace).

Option 1 is a non-regulatory approach and Option 2 is a regulatory approach. Both options would see general requirements in other legislative frameworks remain i.e. requirements under the Building Act 2004, Health and Safety at Work Act 2015 (HSWA), Health Act 1956.

The Review recommended Option 1, which is supported by the Minister for Regulation.

What consultation has been undertaken?

The Review undertook a two-part consultation process:

1. What people told us about the status quo (at the start of the Review)
2. What people told us about the options for change (toward the end of the Review)

Consultation took the form of direct engagement meetings and surveys with industry representatives, local authorities, public health experts and the New Zealand Institute of Environmental Health.

During the second part of consultation, stakeholders were presented with the two final options and asked for their preference and why. Most of the industry representatives and most local authorities that responded in stage 2, as well as the New Zealand Institute of Environmental Health (NZIEH) favoured Option 2 (revoke and replace). Business New Zealand supported Option 1.

Impacted government agencies, including the Ministry of Health, Ministry of Business, Innovation and Employment, WorkSafe, Department of Internal Affairs, and Health New Zealand were also consulted.

No public consultation was undertaken as part of the Review.

Is the preferred option in the Cabinet paper the same as preferred option in the RIS?

Yes, there is alignment between the preferred option in the Cabinet paper and this RIS.

Summary: Minister's preferred option in the Cabinet paper

Costs (Core information)

Outline the key monetised and non-monetised costs, where those costs fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

The costs faced by regulated parties (business owners) and the regulator (local authorities) due to requirements in the regulations disappear once they are revoked. Some costs will remain for business owners under more general legislative requirements i.e. backflow prevention devices will still be required under the Building Act 2004.

For most of the harms that occur in the hairdressing and barbering industry, the costs are primarily borne by the individual customer. While the chances are low once the regulations are revoked, some risks involve costs that would fall on the health system (e.g., hepatitis C infection), the education system (e.g., the spread of head lice through a school or early childhood education centre), or impact productivity for hairdressers and their customers (e.g., the spread of a respiratory disease requiring time off work). These are difficult to quantify as it would depend on the type of harm and how many people are harmed. For example, there may be an increase in ACC claims, if customers receive nicks or cuts or chemical burns, or workers are injured. However, this is no different to what happens under the status quo.

The key costs for the preferred option relate to implementation of the preferred option. They include:

- providing communication and advice to local authorities, the industry and the public. This cost will fall to the Ministry for Regulation
- developing and publishing guidance for the industry on health and hygiene practices. This cost will fall mostly to the Ministry for Regulation, and some to the Ministry of Health
- monitoring any impacts over the next two years, and reporting-back to Cabinet. This cost will fall to the Ministry for Regulation. There may also be a small resource cost to local authorities, as we will re-survey them for their thoughts on the impact of revocation, and the Ministry of Health and Health New Zealand for providing us with any relevant data or information.

Following implementation, ongoing maintenance of the guidance and communication of any changes will be the responsibility of the Ministry of Health.

The total costs to implement this option are estimated to be around \$97,500. This is made up of \$45,000 for the development of guidance, communications for the industry, public, and local authorities, and \$52,500 for monitoring and report-back. These costs can be met from within agencies' baselines. Our assumptions are included in Section 2.

Benefits (Core information)

Outline the key monetised and non-monetised benefits, where those benefits fall (e.g. what people or organisations, or environments), and the nature of those impacts (e.g. direct or indirect)

By revoking the current regulations, the key benefits include:

- reducing the (already low) compliance costs to businesses, in a way that is unlikely to materially increase health risks. The average cost of registration with the local authority is \$272.55 per premise. There is no definitive data on the number of

hairdressing and barbering businesses, as they tend to be grouped with businesses from the wider appearance industry. This figure is estimated to be around 5,600. Therefore, the savings would be no more than a maximum of \$1.526m (see **page 17** of the Final Report for more details on the industry)

- there will also be cost savings for business owners who will no longer have to fit out their shop or salon in a way to meet the current requirements i.e. minimum spacing between service chairs, and between the service chairs and the basins. Due to the variability between salons and shops, this is difficult to quantify
- there are also cost savings to local authorities who will no longer need to register hairdressing and barbering premises and inspect them to ensure they are meeting the minimum standards in the current regulations. This is not able to be costed but will save administrative and inspection time
- the hairdressing and barbering industry is treated fairly and proportionately to the risk it poses. Introducing new regulations would continue to subject the hairdressing and barbering regulation to a higher level of regulation than the wider appearance industry, even though it arguably presents less risk than other appearance services such as skin piercing or tattooing.

Balance of benefits and costs (Core information)

Does the RIS indicate that the benefits of the Minister's preferred option are likely to outweigh the costs?

The Review considered the cost to implement new risk-based regulations (Option 2), which requires a level of monitoring and enforcement, particularly to identify operators who are unaware of the requirements or who avoid registration. It concluded that the costs would outweigh the benefits, given the overall low risk level associated with hairdressing and barbering.

Implementation

How will the proposal be implemented, who will implement it, and what are the risks?

Implementation will be led by the Ministry for Regulation in collaboration with the Ministry of Health and Health New Zealand. There are two parts:

1. revocation of the current regulations, provision of guidance for the industry, and communication to the industry, members of the public, and local authorities
2. a two-year report back to Cabinet on the impacts of revocation, if any.

The Ministry for Regulation will be responsible for monitoring what impacts arise from revocation.

Limitations and Constraints on Analysis

Data collection

The Review encountered challenges in obtaining reliable data to understand the level and prevalence of harm occurring due to hairdressing and barbering practices. For example, while ACC collects sufficiently granular data to identify the industry associated with each worker claim, it does not collect data that enables it to identify any specific industry associated with non-worker claims i.e., customers who may be injured at the hairdresser or barber. The form that claimants or their service providers fill in simply asks whether the accident happened at home, school, or other. This meant we were reliant on keyword searches using hairdressing and barbering-related terms to find any injury claims.

Constraints placed on the Review

The Review had four months (November 2024 to March 2025) to gather data, engage stakeholders, develop and analyse options, and write the final report. Several matters were expressly placed out of scope of the Review, which affected some of the regulatory and non-regulatory options considered. These were:

- whether other beauty services, such as tattooing, skin piercing or hair removal, should be subject to different regulation to the current state
- investigation of individual complaints about how the regulations are applied by particular local authorities
- workforce planning or estimating the market's requirements for trained workers
- evaluating the appropriateness of hairdressing and barbering qualifications or the level and targeting of government funding for these qualifications.

The extent to which the regulations are mitigating or reducing the harm

There are currently a range of mechanisms in place which are helping to manage the risks associated with the industry, including the regulations, general legislation applying to businesses more broadly, qualifications and on-the-job training, guidance, and the presence of an industry body. However, it is unclear to what extent each of these factors, especially the regulations, are contributing to the risk mitigation. This makes the counterfactual hard to clarify.

There was also a low number of submissions from hairdressers and barbers (32 in total) compared to the total size of the sector, making it difficult to get their perspective on whether the regulations themselves, or other factors were mitigating or reducing harm both to themselves and customers.

No public consultation

There was no consultation with customers which places a constraint on the analysis. This was in part due to the short-time frame of the Review, the fact the Review ran over the Christmas holidays, and the potential for a high volume of submissions that may have compromised the timeline to analyse, without adding significant value beyond customers wanting to be served beverages during their service. We acknowledge the consumer viewpoint may not have been properly represented by the stakeholders we consulted during the Review. However, the consumer voice was sought through consultation with the Commerce Commission, ACC and Hair and Barber New Zealand | Makawe me Kaituti Makawe o Aotearoa (HBNZ) - predominantly through analysing complaints from consumers.

There was also a very low number of submissions received i.e. less than 1 percent of the industry. We had been hoping for around 10 percent. Had the Review been longer, this is something we would have tried to address and increase the number of submissions.

I have read the Regulatory Impact Statement, and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the preferred option.

