

GOVERNMENT STATEMENT ON REGULATION: BETTER REGULATION, LESS REGULATION

Released by Hon Bill English and Hon Rodney Hide on 17 August 2009.

Every day New Zealanders are affected by regulation in a myriad of ways. We look to regulation to help ensure we live safer lives, get treated fairly, protect and manage our environment, have a competitive and efficient economy, and much more.

But regulation also has costs and can have unintended effects. Outdated, poorly conceived and poorly implemented regulation can significantly hinder individual freedom, innovation, and productivity. Reducing the burden imposed by such regulation will help unshackle our economy and give New Zealanders more ability to shape and improve their own lives.

New Zealand needs to offer a better policy environment than can be found elsewhere if we are to overcome the economic disadvantages of our small size and geographical isolation, and attract and retain increasingly mobile talent, skills, capital, technology and entrepreneurship.

This is why improving the quality of regulation is a priority for this government. We believe that better regulation, and less regulation, is essential to assist New Zealand to become more internationally competitive and a more attractive place to live and do business.

Our Commitments

We will introduce new regulation only when we are satisfied that it is required, reasonable, and robust.

We will review existing regulation in order to identify and remove requirements that are unnecessary, ineffective or excessively costly.

How We Will Deliver on These Commitments

We have already:

- Begun a programme of reviews of the effectiveness of important regulatory regimes, particularly those that have a significant impact on productivity;
- Committed to introduce an annual Regulatory Reform Bill to make it quicker and easier to remove or simplify unnecessary, ineffective or excessively costly requirements in primary legislation;
- Established an independent expert Regulatory Taskforce to investigate the case for, and form of, a Regulatory Responsibility Bill.

We will also be looking for significant changes in the approach both Ministers and government agencies take to regulation. To this end we will:

- Resist the temptation or pressure to take a regulatory decision until we have considered the evidence, advice and consultation feedback, and fully satisfied ourselves that:
 - the problem cannot be adequately addressed through private arrangements and a regulatory solution is required in the public interest;
 - all practical options for addressing the problem have been considered;
 - the benefits of the preferred option not only exceed the costs (taking account of all relevant considerations) but will deliver the highest level of net benefit of the practical regulatory options available;
 - the proposed obligations or entitlements are clear, easily understood and conform as far as possible to established legislative principles and best practice formulations; and
 - implementation issues, costs and risks have been fully assessed and addressed;
- Require there to be a particularly strong case made for any regulatory proposals that are likely to:
 - impose additional costs on business during the current economic recession;
 - impair private property rights, market competition, or the incentives on businesses to innovate and invest; or
 - override fundamental common law principles (as referenced in Chapter 3 of the Legislation Advisory Committee guidelines);
- Ensure that Cabinet's requirements for assuring regulatory quality are treated as an integral part of policy development, and built into the policy process from the beginning;
- Ensure that all government agencies are fully aware of the commitments set out in this statement and understand the importance that the government attaches to them;
- Expect a culture from government agencies that:
 - recognises the importance of productivity in enhancing New Zealand's economic performance;
 - respects the value of individual autonomy and responsibility;
 - does not see regulation as the first resort for problem solving;
 - provides fearless advice on whether a regulatory proposal is consistent with this policy statement and meets appropriate standards of impact analysis and consultation; and
 - continually looks for opportunities to make existing regulation more effective, easier to access and understand, and easier and less costly to comply with;

- Require greater accountability from government agencies for the quality of the regulatory analysis they undertake, and for the consequences of poor implementation; and
- Encourage New Zealanders to hold us to account where they believe we have regulated in a way that is inconsistent with the commitments in this statement.