



To	Hon David Seymour, Minister for Regulation		
Title	Regulatory Standards Bill: Final draft Cabinet paper and Bill	Number	MFR2025-112
Date	14 May 2025	Priority:	High
Action Sought	Agree to the recommendations in this briefing	Due Date	15 May 2025
Contact Person	Pip van der Scheer, Manager, Regulatory Management System	Phone	s 9(2)(a)
Contact Person	Silvie Zantza, Principal Advisor, Policy	Phone	s 9(2)(a)
Attachments	Yes (Annexes 1-4)	Security Level	IN CONFIDENCE

Executive summary

1. This briefing provides you with a final draft of the Cabinet paper seeking approval for introduction of the Regulatory Standards Bill, for lodgement with the Cabinet Office on 15 May (**Annex 1**), along with a final draft of the Bill (**Annex 2**).
2. It also provides you with:
 - suggested talking points for Cabinet (**Annex 3**)
 - a draft of the First Reading speech (**Annex 4**).
3. As agreed by you, we sent the draft Cabinet paper and Bill to all agencies previously consulted on the proposal for their information, and for any comments on how Cabinet's policy decisions have been given effect to in the drafting (MFR2025-115 refers).

Annex 1 is the final Cabinet paper available at: <https://www.regulation.govt.nz/assets/Publication-Documents/Regulatory-Standards-Bill-Approval-for-Introduction.pdf>

Annex 2 is withheld in full as as legally privileged consistent with section 9(2)(h) of the Official Information Act 1982



4. While we received some feedback from New Zealand Defence Force (NZDF) and the Ministry of Education, we do not propose any changes to the Cabinet paper or the Bill as a result.
5. We understand that your office will lodge the Cabinet paper attached on 15 May for Cabinet consideration on 19 May. The Bill would be introduced the same day, as you have agreed with the Leader of the House, and the Bill read for the first time on 22 May.
6. We note that, if there are significant changes required to the drafting as a result of the Cabinet discussion, the Parliamentary Counsel Office (PCO) may not be able to make these changes in time for lodging on the same day.
7. We propose to provide you with the Legislative Statement in the next few days.

Recommended action

8. We recommend that you:
 - a **note** that
 - i. a final draft Cabinet paper is attached as Annex 1, and Bill as Annex 2, for your final approval and lodgement with Cabinet Office on 15 May *Noted*
 - ii. suggested talking points for Cabinet are attached as Annex 3, should you wish to refer to them *Noted*
 - iii. a draft First Reading speech is attached as Annex 4 *Noted*
 - b **agree** that no changes to the Cabinet paper or Bill should be made in response to:
 - i. [LEGALLY-PRIVILEGED s 9(2)(h)] *Agree / Disagree*
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]



- ii. the Ministry of Education's concerns about how accurately the Bill reflects the Cabinet decisions and the lack of time for it to undertake a comprehensive review of the Bill *Agree / Disagree*
- c **agree** that the Ministry for Regulation release this briefing following Cabinet decisions being taken, with any information needing to be withheld done so in line with the provisions of the Official Information Act 1982. *Agree / Disagree*

s 9(2)(a)

Pip van der Scheer

**Manager, Regulatory Management
System**

Ministry for Regulation

Date: 14 May 2025

Hon David Seymour
Minister for Regulation

Date:



Purpose of briefing

9. This briefing provides you with a final draft of the Cabinet paper seeking approval for introduction of the Regulatory Standards Bill, for lodgement with the Cabinet Office on 15 May, along with a final draft of the Bill.
10. It also provides you with suggested talking points for Cabinet and a draft of the First Reading speech.

Cabinet paper and Bill

11. As agreed by you, we sent the draft Cabinet paper and Bill to all agencies previously consulted on the proposal for their information, and for any comments on how Cabinet's policy decisions have been given effect to in the drafting (MFR2025-115 refers).
12. While we received some feedback from New Zealand Defence Force (NZDF) and the Ministry of Education as set out below, we do not propose any changes to the Cabinet paper or the Bill as a result. The Cabinet paper is attached as **Annex 1**, and the Bill as **Annex 2**, for your final approval and lodgement with Cabinet Office on 15 May.
13. We have also prepared suggested talking points for Cabinet, attached as **Annex 3**, should you wish to refer to them. We also note there is a possibility the Waitangi Tribunal may release a report following its Regulatory Standards Bill Urgent Inquiry ahead of Monday. Should the Tribunal's report be made available we will provide you with additional talking points to address it at Cabinet.

Feedback from agencies

14. Most agencies did not provide feedback on the Bill or Cabinet paper. However, two agencies (Ministry of Foreign Affairs and Trade, and Ministry for Primary Industries) noted their interest in working with us to identify specific exemptions for secondary legislation they administer.
15. In addition, NZDF and the Ministry of Education made comments in relation to the consistency of the drafting with the Cabinet decisions.

NZDF

16. [LEGALLY-PRIVILEGED s 9(2)(h)]



s 9(2)(h)

17. [LEGALLY-PRIVILEGED s 9(2)(h)

18. Our view is also that it gives complete effect to the Minister of Defence's request in her letter to you dated 25 March 2025 that NZDF secondary legislation be excluded from the scope of the Bill.

19. In summary, clause 14 of the Bill:

- closely follows the wording of the Cabinet minute
- takes a consistent approach between the various exclusions and exemptions provided for in the Bill – noting that this reflects the approach to exclusions and exemptions that Ministers have already seen during Ministerial consultation.

20. In our view, s 9(2)(h) would not be desirable or effective in addressing the issue NZDF raises, because:

- it creates inconsistency between the various exclusion and exemptions that are (or will be) provided for in the Bill

- [LEGALLY-PRIVILEGED s 9(2)(h)

- [LEGALLY-PRIVILEGED s 9(2)(h)



21. [LEGALLY-PRIVILEGED s 9(2)(h) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
22. Rather than making any changes to the Bill at this stage, we therefore recommend that s 9(2)(h) [REDACTED] is considered further during the select committee phase, noting that there are two further opportunities for Cabinet consideration of the Bill after it has been introduced to the House.

Ministry of Education

23. The Ministry of Education sought confirmation that the wording in the Bill aligned with the policy intention agreed by Cabinet, in particular the way clauses 17(b), 42 and 43 were expressed.
24. In our view, the drafting is entirely consistent with the policy intent set out in Cabinet's decisions in CAB-25-MIN-0148:
- Cl 17(b) of the Bill requires agencies to 'prepare and publish regular reports', consistent with the Cabinet decision that agencies should be required to 'periodically report' against plans.
 - Cl 42 gives effect to Cabinet's decisions that the Ministry should have broad information-gathering powers, and provides limited extra detail of how such powers would be applied. It uses a formulation that we understand is common in relation the drafting of information-gathering powers and aims to provide certainty about how the powers would work.
 - Cl 43 gives effect to the intent that the Ministry should be able to make a judgement about what information is needed to ensure reviews can be carried out in the most efficient and effective way. This includes avoiding a situation where an agency could refuse to provide information because the Ministry was unable to prove that such information was strictly 'necessary.' We understand that the "necessary or desirable" formulation is fairly common in relation to the drafting of information-gathering powers.

First Reading speech

25. An initial draft of a First Reading speech is attached as **Annex 4**. This includes all the technical elements required for introduction of a Bill.



26. We have assumed that your office will want to include additional material in the speech, and have therefore kept the draft speech brief, and focused on describing the key characteristics of the Bill. We are preparing a Legislative Statement for you to table, so your speech can focus on high level principles of the Bill and include political aspects to enable wide-ranging debate.

Next steps

27. We understand that your office will lodge the Cabinet paper attached on 15 May for Cabinet consideration on 19 May. The Bill would be introduced the same day, as you have agreed with the Leader of the House, and the Bill read for the first time on 22 May.
28. We note that, if there are significant changes required to the drafting as a result of the Cabinet discussion, PCO may not be able to make these changes in time for lodging on the same day.
29. We propose to provide you with the Legislative Statement in the next few days.

Talking points: Introducing the Regulatory Standards Bill

Purpose

- Consistent with the 5 May Cabinet's Policy decisions, the Regulatory Standards Bill aims to reduce the amount of unnecessary and poor quality regulation by increasing transparency and making it clearer where legislation does not meet standards.
- The Bill does not prevent legislation that is inconsistent with the principles being passed or staying in place.
- It intends to bring the same discipline to regulatory management that New Zealand has for fiscal management.

Key elements of the Bill

The Bill:

- provides a benchmark for good legislation through a set of principles of responsible regulation.
- provides for the transparent assessment of the consistency of proposed and existing legislation with the principles.
- establishes a Regulatory Standards Board to independently consider the consistency of proposed and existing legislation in response to stakeholder concerns, on its own accord, or at the request of the Minister for Regulation.
- establishes requirements and expectations to support the Ministry for Regulation's regulatory oversight role.

Ministers' and agencies' responsibilities under the Bill

- Agencies, and other makers in the case of secondary legislation, will assess the consistency of proposed and existing legislation (both primary and secondary) against the principles.
- Ministers, as well as makers in the case of secondary legislation, will ensure publication and/or presentation to the House of the results of those assessments and explanations for any inconsistency.
- Agencies will develop and periodically report against plans to review legislation for consistency with the principles.

The Bill's scope

- Consistency accountability statements will apply to a broad range of primary legislation and some secondary legislation.
- The Bill includes explicit exclusions for some primary and secondary legislation such as Treaty settlement Bills and rules of court.

- The Ministry for Regulation will work in consultation with agencies, while the Bill is before the House, to develop an initial list of exemptions that could be included in a notice to be issued as soon as the Bill comes into force.

The Regulatory Standards Board

- This new statutory board will promote the accountability of the Executive to Parliament for the development of high-quality legislation.
- The Board will be supported in its role by MfR officials with a broad range of knowledge and expertise to ensure appropriate implementation and operationalisation of its functions.

Additional ways to strengthen regulatory quality

- The Ministry for Regulation will now have information gathering powers to support its regulatory reviews.
- Chief Executives will be responsible for proactively engaging in stewardship of regulatory systems and ensuring their agency also does so.
- The Ministry for Regulation will periodically report on the overall state of the regulatory management system and agencies will be asked to provide information to support this reporting.

Next steps

- I propose a four month select committee process with a report-back date of 23 September 2025.
- These timeframes will ensure there is enough time for the agreed Cabinet consideration of the Bill as reported back from Select Committee and still allow for the Bill to be enacted by 31 December 2025

First reading speech: Regulatory Standards Bill

[Note: first four bullets are required text for the responsible Minister's first reading speech]

- I present a legislative statement on the Regulatory Standards Bill.
- I move, that the Regulatory Standards Bill be now read a first time.
- I nominate the Finance and Expenditure Select Committee to consider the bill.
- At the appropriate time, I intend to move that the bill be reported to the House by **[X] September 2025**.

I am excited to introduce the Regulatory Standards Bill in the House today. This Bill is a crucial piece of legislation for improving the long-term quality of regulation in New Zealand.

It aims to reduce the amount of unnecessary and poor-quality regulation by setting a clear standard for what good regulation should look like through a set of principles in primary legislation. Those principles of responsible regulation focus on the effect that legislation has on existing interests, rights and liberties, as well as establishing good law-making processes.

In setting the standards in this way this Bill seeks to bring the same level of discipline to regulation that the Public Finance Act brings to public spending, with the Ministry for Regulation playing a role akin to that of the Treasury.

