



Minister and Portfolio	Hon David Seymour, Minister for Regulation		
Title	Regulatory Standards Bill: Enhancing the independence of the Regulatory Standards Board	Number	MFR2025-211
Date	29 July 2025	Security level	IN CONFIDENCE

Purpose

To support discussions with your Cabinet colleagues on the Regulatory Standards Bill.

Context

The Regulatory Standards Bill (the Bill), currently before the Finance and Expenditure Committee (FEC), provides for the establishment of the Regulatory Standards Board (the Board) as an assurance mechanism.

We have been asked by your Office to provide options for enhancing the Board's independence from the Minister for Regulation, to support discussions with your Cabinet colleagues on the departmental report.

Package of proposed updates

We have identified several options for enhancing the Board's independence from the Minister for Regulation, while staying true to the policy intent to keep the Board in the Executive. These options relate to three key areas:

- Appointment of Board members
- Performing the Board functions
- Removal of Board members

A table with an overview of the relevant provisions in the Bill next to the proposed updates is attached as **Appendix A**.

Next Steps

We will update the Cabinet Paper *Regulatory Standards Bill: Consideration of departmental report* in line with your directions, following discussions with your Cabinet colleagues.

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Appendix A: Enhancing the independence of the Regulatory Standards Board

Current approach	Proposed approach
Board appointments	
The Bill provides that the Regulatory Standards Minister must appoint the members of the Board. The Bill also states that the Minister may only appoint a person who, in the Minister's opinion, has the appropriate knowledge, skills, and experience to assist the Board to perform its functions.	Update the relevant provisions in the Bill to require that as a first step the Minister nominates the Board members, however nominations would need to be approved by the House. As a second step, after the House has approved a nominee, the Minister would recommend that the Governor-General appoints the member (see s 28(1)(b) of the Crown Entities Act) following the usual Cabinet Appointments and Honours Committee appointments process
Performing the Boards functions	
The explanatory note of the Bill states that the Bill aims to achieve its purpose by (amongst other things) establishing a Regulatory Standards Board to independently consider the consistency of proposed and existing legislation. The body of the Bill is silent on this matter.	The Bill could include a provision that the Board must act independently in performing its functions (such a requirement can be found in many Acts establishing statutory boards e.g. the Building Act 2004) i.e. the Minister would not be authorised to direct the Board in relation to its statutorily independent functions.
Removal of Board members	
Schedule 2, section 2 of the Bill provides that the: - Regulatory Standards Minister may, at any time and entirely at their discretion, remove a member from office - removal must be made by written notice to the member	In addition to the current provisions, the Bill could also provide that the Minister must state the reasons for removing a member of the Board. The reasons must be for "just cause" and may include misconduct, inability to perform the functions of office, neglect of duty, and breach of any of the collective duties of the Board or the



• notice must state the date on which the removal takes effect, which must not be earlier than the date on which the notice is received, and • Minister must notify the removal in the Gazette as soon as practicable after giving the notice.	individual duties of members (depending on the seriousness of the breach) (such provisions can be found in the CEA and other Acts). As per the appointment process the Governor General would remove the members on recommendation of the Minister. If removal from the Board can only be for just cause then the Bill could also include maximum terms for the members with the ability to reappoint for further terms.
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