



Comms/IT - ECB

Cabinet

CAB Min (09) 6/5B

Minute of Decision

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Regulatory Review Programme: Immediate Removal of Inefficient and Superfluous Regulation

Portfolio: Regulatory Reform

On 23 February 2009, following reference from the Cabinet Economic Growth and Infrastructure Committee (EGI), Cabinet:

Background

- 1 noted that as a part of the government's post-election action plan, one of the First Actions on the Economy is to begin a regulatory review programme to identify and remove inefficient and superfluous regulation;
- 2 noted that the proposals in the paper under EGI (09) 7 represent the first steps in an ongoing process of regulatory reforms;
- 3 noted that the paper under EGI (09) 7 should be read with the companion paper on *Regulatory Review Programme: Reviews of Major Regulatory Regimes for 2009 and 2010*, under EGI (09) 5 [CAB Min (09) 6/5B];

Regulatory Improvement Bill

- 4 noted that:
 - 4.1 the Regulatory Improvement Bill addresses regulatory duplications, gaps, administrative errors, and inconsistencies between different pieces of legislation, and is able to be progressed;
 - 4.2 the Bill was introduced on 9 September 2008 and is currently awaiting its first reading;

Further proposals

Regulations on raising capital

- 5 noted that the Ministry of Economic Development is progressing work on amendments suggested by the Capital Markets Development Taskforce to help firms raise capital more easily, and that the Securities Disclosure and Financial Advisers Amendment Bill, which will give effect to these proposals, was introduced on 18 February 2009 and is currently awaiting its first reading;

Over-dimension vehicles

- 6 **invited** the Minister of Transport to amend the Land Transport Rule: Dimension and Mass 2002 to simplify the dimension and exemption requirements under the Rule, as outlined in the paper under EGI (09) 7, and to include this amendment in the current Land Transport Rules Programme;

Energy Resource Levy on coal

- 7 **directed** the Ministry of Economic Development to report to the Minister of Energy and Resources, Minister of Finance and Minister for Regulatory Reform by 9 April 2009 on the repeal of the Energy Resource Levy;

Fencing of swimming and spa pools

- 8 **directed** the Department of Building and Housing to report to the Minister for Building and Construction, Minister of Finance and Minister for Regulatory Reform by 9 April 2009 on clarifying the requirements for swimming and spa pool fencing under the Fencing of Swimming Pools Act 1987;

Drinking water standards

- 9 **directed** the Ministry of Health to report to the Minister of Health, Minister for Infrastructure, Minister of Finance and Minister for Regulatory Reform by 9 April 2009 on:
- 9.1 possible amendments to the Health Act 1956 to remove unnecessarily onerous and prescriptive provisions relating to drinking water quality;
 - 9.2 carrying out a review of drinking water standards, including a rigorous and quantitative cost/benefit analysis of a range of standards;

Registration of overseas trained health practitioners

- 10 **directed** the Ministry of Health to report to the Minister of Health, Minister of Finance and Minister for Regulatory Reform by 9 April 2009 on:
- 10.1 possible amendments to the Health Practitioners Competence Assurance Act 2003 to clarify the powers of Authorities to prescribe individual scopes of practice;
 - 10.2 the use of Ministerial audit powers;
 - 10.3 options for increasing the speed of processing for applications for registration by overseas trained health practitioners;
 - 10.4 carrying out a review of the registration practices for overseas trained health practitioners under the Health Practitioners Competence Assurance Act 2003;

Sale of liquor

- 11 **noted** that issues with the compliance costs imposed by the liquor licensing process were raised by the hospitality and winemaking sectors during the Quality Regulation Review;

- 12 **noted** that the Law Commission is undertaking a comprehensive review of the regulatory framework for the sale and supply of liquor, and that:
- 12.1 an issues paper is proposed to be released for consultation in 2009;
 - 12.2 legislative amendments should be ready to be advanced in 2010;
 - 12.3 the Law Commission's terms of reference specifically require it to ensure that any licensing system does not impose unnecessary or disproportionate compliance costs;
 - 12.4 it is therefore inappropriate to reform the liquor licensing system, either generally or specifically in relation to winemakers, separately from the Law Commission's review;
- 13 13.1 **noted** that in September 2008, the previous government agreed that wineries selling from the cellar door (including online and mail order sales) under an off-licence be exempted, by regulations, from certain licensing and manager training obligations under the Sale of Liquor Act 1989 [POL Min (08) 18/22];
- 13.2 **agreed** that exemptions for winemakers selling their own wine pursuant to an off-licence, agreed to by the previous government, will not be progressed outside of the Law Commission review;