Responsible Manager(s) signature:

Hannah McGlue

Manager, Regulatory Reviews

28 April 2025

s 9(2)(a)

Proactive release note:
Document signed by
Hannah McGlue

Quality Assurance Statement <i>[Note this isn't included in the four-page limit]</i>	
Reviewing Agency: Ministry for Regulation and Ministry of Business, Innovation and Employment (MBIE)	QA rating: Meets
<p>Panel Comment: A panel comprising officials from the Ministry for Regulation and MBIE has reviewed this Regulatory Impact Statement and found that it meets quality requirements.</p> <p>While there are data gaps and limitations around levels of harm and the effect of the regulations, these are mitigated by the recommended monitoring of outcomes for two years after the regulations are revoked.</p>	

Section 1: Diagnosing the policy problem

What is the context behind the policy problem and how is the status quo expected to develop?

Features of the market

1. The industry is made up of mainly small independent businesses, with a high proportion of female employees.
2. It is changing, with a shift in recent years away from bricks-and-mortar salons towards hairdressers and barbers setting up home-based businesses, where operating costs are likely to be lower.
3. This trend is tied to the falling number of hairdressing apprentices. Home-based hairdressers usually work as sole operators and often do not take on apprentices, reducing the pool of workers available to train the next generation of hairdressers.¹ Business demography data corroborates this reported shift. The number of employees in hairdressing and beauty services increased through to around 2021, but since then has remained flat (including relative to increasing employee numbers across all industries), despite the number of businesses continuing to increase from 2021 to 2024.
4. Since the 2000s, the number of barbershops in New Zealand has grown significantly. Barbering is becoming increasingly popular as a service and as a career path. Service models are evolving, shaped by Māori and Pacific approaches, overseas influences, and young people. As a result, their service offerings are changing as well.
5. A full picture of the industry and changing market is provided in **Part 2** of the Final Report.

Risks arising from hairdressing and barbering practices

6. Most people will not experience any negative health impacts from a visit to the hairdresser or barber. However, there are a range of risks that are present when having a haircut, colour, or shave. These risks apply to customers and hairdressers and barbers and can be grouped into three key risks:
 - risk of transmission of communicable diseases and ectoparasites between customers, members of the public, and between customers and workers
 - risk of harm due to the use of hazardous chemicals

¹ Cheree Kinnear "Watch Focus: Hairdressing industry faces 'concerning' skills gap as salons turn apprentices away" *The New Zealand Herald* (online ed, Auckland, 24 May 2024).

- common workplace hazards.
7. The level of risk involved depends on the risk profile of the service offered, the skill level of the person providing the service, and the systems and processes the business has in place to mitigate risks i.e. disinfection processes.

The Review concluded that:

- harm is occurring from the risks in the hairdressing and barbering industry
 - workers, due to higher levels of exposure, are experiencing higher levels of harm than customers
 - harm has individual, societal and government costs.
8. A full picture of the risk profile of the industry is set out in **Part 3** of the Final Report.

Material market failures in the hairdressing and barbering industry

9. In the context of the hairdressing and barbering industry, a market failure could mean that health is not sufficiently protected because competitive factors alone do not incentivise business owners, hairdressers and barbers to act in ways that sufficiently protect customers' and workers' health.

10. There are two material market failures in the hairdressing and barbering industry:
- information asymmetry – customers have very little ability to know or find out to what extent the risks they are exposed to are being appropriately managed, as hygiene and safety practices are largely invisible to customers. This means that customers cannot choose a service and opt to pay a higher or lower price based on level of hygiene and safety.
 - negative externalities – harms that arise in the course of hairdressing and barbering, such as spread of communicable disease or injury from chemicals, largely fall on the individual harmed, but some costs fall on the health system or the Accident Compensation Corporation (ACC). Hairdressers and barbers do not bear the full consequences of the risks created as ACC levies only reflect claims by workers, not customers.

11. More detail on market failures in the industry are provided in **Part 4** of the Final Report.

Regulatory context

12. The hairdressing and barbering industry is specifically regulated under two sets of regulations, both made under the Health Act 1956:
- Health (Registration of Premises) Regulations 1966 - set out requirements for registration of premises which are required under regulations to register with a local authority.² There are no plans to revoke these regulations as they apply to more than just hairdressing and barbering.
 - Health (Hairdressers) Regulations 1980 (the regulations) - these were enacted with the objective of setting standards for the maintenance of healthy hairdressing practices, and to provide a means of enforcement. The definition of hairdressing shop applies to all business types where cutting or treatment of hair takes place, including barbershops.
13. There are also general legislative provisions in play that the hairdressing and barbering industry must comply with. A full breakdown of the regulatory context is set out in **Part 5** of the Final Report.

² Campgrounds and funeral director's premises are the two other types of premises which are required to be registered under the Health (Registration of Premises) Regulations 1966.

Assessment of the status quo

14. The Review assessed the regulations (the status quo) and grouped them into four sets of requirements outlined in the table below.

Summary of requirements	Detailed description
Requirement to be registered with the local authority	<p>The regulations require that any premises being used as a hairdresser's or barber's shop are required to be registered (with annual renewal) with the appropriate local authority, in accordance with the Health (Registration of Premises) Regulations 1966. The business owner must hold a current certificate of registration to use the premises for this purpose.</p> <p>The Health (Registration of Premises) Regulations 1966 set out the process and fees involved in registering premises with the local authority.</p>
Minimum standards for registration	<p>Hairdressers and barbers' shops must meet a set of minimum standards that are in the regulations. The standards cover a range of areas including:</p> <ul style="list-style-type: none">• water-impervious surfaces• prescribed lighting requirements• adequate ventilation• mandatory spacing specifications for chairs and waiting areas• the number and location of different types of sinks and basins for different purposes (hand washing, shampooing or cleansing hair, cleaning equipment).
Hygiene, disinfection and sanitation standards	<p>The regulations place requirements directly on hairdressers and barbers to maintain hygiene through disinfection, sanitation and other practice requirements. These include:</p> <ul style="list-style-type: none">• a prohibition on working while suffering from conditions causing discharge of pus or serum from the head, neck, hands or arms• maintaining personal hygiene through washing hands, wearing clean clothes, and refraining from using tobacco• adopting sanitary practices in storing and tidying equipment, towels and coverings• specific processes for disinfecting appliances and other equipment.
'Day-to-day' requirements for the operation of hairdresser's and barber's shops	<p>There are specific requirements about the way that hairdresser and barber shops operate, specifically:</p> <ul style="list-style-type: none">• no refreshments may be served in cutting areas• no dogs, other than guide dogs for the blind, are permitted to enter or be in the shop. (Note that this has been superseded by section 75(3) of the Dog Control Act 1996, which permits a broader category of disability assist dogs to enter public places).

15. There is an offence for not complying with the regulations, contained in section 136 of the Health Act 1956. The maximum penalty is a \$500 fine, which has been seen by some local authorities as a barrier for taking enforcement action.

16. Enforcement mechanisms are included in the regulations. Business owners and hairdressers and barbers can appeal decisions of local authorities ("inspectors" in the regulations) to the Medical Officer of Health and the District Court.

17. The challenges with the status quo are well canvassed in the Review's final report and are summarised in the following table. The evidence base for this assessment predominantly came through the Review's engagement with stakeholders.

