

## **Regulatory Standards Bill – FAQ**

### **What is the Regulatory Standards Bill?**

The Regulatory Standards Bill aims to reduce the amount of unnecessary and poor-quality legislation in New Zealand by increasing transparency and ensuring that legislation is based on the principles of good law-making and economic efficiency.

This Bill aims to help achieve the Government's goal of improved productivity by lifting the quality of legislation – ultimately improving outcomes for New Zealanders.

### **How will the Regulatory Standards Bill improve the quality of legislation?**

The Bill aims to lift the quality of regulation by:

- establishing principles of responsible regulation
- increasing transparency by requiring that proposed and existing legislation is assessed for consistency with these principles, and the results of that assessment are published
- establishing a Regulatory Standards Board to independently consider the consistency of legislation against the principles
- providing powers to the Ministry for Regulation to support its role as a central agency.

### **What are the principles of responsible regulation?**

The principles of responsible regulation are focused on the effect of legislation on:

- existing interests and rights including the rule of law, liberties, taking of property, taxes, fees, and levies, and the role of courts, and
- good law-making processes including consultation, options analysis, and cost-benefit analysis.

You can read more about the principles in the [Cabinet paper](#) on the Ministry for Regulation website, and [the Bill at legislation.govt.nz](https://legislation.govt.nz/bills/2018/1/assent/1/1)

### **How would legislation be assessed against the principles?**

Most new bills, Government amendments and secondary legislation would be assessed for any inconsistency with the principles. Agencies must also complete reviews of existing legislation and undertake the same assessments. The results of these assessments would be published in a statement called a Consistency Accountability Statement (CAS).

If an inconsistency is identified, the responsible Minister must make a statement explaining the reasons for this inconsistency, and (for existing legislation) whether any actions are proposed to address it. The CAS, and the Minister's explanation must be published.

Inconsistency with the principles does not prevent new legislation from being passed or require existing legislation to be amended.

However, it does make it clear to Parliament and the public where legislation is inconsistent with the principles of responsible regulation.

### **How would the Regulatory Standards Board work?**

Members of the Regulatory Standards Board would be appointed by the Minister for Regulation.

The Board's role is to investigate and assess whether legislation is consistent with the principles of responsible regulation. An investigation could be triggered by:

- complaints to the Board by individuals and businesses
- a request from the Minister for Regulation, or
- the Board deciding to investigate of its own accord.

The Board could report on the consistency of legislation with the principles in two ways:

- it could look at CASs for new bills as they are introduced into the House, and provide a report to Select Committee on its findings, or
- it could assess existing legislation for any inconsistency with the principles, and report to the Minister for Regulation on its findings. A copy of its report would also be given to the responsible Minister and the relevant agency Chief Executive.

Any recommendations made by the Regulatory Standards Board would be non-binding.

### **Can the Regulatory Standards Bill prevent new legislation from being made?**

No. The Regulatory Standards Bill does not require new legislation to be consistent with the principles. It requires that legislation is assessed for any inconsistency with the principles, and that this assessment is made available to the public.

Agencies and Ministers are required to be transparent about any identified inconsistencies, but this would not stop new legislation from progressing.

In addition, any recommendations made by the Regulatory Standards Board are non-binding.

### **Are there any exemptions from the new requirements to assess legislation with the principles?**

Yes – there are some exclusions, for example, legislation related to full and final Treaty settlements, the Marine and Coastal Area (Takutai Moana) Act 2011 and the Ngā Rohe Moana o Ngā Hapū o Ngāti Porou Act 2019 and any associated secondary legislation.

The Bill also allows the Minister for Regulation to issue notices excluding some legislation from the new requirements. These notices would need to be approved by the House.

In addition, most existing secondary legislation<sup>1</sup> is exempt from the requirements, unless amended, replaced or brought in by notices as above.

### **Why is Treaty settlement legislation excluded?**

The Regulatory Standards Bill excludes legislation related to full and final Treaty settlements.

This exclusion is intended to give certainty for claimant groups about the impact of the Bill on current and future settlements.

### **What are the new powers for the Ministry for Regulation?**

The Bill intends to improve the quality of all regulation by supporting the Ministry for Regulation in its regulatory oversight role and will require the Ministry to report on the overall state of the Regulatory Management System.

It also strengthens expectations that government agencies are good stewards of the regulatory systems they are responsible for – ensuring that those systems are properly governed and regularly reviewed so they remain fit for purpose.

The information-gathering and other powers to be given to the Ministry for Regulation under this Bill are similar in many respects to Treasury's powers under the Public Finance Act.

### **What are the next steps for the Regulatory Standards Bill?**

There will be further opportunities for people to have their say on the Regulatory Standards Bill when it is at the Select Committee stage, including the opportunity for

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<sup>1</sup> Secondary legislation is legislation made by someone other than Parliament, made under a power set out in an Act.

public submissions. This will give another opportunity to provide feedback for anyone who chooses to.