Credit Contracts and Consumer Finance Act review

- 14 **noted** that:
- 14.1 the Ministry of Consumer Affairs is undertaking a review of the operation of the Credit Contracts and Consumer Finance Act 2003;
 - 14.2 the review will include consideration of provisions that impose compliance costs on financiers for little or no benefit to borrowers, and the overlap in regulation of pawnbrokers under the Credit Contracts and Consumer Finance Act 2003 and the Secondhand Dealers and Pawnbrokers Act 2004;

Securities Act prospectus requirements

- 15 **noted** that:
- 15.1 Securities Commission exemption 2008-456 has addressed the short-term issue regarding obligations for managed funds and superannuation schemes to report on their financial position in prospectuses;
 - 15.2 this issue should be included in the upcoming wider review of the Securities Act 1978;

Pharmacy ownership restrictions and controls on the prescribing of medicines

- 16 **agreed** to defer further consideration of a review of controls relating to pharmacy ownership and the prescribing of medicines until decisions have been made on the preferred approach to improving the regulation of therapeutic products;

- 17 **directed** the Ministry of Health to report to the Minister of Health, Minister of Finance and Minister for Regulatory Reform by 31 May 2009 on controls relating to pharmacy ownership and the prescribing of medicines, in the context of the government's preferred approach to improving the regulation of therapeutic products;

Shop trading hours

- 18 **noted** that concerns have been expressed about inconsistencies between the Shop Trading Hours Act Repeal Act 1990, the Holidays Act 2003, and the Sale of Liquor Act 1989;
- 19 **noted** that it is not appropriate to address trading hours for liquor separately from the Law Commission's comprehensive review of the regulatory framework for the sale and supply of liquor, which is looking at trading hours for the sale of liquor in the context of wider concerns about the availability of alcohol;
- 20 **directed** the Department of Labour to report to the Minister of Labour, Minister of Justice, Minister of Finance and Minister for Regulatory Reform by 31 March 2009 on options for rationalising shop trading hours without addressing sale of liquor issues;
- 21 **invited** the Minister Responsible for the Law Commission to invite the Law Commission to have regard to regulation concerning general shop trading hours when formulating its proposals in relation to trading hours for the sale of liquor;

Vehicle Fuel Economy Standard

- 22 **invited** the Minister of Transport to obtain the views of the Minister for Climate Change Issues on whether a regulated Vehicle Fuel Economy Standard (VFES) should be progressed, and to report back to the Cabinet Economic Growth and Infrastructure Committee on this issue in April 2009;

Further issues for regulatory review

- 23 **invited** all Ministers to:
- 23.1 identify any regulatory issues within their portfolios for further regulatory review, especially any proposals to remove inefficient and superfluous regulation;
- 23.2 write to the Minister for Regulatory Reform to advise him of the proposals for regulatory review;

Legislative implications

- 24 **agreed** that it is desirable to have an annual bill as a vehicle for regulatory reform measures that are not able to be included in other amendment bills;
- 25 **invited** the Minister for Regulatory Reform to consider on an annual basis the need for an omnibus Regulatory Reform Bill, and to lodge a bid for a place on the annual legislation programme as required;
- 26 **invited** the Minister for Regulatory Reform to lodge a late bid to include a Regulatory Reform Bill in the 2009 Legislation Programme;

27 noted that, where relevant, departments will include comment in their reports to joint Ministers on the appropriate legislative vehicle for any amendments, and whether any amendments are appropriate for inclusion in an omnibus Regulatory Reform Bill.

Secretary of the Cabinet

Reference: CAB (09) 58; EGI Min (09) 1/2; EGI (09) 7

Secretary's note: This minute supersedes EGI Min (09) 1/2. This minute has been copied to all Ministers and Chief Executives for follow-up action in respect of the invitation to all Ministers in paragraph 23.

Distribution:

