



Ministry for Regulation
Te Manatū Waeture

Glossary of key regulatory terms

A resource

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Introduction



This glossary provides a common language and supports the consistent use of key regulatory terms. It serves as a central, easily accessible reference for people working in regulation in New Zealand.



It is not a comprehensive list of all regulatory terms, nor is it a legal glossary. Instead, it defines and standardises key, commonly used regulatory terms found in Ministry communications and publications.



This resource is reviewed periodically to ensure terms remain current, accurate and useful. Updates may be made as regulatory language evolves, new terms are identified, or existing definitions need clarification.

This glossary is maintained by the Ministry for Regulation's **Regulatory System Capability** team.

If you have any questions or suggestions for new terms, please contact us at:

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Glossary

Terms are listed alphabetically, with each definition below the relevant term.

A

Appeal

A request to review the decision of a lower court, tribunal or regulator. An appeal looks at whether the decision on the law or facts was consistent with the law.

B

Bylaws

Local rules or laws usually made by local authorities and apply to ways that people live, work and play within their local community. (See also "Legislation")

C

Common law

Arises from decisions made by judges in court. These decisions can create rights and responsibilities in addition to those written in legislation.

Compliance monitoring

The ongoing, systematic collection and analysis of information to assess the extent to which regulated parties are meeting their regulatory obligations. It tells regulators where to focus, how to respond, and whether the regulatory system is working.

Cost recovery

Charging fees or levies to recover the costs of delivering regulatory services.

Crown entity

An independent government entity established under the Crown Entities Act 2004. Crown entities provide public services and carry out regulatory functions at arm's length from ministers.

D

Designated actors

The people and organisations with a role to play in achieving the system's outcomes - some in government and some outside.

E

Educating

Helping regulated parties understand their obligations, why they are important and how to meet them.

Entry and exit control

A control to ensure that people who want to operate in a particular regulatory system meet the required entry standards. If they meet set criteria, they are approved by the regulator to undertake an activity. The regulator also manages exit from the system of those who wish to leave or no longer comply.

Evidence

Facts, information, items or an observation that can be used to prove or disprove something. It can be data that proves that something exists (or existed) or is true.

Exemptions

Authorised exceptions to standard regulatory requirements, usually subject to conditions.

G

Guidance

Non-binding advice or examples that help regulated parties and/or regulators understand their roles, responsibilities, rights and powers.

I

Improvement notice

A direction to take certain actions or refrain from certain actions for compliance.

Infringement notice

An 'on the spot' fine for an alleged offence or contravention of the law that can be paid instead of going to court.

Inspecting and auditing

Checking whether regulatory standards are being met – whether these standards are set in legislation, specified by the regulator or defined by industry or the regulated party itself.

Intervention

Any activity a regulator undertakes to prevent harm, maximise public benefit, improve compliance, prevent a situation from getting worse, or change behaviour.

Investigating

The process of gathering and assessing information to find out what has happened and collecting evidence to support the findings.

Investigation

Purposeful, structured process to find out what has happened, who is responsible and what enforcement action (if any) is needed. It is used where regulators suspect non-compliance.

J

Judicial review

The High Court checks whether an authority (such as a regulator) made a decision lawfully. It focuses on the process the regulator followed. The principles of natural justice lie at the heart of judicial review.

Judiciary

Refers to all judges in the Aotearoa New Zealand court system. The role of the courts is to resolve disputes. It is independent from Parliament and the Government to ensure impartiality. Court decisions lead to case-law and precedent. (See also "Common law").

L

Legislation

Laws created by Parliament, or those authorised by Parliament, to regulate various aspects of society. Its purpose is to establish rules, rights and responsibilities for people within New Zealand.

Legislation can be further divided into primary and secondary:

- Primary legislation is an Act, also called a statute, made by Parliament.
- Secondary legislation is law which can be made outside Parliament. It includes regulations, rules, notices, standards and by-laws.

M

Market failure

The situation where the allocation of goods and services under an unregulated market does not maximise the overall welfare of society.

Models

Theories developed by experienced practitioners and researchers that guide thinking about regulation. They explore the challenges regulators face and seek ways of understanding and

resolving them. Models help regulators think carefully about their work, role and how to achieve their objectives.

N

Norms

Social expectations about behaviour, as well as the information, tools and support that help people act in line with the regulatory system purpose.

P

People who do regulatory work

The individuals who have regulatory responsibilities within a regulatory organisation. This covers the full life cycle of regulatory activities, from identifying the need for regulation, through to rulemaking and enforcing the law. It includes people who monitor and assess the effectiveness of regulatory policies.