Criteria	Rating	Summary of assessment
Effective at achieving objectives	The regulations are somewhat effective	<p>We do not have clear evidence about whether the regulations are driving good practice and mitigating public health risks compared to other parts of the system such as other legislative instruments and qualifications and training, although we think it is likely that they are contributing to some extent.</p> <p>The regulations do not address some of the highest risks posed by the industry, i.e., injuries caused by the incorrect use / application of chemicals.</p> <p>There is inconsistent compliance with some aspects of the regulations. However, there is no evidence of significant harm occurring as a result.</p>
Efficient at achieving objectives	The regulations are somewhat efficient	<p>We have identified that the regulations are imposing some unnecessary costs on businesses that are not justified or are only marginally justified by benefits. These largely relate to the registration and minimum standards requirements. However, we estimate the magnitude of unnecessary costs to be relatively low. We do not have the necessary and / or sufficient data to carry out a quantified cost-benefit analysis.</p>
Proportionate to risks	The regulations are not proportionate to the risks	<p>The level of prescription in the regulations is in most cases not proportionate to the risk of harm. The scale of disproportionality varies across different parts of the regulations.</p>
Flexible to change	The regulations are not flexible	<p>The prescriptive nature of the regulations gives little discretion to operators as to how to achieve the desired outcome (minimising risks to customers and to the public), when there may be alternative ways to achieve this outcome.</p> <p>The regulations take a one size fits all approach that does not account for the differing service profiles, and therefore differing levels of risk, across different types of businesses within the industry.</p> <p>Updating the regulations to keep up with technological and market changes in the industry has not been prioritised, making some aspects outdated, although in other areas the requirements are still relevant.</p>
Transparent for regulated parties and regulators	The regulations are somewhat transparent	<p>The regulations themselves are generally clear in setting out the requirements that must be met. However, inconsistent practice and enforcement across local authorities may be causing uncertainty for businesses about the existence of the requirements, how to comply, and whether and how they will be enforced.</p>

18. The full assessment of the status quo can be found in **Part 6** of the Final Report.

Mitigations in place

19. As stated in the constraints section, there are multiple mitigations operating in the industry that are likely helping manage the public health risks arising from hairdressing and barbering services. This made it difficult to assess the extent to which the regulations on their own are reducing the risk.
20. The other mitigating factors include:
- *qualifications and on-the-job training* are the most significant non-regulatory intervention, but qualifications alone are not a guarantee of good practice. Those with qualifications are taught the importance of keeping equipment and premises clean and hygienic as well as best practice methods for disinfection, sanitation, recognising health conditions and how to appropriately manage them. However, there is no requirement to be qualified, and approximately 40 percent of those working in the industry do not hold formal qualifications. Barbers are also more likely to be unqualified than hairdressers
 - the role of the *industry body* in this case HBNZ play a role in providing advice and support to businesses and setting standards for industry. Hairdressers and barbers must be qualified to become a member, and HBNZ report a membership base of approximately 10 percent of the overall industry. HBNZ issue workplace health and safety guidance on their website for members and receive complaints from the public, which they address if the relevant hairdresser or barber is a member
 - *specific guidance* is published by WorkSafe that outlines the key workplace health and safety hazards and risks likely to be present during hairdressing and barbering work. This guidance is not enforceable, although the issuing of guidance puts an industry on notice to take heed of the guidance in the operation of their business and is relevant to any proceeding as context as to what is expected of a business owner
 - *competition between businesses* - customer switching is relatively easy (although relational factors may place constraints on switching), and it is fairly easy for new businesses to enter the market. There are also mechanisms like online reviews or word-of-mouth that allow information on poor practices to be easily circulated. This gives hairdressing and barbering businesses a strong incentive to ensure they are operating in a safe and hygienic way, otherwise they risk losing business to their competitors
 - *general knowledge* - some submitters told us that standards, practices and client expectations around hygiene, disinfection and sanitation have developed since 1980, particularly since the COVID-19 pandemic. This is also likely to contribute to management of the public health risks that arise in the industry.

Any relevant decisions made or interdependencies

21. No previous decisions have been made in relation to the revocation of the Hairdresser regulations. Revocation was one of the recommendations made in the Review. There are no interdependencies with other work programmes.

Confidence and supply agreements

22. The Review was undertaken as part of the Government's commitment to carry out regulatory sector reviews and reduce unnecessary regulation to ensure they are fit for purpose, reduce regulatory burden where possible, and maximise economic growth and productivity.

What is the policy problem or opportunity?

23. The Review found that there are material market failures in the hairdressing and barbering industry that mean the competitive market forces are not able to address health matters to

a satisfactory extent for the overall welfare of society. This exposes customers and workers to low to moderate health risks.

24. While the hairdressing and barbering regulations themselves are transparent, inconsistent practice across the industry as well as enforcement by local authorities is creating uncertainty for businesses. The Review found different:
- local authorities interpret and apply the regulations differently, including different inspection schedules (and some not inspecting regularly) and not assessing compliance with some parts of the regulations
 - officers within the same local authority interpreting and applying the regulations differently.
25. This variable approach to implementation is partly due to a view held by some in the industry and local authorities that the regulations are outdated and not fit for purpose. Some business owners and local authorities choose what requirements they respectively comply with and enforce based on their own perception of the level of risk. In this sense there is not only lack of knowledge but disregard for compliance among regulated parties and the regulator.
26. It is inconsistent to have specific regulations for the hairdressing and barbering industry but not the wider appearance industry, given that hairdressing and barbering are relatively low risk compared to other types of services such as tattooing or skin piercing. Internationally, jurisdictions which have reformed their public health legislation, or which regulate the wider appearance industry have been able to move away from specific regulation for the hairdressing and barbering industry.
27. While the original objective of the hairdressing and barbering regulations to promote healthy practices is valid, the regulations are not an effective or an efficient intervention. The regulations are outdated, and the level of prescription in the regulations is in most cases not proportionate to the risk of harm. The regulations take a one size fits all approach that does not account for differing service profiles and differing levels of risk across the industry.
28. The regulations do not carry high compliance costs (for either regulated parties or the regulator), although some unnecessary costs are being incurred by some business owners. The Review found limited evidence that the regulations are acting as barriers to entry, innovation or expansion of hairdressing and barbering businesses.
29. The Review concluded that there was no rationale for specific government intervention in the hairdressing and barbering industry. The current regulations are neither effective, nor efficient. Therefore, the Review recommended they be revoked and not replaced with new regulations, as we believe the low risks posed by the industry are adequately addressed by existing government interventions.
30. Further details on the risks are set out in **Part 3**, market failure in **Part 4**, and the status quo in **Part 6**.

What objectives are sought in relation to the policy problem?

31. The policy objective is to ensure:
- a well-functioning market where public health risks posed by hairdressing and barbering are well-managed (i.e. no market failures)
 - the industry can invest and innovate to meet reasonable customer expectations, as the costs of entry and expansion for businesses are not prohibitive.

32. There is the potential for conflict between the two objectives. Business owners may fail to mitigate or manage the public health risks, in order to make profit and innovate.

What consultation has been undertaken?

33. A full engagement analysis can be found in **Appendix A** of the Final Report.
34. The Review was informed by two rounds of engagement with non-government stakeholders. The first round of engagement was market research, focusing on understanding the health risks and potential market failures in the industry and problems with the current regulatory framework. This round prioritised hearing from industry and local authorities. We received 147 submissions, through a combination of direct engagement and written submissions³ from:
- i. hairdressers and barbers (32 submissions)
 - ii. hairdressing and barbering business owners (62 submissions)
 - iii. industry representative organisations (7 submissions)
 - iv. Environmental Health Officers (EHOs), who inspect hairdressing and barbering businesses on behalf of local authorities (46 submissions).
35. The insights from those engagements formed the evidence base for the status quo assessment and their suggestions for change fed into our options development and analysis, alongside other sources of information. This is discussed further in the next section of this document and **Parts 6 and 7** of the Final Report.
36. For the second round of engagement, the Review tested draft findings and sought feedback on options for reform with industry representatives, local authorities and impacted government agencies. We received 24 written submissions from local authorities, and engaged directly with industry representatives, including HBNZ, and NZIEH.
37. In the second round of engagement, most local authorities that responded, as well as industry representatives favoured Option 2. Business New Zealand favoured Option 1.
38. Throughout the Review we also engaged directly with the
- Ministry of Health | Manatū Hauora (administrator of the regulations)
 - Health New Zealand | Te Whatu Ora
 - Ministry of Business, Innovation, and Employment | Hīkina Whakatutuki (MBIE)
 - WorkSafe New Zealand | Mahi Haumaru Aotearoa
 - Department of Internal Affairs | Te Tari Taiwhenua.
39. No public consultation was undertaken as part of the Review, which we acknowledge at the start of this document is a limitation.

³ Written submissions were in the form of responses to survey questions.

Section 2: Assessing options to address the policy problem

What criteria will be used to compare options to the status quo?

40. Five criteria were identified to assess the status quo and the proposed options. These are based on the assessment framework developed by the Ministry for Regulation to assess the quality of regulation.⁴ The criteria are outlined in the table below:

Criteria	Description
Effective	<ul style="list-style-type: none">• Will the option effectively manage the identified risks and maintain the confidence of clients and the wider public?• If the option includes regulation, how will non-compliance be identified?• How will non-compliance be enforced consistently across the country?• Could there be any unintended consequences?
Proportional	<ul style="list-style-type: none">• Is the compliance effort, including time and costs, imposed by the option proportional to the risks posed to public health and safety by the industry?• Where does the risk lie with the proposed option? Is that reasonable?• Does the option reflect how the risks of similar industries are managed?
Efficient	<ul style="list-style-type: none">• Does the cost of this option compare reasonably to the cost of the status quo e.g. what is the impact on local authorities?• Does the option provide a level playing field for those working in the industry i.e. salon-based v home-based/mobile and hairdressing and barbering v the wider appearance industry?
Transparent	<ul style="list-style-type: none">• Will those working in the industry understand the requirements of the new option?• Will customers understand what the proposed option means for them?
Flexible	<ul style="list-style-type: none">• Is the option capable of moving with the times i.e. accommodating new technology or services?• Is the option capable of including new trends or accommodating customer expectations?

41. Further details of the criteria are in **Appendix E** of the Final Report.

What scope will options be considered within?

42. The options were considered within the scope of the Review's terms of reference. Some of the constraints have already been outlined on page 5. Additional limitations are listed below.

The Health Act 1956 limits modern solutions

43. In determining the best options for the appropriate level of government intervention, the Health Act 1956 has presented several challenges for the Review. It is old and out of date, and due to numerous amendments over the years, is clunky and difficult to navigate. If the Health (Hairdressers) Regulations 1980 (the regulations) are revoked, there are little to no enforcement mechanisms remaining under the Health Act 1956, and the penalties are very low by current standards, meaning the cost of a prosecution would be significantly more than the penalty available.

⁴ The criteria are based on frameworks from the NZIER report '[Good regulatory design](#)', Treasury's '[Government Expectations for Good Regulatory Practice](#)' and the Treasury's '[Best Practice Regulation: Principles and Assessments](#)'.

44. A Public Health Bill was drafted and had its first reading in the House in 2007. The Bill would have replaced the public health elements of the Health Act 1956, as well as the Tuberculosis Act 1948. It was designed to cover traditional aspects of public health such as controlling infectious disease and providing for sanitary housing conditions, as well as introduce modern approaches to deal with a wider range of public health risks. However, the Bill was withdrawn in 2015.
45. This, as well as the focus drawn by the COVID-19 pandemic, has meant the Ministry of Health has not been able to discharge its regulatory stewardship role in this area as well as it would have liked.

Improving data collection

46. The Review encountered challenges in obtaining reliable data to understand the level and prevalence of harm occurring due to hairdressing and barbering practices. For example, while ACC collects sufficiently granular data to identify the industry associated with each worker claim, it does not collect data that enables it to identify any specific industry associated with non-worker claims i.e., customers who may be injured at the hairdresser or barber. The form that claimants or their service providers fill in only asks whether the accident happened at home, school, or other.
47. The inability to identify the setting where accidents involving non-workers occurred presents challenges as it means it is not possible to quantify (volume, severity, and costs) the harm for this group. It highlights a systemic issue that may affect future reviews that involve the question of harm to the public and also cost benefit analyses for potential future regulation in other areas.
48. Being able to record, and subsequently, access data that helps quantify the harm for non-workers would be beneficial. As part of further work following revocation of the regulations, the Ministry for Regulation will explore whether there are opportunities to improve data collection.

Regulation of the wider appearance industry was out of scope

49. During consultation, the Review heard overwhelmingly from business owners, local authorities, hairdressers and barbers, academics specialising in infectious disease and environmental health and industry groups that it is inconsistent to regulate hairdressing and barbering but not the wider appearance industry. We also heard that the wider appearance industry should be regulated, and hairdressing as part of it. During stage two of the consultation process, organisations such as NZIEH and HBNZ said their preferred option would be to include the wider appearance industry in Option 2.

Qualifications for hairdressers and barbers

50. As already discussed, there is no requirement for hairdressers and barbers to be qualified to work in the industry. Currently, around 60 percent of hairdressers and barbers are qualified. In considering the options for reform, the Review looked at whether making qualifications mandatory would help manage the health risks more effectively than the status quo.
51. Concerns were raised by HBNZ, and some submitters who feel all hairdressers and barbers should have to be qualified to ensure they have the knowledge and skills to operate competently and safely, especially around chemicals. There was also concern that Option 1 (supported revocation) would see a potential increase in unqualified hairdressers or barbers joining the industry.
52. On the other hand, some submitters thought that having no qualification requirements would lower the barriers to entry into the profession and incentivise an apprenticeship model. Some business owners raised concerns about the low quality of the current

qualifications, meaning that even qualified hairdressers and barbers did not have the required skills to operate independently.

53. The Review found no significant evidence that having only 60 percent of the current industry qualified has contributed to an increase in health incidents. This means there is not a strong rationale for making qualifications mandatory.
54. If Option 1 (supported revocation) is pursued, as part of the monitoring of the industry over the following two years the Ministry for Regulation will work to determine what is happening in the market because of the changes, and whether businesses that employ qualified hairdressers and barbers are shutting because they cannot compete with businesses operating solely with unqualified staff.

Industry body

55. One of the challenges the Review has faced is the fragmentation of the industry. As stated, only 10 percent of mainly business owners belong to HBNZ. Membership is only open to qualified hairdressers and barbers, though non-members can purchase resources at a higher cost.⁵ This fragmentation means that options requiring strong industry-leadership, such as self-regulation, were excluded early in the Review.
56. It may also hamper our ability to communicate with the sector on any changes and develop guidance for the wider industry. We will seek to work with HBNZ on communication and guidance and will explore ways to involve the broader industry as part of this process.
57. Further details on this is discussed in **Parts 1 and 8** of the Final Report.

What options are being considered?

58. Options were developed considering the evidence that came through from the first stage of consultation – both in the problems being raised and the solutions they suggested – as well as discussions with public health experts and Australian counterparts. There had also been some previous work done by the Ministry of Health that fed into the options development.

Status Quo / Counterfactual

59. This would see the current regulations continue. However, the Review found these regulations are not effective, efficient or proportionate and therefore could not achieve the policy objectives.
60. See **Part 6** of the Final Report for further details.

Option One – Supported revocation

61. This option would revoke the current regulations, and existing (more general) regulatory frameworks would be relied on to manage the health risks.⁶ It means that:
- hairdressing and barbering premises would no longer need to be registered with the local authority
 - there would no longer be any minimum standards. Hairdressers and barbers would not be held to specific hygiene and sanitation standards, and business owners could set up their premises however they like
 - serving non-alcoholic beverages in the salon and allowing dogs on the premises would be left to the discretion of the business owner.

⁵ These include health and safety guidelines, employment agreement templates, job description templates and a cancellation policy template.

⁶ Health Act 1956, Health and Safety at Work Act 2015, Consumer Guarantees Act 1993, Building Act 2004, Smokefree Environments and Regulated Products Act 1990, Sale and Supply of Alcohol Act 2012, Hazardous Substances and New Organisms Act 1996, their associated regulations, and WorkSafe hairdressing-specific guidelines.

62. To address some of the concerns raised by stakeholders, revocation would be supported by additional measures:

- communicating the changes to the industry and what it means for business owners, as well as a reminder of the health risks that can arise from poor sanitation and hygiene (working in collaboration with the Ministry of Health)
- developing updated guidance for the industry about health and hygiene best practice (working in collaboration with the Ministry of Health, Health New Zealand, and other relevant parties)
- monitoring any impacts over the two years following revocation, with a report-back to Cabinet on whether industry guidance alongside general requirements that apply to all businesses are adequately managing the risk. This would involve looking at whether there had been an increase since the regulations were revoked in:
 - the creation of new bylaws or extension of existing bylaws to cover hairdressing and barbering and the impact of those bylaws on businesses (looking to work with the Department of Internal Affairs and local government)
 - complaints or ACC payouts for hairdressing or barbering-related harm or injuries to the extent it can be identified (looking to work with Commerce Commission, local authorities, WorkSafe and ACC)
 - business owners who employ qualified hairdressers and barbers shutting down and leaving the industry because they cannot compete with businesses operating without qualified staff (looking to work with Hair & Barber New Zealand).

