



To	Hon David Seymour, Minister for Regulation		
Title	Regulatory Standards Bill: Draft Cabinet paper seeking introduction of Bill	Number	MFR2025-115
Date	8 May 2025	Priority:	High
Action Sought	Agree to the recommendations in the paper	Due Date	12 May 2025
Contact Person	Pip van der Scheer, Manager, Regulatory Management System	Phone	s 9(2)(a)
Contact Person	Elisa Eckford, Lead Advisor, Policy	Phone	s 9(2)(a)
Attachments	Yes (Annexes 1 and 2)	Security Level	IN CONFIDENCE

Recommended action

We recommend that you:

- a **provide feedback** on the draft Cabinet paper (Annex 1) and Bill (Annex 2) *Agree / Disagree*
- b **indicate** which select committee you wish the Bill to be referred to *Agree / Disagree*
- c **agree** that the Ministry can send 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 *Agree / Disagree*
- d **agree** that the Ministry can share the draft Bill with the Reserve Bank and Office of the Clerk as part of this limited departmental consultation on the draft Cabinet paper *Agree / Disagree*
- e **note** s 9(2)(h) *Noted*

Annex 2 is withheld as legally privileged consistent with section 9(2)(h) of the Official Information Act 1982.
A copy is available at the New Zealand Legislation website: <https://www.legislation.govt.nz/bill/government/2025/0155/latest/whole.html>



- f **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: 8 May 2025

Hon David Seymour
Minister for Regulation

Date:



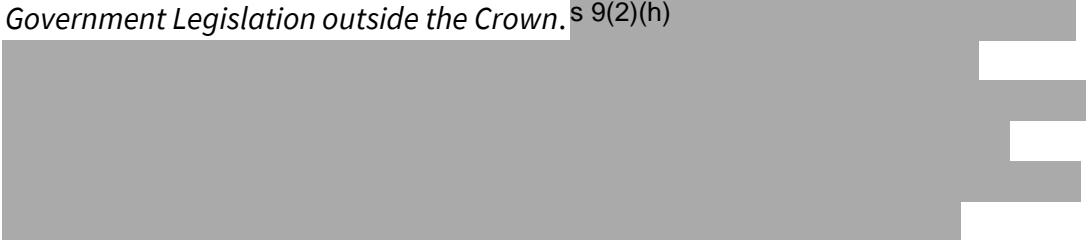

Purpose of report

1. This briefing provides you with a draft of the Cabinet paper seeking approval for introduction of the Regulatory Standards Bill, along with a draft of the Bill, for your review.
2. It also seeks further decisions in relation to next steps, and your agreement to proceed to departmental consultation.

Draft Cabinet paper and Bill

3. A draft Cabinet paper is attached as **Annex 1**.
4. Along with any feedback, we will need a decision from you on which select committee you want the Bill to be referred to, to reflect in the paper.
5. A draft of the Bill is attached as **Annex 2**. This now substantially reflects all decisions made by Cabinet on the Bill [CAB-25-MIN-0148 refers]. Minor changes may continue to be made as drafting is further refined, and as part of the Parliamentary Counsel Office's (PCO's) quality assurance processes.
6. Bill of Rights Act 1990 (BORA) vetting is currently underway on this draft of the Bill.

Further consultation

7. Assuming you have no major changes, we propose circulating both the draft Cabinet paper and the Bill to all agencies previously consulted on the proposal, consistent with Cabinet Office guidance on departmental consultation. We propose to circulate the documents on Monday 12 May 2025, with any comments due the following day. Note that comments sought through this process would be limited to feedback on how Cabinet's policy decisions have been given effect to in the drafting.
8. To facilitate this consultation, we are seeking your permission to share the drafting with the Reserve Bank and the Office of the Clerk of the House of Representatives, as agencies outside the Crown's legal privilege, based on the protocol set out in Cabinet Office Circular CO (19) 2 – *Attorney-General's Protocol for Release of draft Government Legislation outside the Crown*. s 9(2)(h)

9. s 9(2)(h)




10. You may also wish to use these drafts for any further consultation with your ministerial colleagues.

Next steps

11. We propose to provide you with a final Cabinet paper and Bill on 14 May 2025 for lodgement on 15 May 2025. This final paper will include the required departmental disclosure statement.
12. We will also provide you with draft materials to support introduction of the Bill next week, including a first reading speech and legislative statement.
13. We understand your office is seeking the necessary agreement from the Leader of the House to introduce a Bill on the same day as Cabinet agrees to its introduction. This timing will allow first reading of the Bill from Thursday 22 May 2025, consistent with Standing Order SO 293(1).