Ultimately, this is intended to help the Government achieve its goal of improving New Zealand's productivity by lifting the quality of regulation.

The need for this bill is clear – if New Zealanders are expected to comply with regulations when going about their work and everyday life, then those regulations should be clear, consistent and meet a certain standard. When regulation does not meet those standards, it is reasonable for the public to expect lawmakers to be transparent about that fact.

The Bill will codify principles of good regulatory practice for existing and future regulations (with some exclusions). The principles are focused on the effect of legislation on existing interests and liberties - including the rule of law; liberties; taking of property; taxes, fees, and levies; the role of courts; and good law-making processes – including consultation; options analysis; and cost-benefit analysis.

In essence, there are key questions law makers will need to have answers to when progressing regulation. What problem are we trying to solve? What are the costs and benefits? Who pays the costs and gets the benefits? What restrictions are being placed on the use and exchange of private property? These are all questions that

Commented [OC1]: For Minister's office to confirm. Needs to be at a minimum four months and one day after first reading (eg 23 September assuming a first reading on 22 May).

should be transparently asked and answered before Government, or its delegated lawmakers, create legislation. For the Bill to have an impact on the overall quality of regulation, it won't be enough for lawmakers or agencies to simply say they have considered the principles. Instead, agencies will need to publicly confirm that the legislation, and its process for developing it, has been reviewed for consistency with the principles and summarise any inconsistencies with the principles that have been identified. The results of the assessment will need to be published in a consistency accountability statement

Where inconsistency is identified, the Bill requires a statement from the responsible Minister (or maker of secondary legislation where not a Minister) to briefly explain the reasons. When assessing existing legislation, the maker will be required to set out what proposed actions (if any) they intend to take to remedy any inconsistency.

I want to be clear – this law will not prevent lawmakers from making or retaining legislation that is inconsistent with the principles. It will not prevent Parliament from passing whatever laws it chooses, neither will it prevent secondary legislation from being made that is inconsistent with the principles.

There is no statutory requirement for inconsistencies to be changed. Discretion will rest with the responsible Minister or maker to determine what (if any) actions should be taken to remedy any inconsistencies.

In many cases, there can and will be good policy reasons for inconsistencies. In those cases, the Bill will simply require the responsible Minister or lawmaker to be transparent by publicly explaining what those reasons are.

If members of the public believe legislation is inconsistent with the principles, they will have the ability to raise those concerns with a Regulatory Standards Board. The board will be made up of individuals who have the appropriate knowledge, skills and experience appointed by the Minister for Regulation. The Board will be able to independently consider the consistency of proposed and existing legislation, in response to stakeholder concerns, at the request of the Minister for Regulation or on its own accord.

The Board will then be able to make non-binding recommendations to the Minister for Regulation and the Minister responsible for the legislation, or in the case of a Bill provide a report to the relevant Select Committee.

The findings, reasons for any inconsistency, and relevant documents will be made publicly available to ensure transparency.

The Board is intended to provide a low-cost, agile mechanism to assess the consistency of legislation. It therefore fulfils the role that the courts would have played in the 2021 Regulatory Standards Bill.

Finally, the bill will also increase regulatory quality by supporting the Ministry for Regulation in its regulatory oversight role. It does this by setting new requirements for the Ministry to report on the overall performance of the Regulatory Management System, new regulatory stewardship expectations for agencies and information-gathering powers for the Ministry to support the efficient and effective conduct of regulatory reviews.

This Bill is not just about reducing red tape. It is about fostering a culture of responsible regulation across New Zealand. It is about ensuring new regulatory proposals receive appropriate scrutiny and resources are allocated to ensure existing regulation is reviewed in a timely fashion to ensure it remains up to date and effective. Ultimately it is about better law-making, higher productivity, and higher wages.

End sentence:

- I commend the Bill to the House.