63. The two-year report back would identify ways to respond to any increase in risk and include an assessment of whether further monitoring is necessary e.g., another report back at the five-year mark.

64. A summary of Option 1 (supported revocation) is outlined below.

Details	Requirements
Regulations:	No longer any specific hairdressing and barbering regulations. Existing regulatory frameworks in relation to health, workplace health and safety, building, alcohol, tobacco and hazardous substances would still apply to the industry.
Regulator:	No longer any specific hairdressing and barbering regulator or enforcement. There may be a pathway for some general monitoring and enforcement if issues were brought to the attention of local authorities or WorkSafe and were serious enough to warrant action. However, this would be reactive, not proactive.
Applies to:	All hairdressing and barbering businesses would need to comply with the relevant regulatory frameworks that apply to businesses generally.
Registration:	Business owners would not be required to register their premises with the local authority or be inspected.
Registration fees:	Not required.
Enforcement tools:	Specific hairdressing regulations would not exist. Other applicable agencies would have their own enforcement tools (if an incident was serious enough to warrant enforcement).

Details	Requirements
Infringement fees:	Other applicable agencies may have the ability to enforce infringement fees (if an incident was serious enough to warrant enforcement).
Penalties:	Other applicable agencies will have their own penalty regime (if an incident was serious enough to warrant enforcement).
Additional information:	To support the industry, new voluntary guidance for the industry would be developed outlining health and hygiene best practice (working in collaboration with the Ministry of Health, Health New Zealand, and other relevant parties)

65. **Figures 11 - 13 in Part 7** of the Final Report compare specific requirements for the hairdressing and barbering industry in the current regulations against the general requirements for buildings, businesses, business owners and workers, and show what requirements would remain on hairdressing and barbering business if Option 1 (supported revocation) was implemented.

Option Two – Revoke and replace with industry specific regulations

66. This option would revoke the current regulations and introduce new risk-based, simplified regulations, made under the Health Act 1956, that regulate health and hygienic practices.

67. Under this option, the existing minimum standards would cease to exist. Except where stipulated in the Building Code, there would be no prescriptions on matters such as minimum lighting levels, what surfaces should be used on the floor, walls and ceiling or minimum spacing between service chairs and hand-wash basins. Whether to serve non-alcoholic beverages or allow dogs on the premises would be left to the discretion of the business owner.

68. Existing regulatory requirements that apply businesses generally would still apply to the hairdressing and barbering industry, but there would also be new specific regulations introduced.

69. A summary of Option 2 is provided in the table below.

Details	Requirements
Regulations:	Specific hairdressing and barbering regulations that describe requirements for hairdressing and barbering businesses.
Requirement:	<ul style="list-style-type: none"> All hairdressing and barbering businesses will be required to register their premises with their local authority. If the business has multiple locations, each premise will need to be registered. All hairdressing and barbering businesses must ensure: <ul style="list-style-type: none"> equipment is sanitised or wiped down between clients following the guidelines (see additional information section below) fresh towels and linen are used for each client (see additional information section below) hairdressers and barbers wash their hands before they see a client hairdressers and barbers check a client's head before they start to check for any cuts, sores or headlice staff follow manufacturers' instructions when using any products, including disinfectant (see additional information section below).
Applies to:	All businesses that offer hairdressing and barbering services, regardless of whether it is in a salon/shop-based location, home-based or mobile.

Details	Requirements
Regulator:	Local authorities
Verification frequency:	<p>The frequency checks would be as follows:</p> <ol style="list-style-type: none"> 1. within six weeks of registration (included in registration fee) 2. then every three years provided no complaint regarding hygiene and sanitation was brought to the attention of the local authority in between verifications, and upheld. <p>This frequency cycle would be standard only if the local authority deems the business or premises to be 'acceptable' following the verification process.</p> <p>If the verification was deemed 'not acceptable' i.e., the business was not following the requirements, the local authority would have the power to place the business on a shorter verification frequency (annually) until it was found to be 'acceptable' for two verification checks in a row.</p>
Enforcement tools:	<ul style="list-style-type: none"> • entry and exit controls (registration / suspension / revocation) • improvement notice – business owner directed to take certain actions or refrain from certain actions • infringement fees - an 'on the spot' fine for not complying with the improvement notice • prosecution – local authority can take a business owner to court for failing to comply with the requirements.
Registration fees:	\$450 (indicative)
Infringement fees:	\$450 (indicative) for failing to comply with an improvement notice.
Offences:	<p>There would be two offences for:</p> <ul style="list-style-type: none"> • failing to register a hairdressing and barbering premise • failing to comply with the requirements and/or guidance
Additional information:	<p>Additional guidance would be provided on how to clean equipment to manage the public health risk. This could be included in the regulations or be treated as additional guidance.</p> <p>The Review could adopt a similar approach in developing guidance to that taken Victoria and Western Australia.</p>

70. See **Part 7** of the Final Report for further details.

Discounted options

71. There were a range of options considered during the review. Four were discounted and two progressed to further analysis. The discounted options are outlined in the table below.

Option	Reason for discounting
Leave the current regulations in place, i.e., do nothing / maintain the status quo	This option was discounted after the assessment of the regulations (see Part 6).
Amend the regulations (removing unnecessary requirements)	The regulations are 45 years old and do not reflect modern regulatory design. Taking a line-by-line approach would leave very little of the original regulations.

Option	Reason for discounting
	This option was discounted because of the significant issues identified with the current hairdressing and barbering regulations. If a decision is made to continue to specifically regulate the sector, the preference would be for modern, risk-based regulations, with clear outcomes, expectations, and graduated enforcement tools.
Revoke the current regulations and implement new guidance	Revoking the current regulations and implementing new guidance was considered as a standalone option, but early in the analysis it became clear it was similar to supported revocation, which was one of the final two options analysed. Guidance is not enforceable but could be used to support the industry's understanding of the risks.
Revoke the current regulations and replace with regulations covering the appearance industry as a whole	<p>Many submitters suggested there should be broader regulation for the appearance industry or regulations for higher risk activities such as skin piercing or tattooing.</p> <p>This was not considered further as the Terms of Reference ruled it out of scope. However, one of the two options analysed in full included new risk-based, simplified regulations. These were developed in a way that could act as a blueprint to add other appearance industries later if there was political appetite to do so (see Part 8 for more comment on this).</p>

How do the options compare to the status quo/counterfactual?

	Status Quo / Counterfactual	Option 1 – Supported revocation	Option 2 – Revoke and replace
Effective	0	+	++
Efficient	0	++	+
Proportionate	0	++	++
Flexible	0	+	+
Transparent	0	+	+
Overall assessment	0	8	7

++ much better than doing nothing/the status quo/counterfactual

+ better than doing nothing/the status quo/counterfactual

0 about the same as doing nothing/the status quo/counterfactual

- worse than doing nothing/the status quo/counterfactual

-- much worse than doing nothing/the status quo/counterfactual

72. A full analysis of both options is attached in **Appendix B** to this document.

What option is likely to best address the problem, meet the policy objectives, and deliver the highest net benefits?

73. On balance, the Review concluded that Option 1 best addressed the problem and met the policy objectives. But the analysis was close. The options carry different risks, which are summarised in the table below. More detailed analysis of the extent to which each option meets the options analysis criteria is in **Appendix F** of the Final Report.