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Office of the Minister for Regulation

Cabinet Chair

Regulatory Standards Bill: Approval for Introduction

Proposal

- 1 This paper seeks approval for the introduction of the Regulatory Standards Bill.

Policy

- 2 On 5 May 2025, Cabinet agreed for the Minister for Regulation to issue drafting instructions to the Parliamentary Counsel Office to implement its policy decisions regarding the Regulatory Standards Bill [CAB-25-MIN-0148].
- 3 The Regulatory Standards Bill aims to reduce the amount of unnecessary and poor regulation by increasing transparency and making it clearer where legislation does not meet standards. It intends to bring the same discipline to regulatory management that New Zealand has for fiscal management.
- 4 The Bill establishes a benchmark for good legislation by introducing a set of principles of responsible regulation in primary legislation, focused on the effect of legislation on:
 - 4.1 existing interests and liberties - including the rule of law; liberties; taking of property; taxes, fees, and levies; and the role of courts
 - 4.2 good law-making processes – including consultation; options analysis; and cost-benefit analysis.
- 5 The Bill creates requirements for responsible Ministers, administering agencies and other makers of legislation in relation to the assessment of the consistency of proposed and existing legislation (both primary and secondary) against these principles. Ministers, as well as makers of secondary legislation, are required to ensure publication and/or presentation to the House of the results of those assessments and explanations for any inconsistency. Some primary and secondary legislation is excluded or exempted from these requirements.
- 6 The Bill also provides for the establishment of a Regulatory Standards Board, with members appointed by the Minister for Regulation, to make its own independent assessments of the consistency of legislation, helping create an incentive for Ministers and agencies to complete robust assessments of consistency with the principles. The Board would carry out inquiries following a complaint, at the direction of the Minister, or on its own accord into whether

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legislation is inconsistent with the principles. Any recommendations it makes would be non-binding. The Board would only have a role in relation to legislation that is subject to consistency assessment requirements, and could investigate the consistency of that legislation with the principles in two broad ways:

- 6.1 it could look at consistency assessments of bills as introduced into the House, and provide a report to Select Committee on its findings
 - 6.2 it could look at existing legislation and carry out an inquiry into whether the legislation is consistent with the principles, and report to the Minister for Regulation and responsible Minister on its findings.
- 7 Finally, the Bill seeks to strengthen regulatory quality by supporting the Ministry for Regulation in its regulatory oversight role, including by setting new requirements for the Ministry to report on the overall state of the Regulatory Management System, strengthened regulatory stewardship expectations for agencies, and information-gathering powers for the Ministry to support the efficient and effective conduct of regulatory reviews.

Impact analysis

- 8 A Regulatory Impact Statement was prepared in accordance with the necessary requirements and submitted alongside Cabinet approval of the policy [CAB-25-MIN-0148 refers].

Compliance

- 9 The Bill complies with each of the following:
- 9.1 the principles and guidelines set out in the Privacy Act 2020;
 - 9.2 relevant international standards and obligations; and
 - 9.3 the rights and freedoms contained in the New Zealand Bill of Rights Act BORA 1990 and the Human Rights Act 1993;
- 10 Regarding compliance with the Treaty of Waitangi/te Tiriti o Waitangi Principles:
- 10.1 a Treaty Impact Assessment (TIA) has been prepared and submitted alongside Cabinet approval of the policy [CAB-25-MIN-0148 refers]. The TIA was informed by guidance for policy makers set out in Cabinet Circular CO (19)51 s 9(2)(h)
 - 10.2 the Bill does not include a principle relating to the Treaty/te Tiriti in the development or review of legislation. As a result, decision-makers considering matters under the Bill are not expressly required to consider the Treaty/te Tiriti, but are not restricted from doing so
 - 10.3 the Treaty/te Tiriti impacts of the Bill will ultimately depend on how it is implemented by decision-makers and the guidelines that are created to

Commented [SZ1]: MoJ BORA team was provided a "heads- up" draft on 6 May and a further updated draft on 7 May.