Proportionality

When regulatory requirements are aligned to the level of risk being managed, and an appropriate balance is struck between regulatory control and operational freedom.

Prosecution

Process of bringing a defendant before a court of law because they are alleged to have committed a crime.

Public goods

Some goods have special characteristics: their use does not reduce availability for others and it is not possible, at reasonable cost, to prevent another party from using them. Examples of a public good include national defence and a lighthouse.

Public interest

Making decisions or taking actions that benefit society in general, rather than serving the needs of an individual or a group.

R

Regulated party

A person or organisation that must comply with the laws and societal expectations of behaviour. This may be in their personal, social, recreational or work lives.

Regulation

Any government intervention that is intended to order or influence people's behaviour, or how they interact with each other, including by directing the use and exchange of private property, resources or capital to pursue a desired policy objective.

Regulations

A type of secondary legislation. An empowering Act sets out the regulations that can be made. See also Legislation.

Regulator

An organisation with the authority to carry out regulatory activities in a certain area. It is authorised by Parliament.

Regulatory activities

The range of different activities that are collectively needed to form a regulatory system.

Regulatory agency

Any agency, other than courts, tribunals and other independent appeal bodies, that has responsibilities for all or part of a regulatory system, including policy justification, regulatory design, standards, operational policy, licensing and approvals, information, education and guidance, monitoring compliance, enforcement, dispute resolution, system performance and regulator evaluation.

Regulatory approaches

A set of principles and objectives that guide the way a regulator carries out its work. Approaches are based on one or more models tailored to a regulatory system, context and challenges.

Regulatory capture

Regulatory capture happens when a regulator puts the interests of a group above the public interest and the outcomes of the regulatory system. The result is that the regulator acts in ways that disproportionately benefit parts of an industry it is supposed to be regulating.

Regulatory compliance activities

The activities and tools that regulators use to deliver regulatory services or to achieve their outcomes.

Regulatory failure

When harm occurs because of failures in the regulatory system. It can happen through a regulator not monitoring compliance in one part of the system, which allows risks to grow unnoticed. It can also occur when regulation has not kept up with technology or public values, or when the regulator is not checking often enough that its practices still work as intended.

Regulatory landscape

A collective view of New Zealand regulators, regulatory systems and regulations, and how they work together.

Regulatory leader

A person with senior decision-making authority over the governance, design, or operation of a regulatory system.

Regulatory Management System (RMS)

A set of policies, institutions, tools and processes employed by central government to help it develop, deliver and maintain high-quality regulation that provides value for money and does not impose unnecessary costs.

Regulatory model

Theories developed by experienced practitioners and researchers that guide thinking about regulation. They explore the challenges regulators face and seek ways of understanding and resolving them. Models help regulators think carefully about their work, role and how to achieve their objectives.

Regulatory operation

A planned intervention that targets resources to achieve a specific regulatory goal.

Regulatory organisation

An organisation responsible for all or part of a regulatory system, including a government agency, private body working under government authority, or private organisation participating in the system.

Regulatory practice

Refers to the activities and processes that regulators use to carry out their work. Good regulatory design and practice require attention, skill and collaboration.

Regulatory sandbox

A time and place where regulatory requirements have been relaxed so that people can work out the best future regulation together.

It needs to have four walls:

- pausing certain rules
- working with firms that volunteer and are selected
- operating within defined limits, especially time
- completing the process with an evaluation.

Regulatory stewardship

The governance, monitoring and care of our regulatory systems. Regulatory systems are intended to be assets for our communities and, like most other kinds of assets, they need regular ongoing care and maintenance if they are to deliver best value to New Zealanders.

Regulatory system

A set of formal and informal rules, norms and sanctions, and the actors who interact with them, that work together to shape people's behaviour or interactions in pursuit of a broad goal or outcome.

Revocation

Revokes or cancels a licence, permanently removing someone from the regulatory system.

Rules

Formal rules are the legislation that shapes people's behaviour and interactions. Formal rules can be laws, regulations, standards or by-laws.

Informal rules are unwritten, tacit rules that are based on cultural or historical customs or social norms.

S

Sanctions

Penalties for breaching the laws. Sanctions can include statutory notices, infringement fines, prosecution or revoking a licence.

Sunset clause

A provision that causes rules or powers to expire on a specified date unless renewed.

T

Third party

A structured legal mechanism by which the regulator may engage people or organisations separate to them to perform specific compliance or operational functions within their regulatory system.