Risks / disadvantages of Option 1: Supported revocation	Risks / disadvantages of Option 2: New risk-based regulation
<ul style="list-style-type: none"> • Incidents of harm may increase (although there are ways to mitigate this risk through non-regulatory interventions, as discussed above). • Some local authorities are likely to step in and make bylaws, creating inconsistency and swapping one form of regulation for another. • Monitoring, compliance and enforcement under the HSWA regime will be unlikely to take place / will only take place if an incident reaches “notifiable” levels, which will be rare. • There may be quality impacts from new entrants to the market who do not follow good safety practices undercutting businesses who have invested in training and developing good processes and price their services accordingly. If customers cannot adequately distinguish between the different types of businesses, it may lead to the market being dominated by lower quality providers. • Revoking the regulations without replacing them was not supported by industry groups, which could present challenges in working with them to ensure success. However, this option was refined to add support measures following consultation. 	<ul style="list-style-type: none"> • Some local authorities and businesses may view the requirements as overly onerous for the level of risk presented by the industry, even at a reduced level of requirements compared to the status quo. • This option would not address the widely held view that regulation of hairdressing and barbering is disproportionately strict when higher risk services in the appearance industry remain unregulated.
<p>Neither option adequately deals with hairdressers or barbers that operate with poor hygiene and safety practices. Knowing who these businesses are relies on customers or members of the public making a complaint to the local authority or Ministry of Health.</p>	

74. The Review considered the role of qualifications in the industry but determined that qualifications alone cannot be relied on to do the heavy lifting of risk mitigation for either option. This is due to the large number of unqualified people already working in the industry and because qualification itself does not guarantee good practice (see **Part 8** for further commentary on this).

75. On balance, the Review recommends Option 1, to revoke and not replace the current regulations. New guidance will instead be put in place for the industry about health and hygiene best practice (working in collaboration with relevant parties such as the Ministry of Health and Health New Zealand) and the Ministry for Regulation will monitor the impact of revoking the regulations.

76. The Review considered whether new regulations should be put in place with the intention of regulating the wider appearance industry in the future. However, in the absence of any motivation to regulate the wider appearance industry, revocation of the current regulations accompanied by the identified support measures is the recommended option to ensure the hairdressing and barbering industry is treated fairly and proportionately to the risk it poses.
77. After considering all the information available, the Review has concluded that given the low likelihood of harm occurring, this approach would be unlikely to present a material increase in risk. There are already a number of unregulated operators in the market, which has not resulted in significant harm being identified. The Ministry for Regulation will monitor the impact of the changes and will be able to identify in its two-year report back to Cabinet whether further intervention is required if harm levels do rise.
78. The relatively low levels of harm (comparative to other industries) that could result from the hairdressing and barbering industry does not outweigh the costs that would be incurred by central and local government to put a new regime in place.
79. Revoking the current regulations and not replacing them would further reduce the already very low compliance cost to business, potentially without any material change to the level of health risk. This is because compliance with and enforcement of the current regulations is inconsistent.
80. Introducing new regulations would continue to separate the hairdressing and barbering industry as requiring additional regulation, when it arguably presents less risk than other services in the wider appearance industry. Even with significantly less prescription in new regulations, some business owners would likely pay more of an upfront registration fee than they currently do, although this would be offset by the fact that compliant businesses would only need to register every three years, as opposed to annually, spreading out the cost overall.

There are trade-offs with revoking and not replacing the regulations, some of which can be mitigated

81. Neither option is perfect for mitigating the market failures and therefore addressing the health risks the Review has identified. Neither option adequately deals with hairdressers or barbers that operate with poor cleaning, disinfection and hygiene practices.
82. There are few private or non-government solutions available to effectively replace the regulations, particularly regarding communication and developing and disseminating guidance for business owners. There is an industry body, but its membership currently only represents 10 percent of the industry, and members must be qualified hairdressers and barbers to join (see **Part 8** for further commentary).
83. The key difference between the options is the presence of a specific compliance monitoring and enforcement mechanism in Option 2, with the costs of that mechanism able to be recovered by local authorities through a registration fee. While local authorities have general compliance monitoring and enforcement powers for public health under the Health Act 1956, these are reactive, not preventative measures. The enforcement pathway is unclear, with low penalties.
84. The risks and trade-offs with the recommended option are set out in **Part 7** of the Final Report.

Is the Minister's preferred option in the Cabinet paper the same as the agency's preferred option in the RIS?

85. Yes.

What are the marginal costs and benefits of the preferred option in the Cabinet paper?

Affected groups (identify)	Comment nature of cost or benefit (eg, ongoing, one-off), evidence and assumption (eg, compliance rates), risks.	Impact \$m present value where appropriate, for monetised impacts; high, medium or low for non- monetised impacts.	Evidence Certainty High, medium, or low, and explain reasoning in comment column.
Additional costs of the preferred option compared to taking no action			
Business owners	No additional costs	Low	High
Local authorities	No additional costs	Low Local authorities were specifically asked if there would be any significant impacts if revoke and replace was the preferred option. No local authority raised any serious concerns. Some stated that the cost of inspections was not fully covered by the registration fee. There may be some costs associated with shutting down the annual registration system	Medium to High
Ministry for Regulation	Costs to the Ministry include: <ul style="list-style-type: none"> Developing communication material for business owners and local authorities on the changes Developing guidance for business owners on hygiene and sanitation processes Monitoring impact of revocation on the industry and reporting back to Cabinet Infection Protection and Control expert review 	Low It was anticipated that the Ministry would have to measure the impacts of reviews	Low to medium
Ministry of Health	Costs to the Ministry include helping:	Medium - High While the Ministry is responsible for the	Low to medium

	<ul style="list-style-type: none"> • Develop communication material for business owners and local authorities on the changes • Develop guidance for business owners on hygiene and sanitation processes 	Regulations, it was not work that it had instigated or planned for	
Total monetised costs	<p>Develop communication material for business owners, the public, and local authorities on the changes approximately \$45,000, across both agencies, including expert review</p> <p>Monitoring impact of revocation on the industry and reporting back to Cabinet \$52,500, across both agencies</p> <p>Total approx \$97,500⁷</p> <p>To be covered within agencies' baselines</p>	Low	Low to medium
Non-monetised costs		Low	
Additional benefits of the preferred option compared to taking no action			
Business owners	<p>The benefits include:</p> <ul style="list-style-type: none"> • time savings from not having to register with the local authority on an annual basis • hairdressing and barbering businesses treated the same as businesses in the wider appearance industry • business owners will have the discretion to serve non-alcoholic beverages in their salon or 	Medium	Medium

⁷ This figure includes FTE resource for the Ministry for Regulation (1 x senior advisor and 1 x principal advisor, and 1 manager), Ministry of Health (1 x manager/principal and 1 x senior advisor), and Health New Zealand (1 x manager/principal and 1 x senior advisor). It also includes the estimate for contracting a technical expert to review the draft guidance of approximately \$300p/h and no more than 20 hours work to review.

	shop, and enable dogs		
Local authorities	Reduced workload due to not having to administer or inspect hairdressing and barbering businesses	Low	Medium
Total monetised benefits		Low	
Non-monetised benefits		Low	

Section 3: Delivering an option

How will the proposal be implemented?

86. An overall timeline for implementation is outlined in the table below.

Milestone/Activity	Timeframe
Cabinet approves revocation of the Regulations	12 May 2025
Ministers announce changes	After May 2025
Ministry of Health issues drafting instructions to PCO	After May 2025
Order in Council to revoke the Regulations considered by LEG	26 June 2025
Cabinet approves and Governor-General signs off	30 June 2025
Revocation gazetted	3 July 2025
28-day rule	3 July to 31 July 2025
Revocation takes effect	31 July 2025
Two-year report back to Cabinet	July 2027

87. The Ministry for Regulation will collaborate with the Ministry of Health, Health New Zealand, and other relevant parties such as industry bodies to develop and communicate changes to the industry and local authorities. Revocation and publication of the guidance will occur on 31 July 2025.

88. The Ministry for Regulation and the Ministry of Health have developed the following implementation plan for developing the guidance.

Step	Description
1	Ministry for Regulation will write the guidance (likely based on the Victorian guidelines) and send to Ministry of Health for comment
2	Ministry of Health and Health New Zealand will provide feedback and send back to Ministry for Regulation
3	Initial review by an Infection Prevention and Control Expert, paid for by the Ministry for Regulation
4	Ministry for Regulation will update the draft guidance and then send to the following for comment: <ul style="list-style-type: none"> Hair and Barber New Zealand

	<ul style="list-style-type: none"> • Hairdressing Industry Training Organisation • New Zealand Institute for Environmental Health • WorkSafe New Zealand
5	Feedback will be incorporated by the Ministry for Regulation. If needed, officials from both agencies can meet with the organisations to discuss the feedback
7	Guidance published once Hairdresser Regulations are revoked and sent to local authorities and industry

How will the proposal be monitored, evaluated, and reviewed?