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support the interpretation of its provisions. s 9(2)(h)

- 11 Regarding compliance with the Legislation Design Advisory Committee Guidelines:

11.1 LDAC has previously advised that in their view some of the principles included in the current Bill are novel and do not align with settled legal understandings.

- 12 A disclosure statement has been prepared and is attached to this paper.

Consultation

- 13 Government departments were consulted on the Cabinet paper seeking policy decisions on the Regulatory Standards Bill. However, tight timeframes only allowed for limited consultation with departments in developing this paper.

Commented [SZ2]: For MO to confirm any wider or target Ministerial consultation.

Binding on the Crown

- 14 The Act will bind the Crown.

Creating new agencies or amending law relating to existing agencies.

- 15 The Bill does not create new public service agencies or amend law relating to existing agencies.

Allocation of decision-making powers

- 16 The Bill does not affect the allocation of decision-making powers between the executive and courts or tribunals.

Associated regulations

- 17 No regulations are needed to bring the Bill into operation.

Other instruments

- 18 The Bill enables the Minister for Regulation to issue notices to
- 18.1 exempt particular classes of legislation (both primary and secondary) from consistency assessment requirements – this will ensure that the consistency assessment requirements are applied appropriately and consistently, noting that there has been insufficient time for officials to identify all legislation that should be exempted from the requirements
- 18.2 specify that a class of existing secondary legislation is subject to review requirements – this will allow for the scheme to be extended to a broader range of existing secondary legislation over time, if necessary

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- 19 These notices would be secondary legislation and would need to be approved by the House.

Definition of Minister/department

- 20 The Bill does not depart from the definition of Minister and Department as defined in Part 2 of the Legislation Act 2019.

Commencement of legislation

- 21 The Bill will come into force on 1 January 2026. Transitional arrangements provide for consistency assessment requirements for agencies and Ministers to be brought in via Order in Council but commence no later than six months after the date the Bill comes into force. This will allow time for the development and testing of guidance, and to ensure agencies understand and can prepare to meet the new requirements.

Parliamentary stages

- 22 I propose the Bill is introduced on the same day as Cabinet approval, and referred to **xx** Committee for consideration. I also propose that the Bill is enacted by 31 December 2025.

Proactive Release

- 23 I intend to release this Cabinet paper proactively within 30 business days of decisions being confirmed by Cabinet.

Recommendations

I recommend that Cabinet:

- 1 **note** that the Regulatory Standards Bill (Bill) holds a category 5 priority on the 2025 Legislation Programme (to proceed to select committee by the end of 2025);
- 2 **note** that the attached Bill gives effect to the decisions made by Cabinet on 5 May 2025 [CAB-25-MIN-0148 refers];
- 3 **note** that the Bill aims to reduce the amount of unnecessary and poor regulation by increasing transparency and making it clearer where legislation does not meet standards;
- 4 **note** that Cabinet will consider the Departmental Report before it is submitted to Select Committee, and will further consider the Bill as reported back from Select Committee;
- 5 **note** that the Cabinet report back following Select Committee will include consideration of the proposed taking of property principle, as well as other matters;

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- 6 **approve** the Regulatory Standards Bill for introduction, subject to the final approval of the government caucus and sufficient support in the House of Representatives;
- 7 **agree** that the Bill be introduced on 19 May 2025;
- 8 **note** that the Act will be binding the Crown;
- 9 **agree** that the government propose that the Bill be:
- 9.1 referred to the [xx] committee for consideration;
- 9.2 enacted by 31 December 2025.

Authorised for lodgement

Hon David Seymour
Minister for Regulation

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