89. Monitoring is covered in Recommendation 3 of the Final Report. The Ministry will monitor whether the risks are being appropriately managed under the new regime for two years from revocation. Once that analysis has been completed, the Minister for Regulation will present a report to Cabinet.

90. Work would likely begin 18 months post revocation. The Ministry would revisit ACC and Commerce Commission data, re-survey people who participated in the Review and compare it against the baseline from the Review and undertake interviews with key stakeholder groups.

Appendix A: Hairdressing and Barbering Industry Regulatory Review Final Report

Appendix B: Detailed options analysis

The tables below set out our detailed analysis of the extent to which the identified options for reform meet the criteria for options analysis.

	Option 1: Revoke the Health (Hairdressers) Regulations 1980 in full (supported revocation)	Option 2: Revoke the Health (Hairdressers) Regulations 1980 and replace with risk-based regulations focused on health and hygiene practices
<p>Effective</p> <p>Will the option effectively manage the identified risks and maintain the confidence of clients and the wider public?</p> <p>If the option includes regulation, how will non-compliance be identified?</p> <p>How will non-compliance be enforced consistently across the country?</p> <p>Could there be any unintended consequences?</p>	<p><i>Pros</i></p> <ul style="list-style-type: none"> Barriers to market entry are already low under the status quo, but these would be reduced further under this option i.e., no unnecessary fit-out costs as currently prescribed in the minimum standards. This is the way the wider appearance industry is regulated, and while there is higher public health risk, on the surface, there does not appear to be widespread evidence of harm. Modern and simplified guidance, focused on health and hygiene practices, may be more accessible to business owners than regulation, and can be easily updated if required. Local authorities will retain a general duty to promote public health. <p><i>Cons</i></p> <ul style="list-style-type: none"> The key public health requirement to keep tools and equipment clean and hygienic will be forfeited. The impacts of this are: <ul style="list-style-type: none"> it may lead to the spread of infectious disease customers will have even less insight about whether the tools used during their service are clean. The agency responsible for developing the guidance would incur a cost (not quantified). The hairdressing and barbering industry will not be seen as a priority for other regulators such as WorkSafe when compared to higher risk industries i.e. forestry, manufacturing etc. By revoking the current regulations, local authorities may create bylaws to take its place. This could lead to further inconsistent practice across the country when compared to the status quo and make it difficult for business owners with multiple businesses located across more than one local authority area. Revoking industry-specific regulations may reduce public confidence in hairdressers and barbers and send a signal to business owners that standards can be lowered as no one is really monitoring them. Effectiveness may be affected if there is an increase in more hairdressers/barbers entering the market with low understanding of hygiene and sanitation practices. Market forces may control this, but it's unknown to what extent, and what harm would be caused before they do. 	<p><i>Pros</i></p> <ul style="list-style-type: none"> Specific hairdressing and barbering regulations could incentivise good practice in relation to hygiene and sanitation, which will contribute to good public health outcomes. We heard during consultation that some in the industry would prefer specific regulations to keep the industry accountable. Risk-based regulations, including moving registration requirements from an annual basis to three-yearly if compliant, being clearer about the local authorities' role in regulation, and providing more nuanced enforcement tools, means Environmental Health Officers could concentrate their efforts on businesses not meeting the requirements. This could free up resources for the local authority and improve compliance and consistency of practice overall when compared to the status quo. Any increase in enforcement action by local authorities may see some businesses exit the market. However, they may be businesses that are currently operating under the radar or not meeting the current regulations, but this is difficult to quantify. Barriers to market entry are low under the status quo and are likely to remain low under this option by removing the overly prescriptive nature of the current minimum standards. However, registration costs would remain and could be higher than what some local authorities currently charge. For example, if the registration fees are set at \$450, this would mean the industry would collectively pay approximately \$2.52m, an increase of around 65 percent. However, this is mitigated by making registration fees a one-off cost every three years (so long as no complaints are received and upheld by the local authority) <p><i>Cons</i></p> <ul style="list-style-type: none"> There may be a capacity issue for local authorities, who may prioritise the regulation of other industries like eateries over hairdressing and barbering businesses. However, this is no different than the status quo. Some young men enter the barbering industry by starting off cutting their friends' hair at home or school. If they take payment for this, they would be breaching the regulations (as is the case with the status quo). This may act as a barrier for entering the industry.
<p>Proportional</p> <p>Is the compliance effort, including time and costs, imposed by the option proportional to the risks posed to public health and safety by the industry?</p> <p>Where does the risk lie with the proposed option? Is that reasonable?</p> <p>Does the option reflect how the risks of similar industries are managed?</p>	<p><i>Pros</i></p> <ul style="list-style-type: none"> Relying on general regulations (as opposed to industry-specific) reflects what happens in other appearance industries, which arguably presents higher risk e.g., tattooing and skin piercing. This would even the playing field between industries. The compliance effort for business owners and local authorities is low under the status quo. This option reduces this further as there would no longer be any registration requirements, inspections, or prescribed minimum standards to meet. Removes any unnecessary fit-out costs like the number and placement of handwash basins and specific lighting levels. Removes opportunity costs. There would no longer be any minimum spacing between service chairs which may have restricted how the space could be used and limit the number of clients that can be seen at any one time, which could affect turnover and profit. This option would remove duplication with other regulatory frameworks. <p><i>Cons</i></p> <ul style="list-style-type: none"> Revoking the current regulations mean there will no longer be any specific preventative measures in place. While revoking the regulations will reduce compliance costs for business 	<p><i>Pros</i></p> <ul style="list-style-type: none"> The outcome of the new regulations would be to focus on the highest risks i.e., disinfection and cleaning of tools, towels and linen. Unlike the status quo which prescribes how to mitigate all the risks, even if they are very low, this is a proportional fit-for-purpose approach. The new regulations would remove duplication with other regulatory frameworks Removes any unnecessary fit-out costs e.g., removing the prescription around the number and placement of handwash basins and specific lighting levels. It could reduce opportunity costs and contribute to greater turnover and profit. For example, by removing the minimum spacing requirements between service chairs, businesses may be able to have an additional service chair and meet demand by seeing more customers at once or having less wait time for customers. However, this is difficult to quantify. While these new regulations would be specific to hairdressing and barbering, which perpetuates the uneven playing field with the wider appearance industry, they could be used as a blueprint for inclusion of other beauty services e.g., tattooing, skin piercing or nail care. <p><i>Cons</i></p> <ul style="list-style-type: none"> Regulations for the hairdressing and barbering industry are not proportionate when anyone can buy scissors, blades or commercial grade hair dye and cut or colour hair at home or other

	Option 1: Revoke the Health (Hairdressers) Regulations 1980 in full (supported revocation)	Option 2: Revoke the Health (Hairdressers) Regulations 1980 and replace with risk-based regulations focused on health and hygiene practices
	owners, it could see an increase in the prevalence of harm if it transpires the current regulations play a significant role when compared to the other mitigation strategies such as other legislative frameworks and qualifications and training. There is no clear evidence to predict what would happen if there were no industry-specific regulations in place, and no way of measuring 'near misses' in a public health setting.	locations. Introducing new risk-based regulations, while less prescriptive than the status quo, is out of step with how the wider appearance industry is treated. <ul style="list-style-type: none"> Some business owners may consider industry-specific regulations unnecessary and adding additional compliance costs. However, the costs are likely to be no more than what business owners currently pay. There will be a one-off registration fee, but compliant businesses will only have to pay this once every three years, as opposed to annually under the status quo. This provides an incentive to comply with the regulations. Some local authorities may not see these regulations as a priority when compared to other industries they regulate like restaurants and cafes.
Efficient / Equitable Does the cost of this option compare reasonably to the cost of the status quo e.g. what is the impact on local authorities? Does the option provide a level playing field for those working in the industry i.e. salon-based v home-based/mobile?	<p><i>Pros</i></p> <ul style="list-style-type: none"> This option removes the cost of registering a hairdressing and barbering business with local authorities, which will benefit business owners. There would also be a saving for any businesses operating in local authority areas that charge inspection fees, but this is difficult to quantify. All hairdressers and barbers would be required to comply with the general requirements in the Health Act 1956, Building Act 2004, the HSWA and other relevant rules and regulations. <p><i>Cons</i></p> <ul style="list-style-type: none"> While this option would result in less regulatory burden on local authorities, it removes a small revenue stream they receive from registering businesses on an annual basis. Feedback received by some local authorities suggests this is not a significant issue, as the registration fee barely covers the cost of inspection and enforcement and in some areas does not cover the costs. Local authorities would still have general powers under the Health Act 1956 to enter and inspect any premises. However, there would not be any mechanism for local authorities to recover the cost of this work, as is the case with the status quo. This option may simply swap one type of regulation for another. This is because in removing the registration requirement, local authorities may create their own bylaws to maintain current requirements. Bylaws are intended to be used as local solutions to local problems, not national issues. If bylaws are created, it is highly likely the fees would increase for local authorities to recover all the costs incurred and lead to more inconsistent practice across the country. This would make it difficult for business owners with salons located across more than one local authority area and potentially create barriers to market entry but is difficult to quantify. 	<p><i>Pros</i></p> <ul style="list-style-type: none"> The outcome of the new regulations would be to focus on the highest risks. This would make the new regulations more efficient when compared to the one size fits all approach in the status quo. A risk-based approach means that registration and verification can be set at a frequency that reflects a business' compliance. This provides an incentive for businesses to comply, and less regulatory burden for local authorities The new regulations would apply to both hairdressers and barbers, wherever they are operating (shop, home or mobile), which removes the perception of an uneven playing field. Retains national regulations. This would promote consistency and a collective understanding of the rules, which is beneficial to business owners operating in more than one local authority area. It also removes the risk of bylaws being introduced across different local authorities, which would likely maintain the inconsistent enforcement seen under the status quo. <p><i>Cons</i></p> <ul style="list-style-type: none"> Local authorities may want to increase registration fees to cover all the costs involved in regulating hairdressers and barbers, which would impact business owners (and likely be passed onto customers). However, this can be mitigated by prescribing registration fees in the regulations. An inspection cycle with different inspection timeframes may require new administrative systems in local authorities to track when inspections are due. This could impose additional costs on local authorities.
Transparent Will those working in the industry understand the requirements of the new option? Will customers understand what the proposed option means for them?	<p><i>Pros</i></p> <ul style="list-style-type: none"> Compliance costs in terms of time and money would likely be lower than the status quo for both business owners and local authorities. There would be no prescriptive minimum standards that business owners need to comply with. <p><i>Cons</i></p> <ul style="list-style-type: none"> Information asymmetry is not addressed. Customers would still not adequately understand beforehand whether a business is managing health risks by adequately cleaning and sanitising equipment. Word of mouth and customer reviews only addresses this in part, as does having 60 percent of the industry trained and qualified. 	<p><i>Pros</i></p> <ul style="list-style-type: none"> Higher chance of transparency as business owners would have simpler regulations to follow. <p><i>Cons</i></p> <ul style="list-style-type: none"> This option does not fully address the information asymmetry issue. It could if local authorities were required to publish registration information on their websites, including any enforcement action. This means customers would have significantly more information than under the status quo. There would be a cost for the Government to develop the new regulations and communicating the changes to the industry [not quantified]. Depending on the current set-up local authorities have, they may bear a cost to implement this option (not quantified).
Flexible / Durable Is the option capable of moving with the times i.e. accommodating new technology or services?	<p><i>Pros</i></p> <ul style="list-style-type: none"> Business owners would have more discretion on how they operate, as the current minimum standards will be removed. For example, the ratio of hand-wash basins to service chairs, the distance between hand-wash basins and service chairs, how to store towels and linen, or the process for sweeping up hair clippings. Revoking the current regulations would enable business owners to determine whether they want to allow dogs on their premises. It would also enable them to serve non-alcoholic refreshments to their customers. 	<p><i>Pros</i></p> <ul style="list-style-type: none"> Moving to modern, risk-based regulations would simplify the requirements by removing reference to outdated practice and unnecessary prescription. This option gives business owners more discretion to determine what happens in their business and how it operates. On paper, new technology and customer expectations could be more easily accommodated than the status quo, However, the reality is the current regulations are not a barrier to innovation; new hairdressing and barbering trends have been accommodated in the last 45

	Option 1: Revoke the Health (Hairdressers) Regulations 1980 in full (supported revocation)	Option 2: Revoke the Health (Hairdressers) Regulations 1980 and replace with risk-based regulations focused on health and hygiene practices
Is the option capable of including new trends or accommodating customer expectations?	<ul style="list-style-type: none"> On paper, new technology and customer expectations could be more easily accommodated than the status quo. However, the reality is the current regulations are not a barrier to innovation; new hairdressing and barbering trends have been accommodated in the last 45 years. In areas where the regulations have been a barrier, for example, providing tea and coffee in the service area, this requirement has been largely ignored. <p><i>Cons</i></p> <ul style="list-style-type: none"> While consumers will be able to make their own assessment of the cleanliness of the premises, linen and towels, they generally will not have visibility of the tools being used on them to determine whether they look clean, and even less insight about when a tool was sanitised. This trade-off may be acceptable given that the wider appearance industry is not regulated. However, we know there are multiple mitigations working together to manage the public health risk. If the industry-specific regulations are revoked, this may affect the balance, and incidents of harm may increase. 	<p>years. In areas where the regulations have been a barrier, for example, providing tea and coffee in the service area, this requirement has been largely ignored.</p> <p><i>Cons</i></p> <ul style="list-style-type: none"> Some regulated parties may feel that any regulations, regardless of how simple they are, constrains flexibility and discretion. This could be mitigated by ensuring that the regulations contain only the minimum requirements to manage the health risk.



Cabinet Expenditure and Regulatory Review Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Hairdressing and Barbering Regulatory Review Recommendations

Portfolio Regulation / Health

On 6 May 2025, the Cabinet Expenditure and Regulatory Review Committee:

- 1 **noted** that the hairdressing and barbering regulatory review conducted by the Ministry for Regulation has been completed and includes four recommendations (attached to the submission under EXP-25-SUB-0047);
- 2 **approved** Recommendation 1: revoke the Health (Hairdressers) Regulations 1980 in full;
- 3 **invited** the Minister of Health to issue drafting instructions to the Parliamentary Counsel Office for a new Order in Council to revoke the Health (Hairdressers) Regulations 1980;
- 4 **approved** Recommendation 2: Ministry for Regulation officials will collaborate with the Ministry of Health, Health New Zealand, and other relevant parties to develop guidance for the industry about health and hygiene practices and communicate changes to the industry and local authorities;
- 5 **approved** Recommendation 3: Ministry for Regulation will monitor the impacts for two years after the Health (Hairdressers) Regulations 1980 are revoked;
- 6 **invited** the Minister for Regulation to report back to Cabinet on the impacts of revocation, two years following revocation;
- 7 **noted** that officials at the Ministry for Regulation are working with the Ministry of Justice on Recommendation 4: ^{s 9(2)(f)(iv)} [REDACTED]

Sam Moffett
Committee Secretary

(see over for attendance)

Present:

Hon David Seymour (Chair)
Hon Chris Bishop
Hon Simeon Brown
Hon Erica Stanford
Hon Paul Goldsmith
Hon Louise Upston
Hon Judith Collins KC
Hon Dr Shane Reti
Hon Mark Mitchell
Hon Simon Watts
Hon Shane Jones
Hon Casey Costello
Hon Andrew Hoggard
Hon Mark Patterson

Officials present from:

Office of Hon David Seymour
Office of Hon Dr Shane Reti
Officials Committee for EXP



Cabinet

Minute of Decision

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Report of the Cabinet Expenditure and Regulatory Review Committee: Period Ended 9 May 2025

On 12 May 2025, Cabinet made the following decisions on the work of the Cabinet Expenditure and Regulatory Review Committee for the period ended 9 May 2025:

EXP-25-MIN-0047

**Hairdressing and Barbering Regulatory Review
Recommendations**
Portfolios: Regulation / Health

CONFIRMED

Diana Hawker
for Secretary of the Cabinet