# FORM: Enabling Early Engagement for Impact Analysis

**The role of Regulatory Impact Assessments**

A Regulatory Impact Assessment, in the form of a Full Impact Statement, is a government agency document in which the agency provides a summary of its best advice on the Impact Analysis relating to a government regulatory proposal. Consequently, decisions around the problem definition and options analysis sit with agencies.

**Why engage early on problem definition and options?**

This process is designed specifically to promote your early engagement with the Treasury and with your Quality Assurance panel or expert to test your thinking around the problem definition and options identification, as part of the Impact Analysis process.

How you define the problem or opportunity for government action will likely have a strong bearing on the quality of your Regulatory Impact Assessment. Poor problem definition and options identification are a frequent cause of inappropriate use of regulatory levers and inadequate regulatory Impact Analysis. Problems in these areas cannot be easily fixed if identified later in the policy process, especially when implementation options have been agreed.

Early engagement with “critical friends” is also a component of the Start Right approach to high quality policy development. For more information, see the Policy Project’s Start Right Guide <https://www.dpmc.govt.nz/our-programmes/policy-project/policy-methods-toolbox/start-right>

Other useful information:

* Treasury’s Guidance on Regulatory Impact Analysis <https://treasury.govt.nz/information-and-services/regulation/impact-analysis-requirements-regulatory-proposals>
* Government’s Expectations for Good Regulatory Practice <https://treasury.govt.nz/publications/guide/government-expectations-good-regulatory-practice>

**What are the fundamentals of early engagement?**

As part of the Impact Analysis process, when your agency considers that:

* the problem is important in terms of its human, social, economic or environmental impacts, and
* options to introduce, amend or repeal legislation will be explored.

It is best practice to seek input into, and feedback on your problem definition and options identification from the Treasury’s Regulatory Quality Team, your Treasury policy and budget team and ideally your agency’s Quality Assurance panel/quality assurance specialist.

**When is it early enough?**

You will have to decide when the best time to get feedback is, but ideally it would be:

* after tentative decisions have been made to pursue action or commission a policy project, but
* before your agency is committed to a particular approach.

As such, early engagement should be part of your early thinking (or Start Right process). It should ideally occur well before a decision is made to pursue a regulatory solution that might require your agency to prepare a Regulatory Impact Assessment.

**What to expect after requesting early engagement**

Within a reasonable timeframe on a best-endeavours basis, the Treasury and your agency’s Quality Assurance panel or specialist, jointly or separately will:

* review this information, and
* provide you with preliminary feedback from a potential future Quality Assurance perspective, including on the problem definition and options identification.

You will decide how best to use the feedback provided and how it will influence your final analysis. This initial feedback by no means bounds the outcome of the final Quality Assessment of your Regulatory Impact Assessment.

If it is already apparent at this point that Cabinet’s Impact Analysis Requirements are applicable (and how they will apply) to the policy exercise, the Treasury will confirm this as part of our feedback.

**About this form**

This form highlights the key areas you need to consider and provide information to enable the Treasury and your Quality Assurance panel or specialist to provide you with meaningful early feedback on your problem definition and options. We are asking you to think about these question as we want to minimise the possibility of coming back to you asking for more information and causing delays.

Please answer the questions in bold as informatively as you can. The questions in the bullet points are prompts to advance your thinking around the main questions. You do not have to answer each prompting question, however the less information you provide us with, the less helpful we can be.

If you have already covered these areas using another commissioning tool specific to your agency or one available from the Start Right you can provide this document instead.

**Where to send the information**

Please send the information to the Regulatory Quality Team RIA.Team@treasury.govt.nz), the relevant Treasury policy and budget team and your agency’s Quality Assurance panel or specialist (if your agency has one and this is part of your internal processes).

## Section 1: General information

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| **1.1 (Working) title of policy analysis exercise or programme:** |
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| **1.2 Name of the responsible (or lead) government agency:** |
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| **1.3 Agency contact name and phone number:** |
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| **1.4 Date:** |
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| **1.5 Date when feedback is sought/required:** |
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| **If possible: date when proposal is expected to be put to Cabinet committee** |
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## Section 2: Project Background

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| 2.1 Where has this come from? |
| * *What has prompted the need for policy analysis? Why now?* * *What is the relevant history?* |
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| 2.2 What is the scope of your analysis? |
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| 2.3 Are there external constraints on your analysis, for example around timing, process, options? |
| * *What constraints are you facing as a result of existing government commitments, Ministerial directions, or previous Cabinet decisions?* * *Is your analysis dependent in part on decisions still to be made, or events still to occur in another area? Have you integrated those external factors into your thinking?* |
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## Section 3: Wider context

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| 3.1 What are the potential connections and the bigger picture? |
| * *What policy or regulatory system will this analysis relate to? What is the system’s purpose?* * *What other policy work is currently underway or planned within this system?* * *What other changes are underway or planned within this system?* * *What other system challenges, pressures or demands exist or are developing?* * *What other linkages or dependencies might there be, including to other systems?* * *What precedent might this set for this and other policy areas?* * *Has the regulatory system been assessed for its compatibility with the Government’s Expectations for Good Regulatory Practice?* |
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## Section 4: Policy issues and options

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| 4.1 What is the policy issue or opportunity? |
| * *What are the main underlying policy issues/problems to which this policy initiative is responding (ie, the root cause of the problem)?* * *What would happen without intervention?* * *What is known about the nature of these policy issues/problems?* * *Who is being impacted?* * *What is the type or nature of the evidence supporting the problem definition?* * *How have you validated or tested the opportunity or problem with “critical friends”, other agencies, operational or delivery staff or external partners? What are their views?* |
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| 4.2 What is the policy objective(s)? |
| * *What difference is the policy objective(s) attempting to make and for whom?* * *Note that the policy objective(s) must be clear and should not pre-justify a particular solution. They should be specified broadly enough to allow consideration of all relevant alternative solutions.* |
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| 4.3 What policy options will you consider? |
| * *Why is government action potentially necessary or desirable?* * *What is the nature of any regulatory changes being considered?* * *Are there feasible non-regulatory options to consider? Is it possible that legislation is not required?* * *When considering policy options, bear in mind the Government’s Expectations for Good Regulatory Practice.* |
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| 4.4 What policy frameworks do you propose to use? |
| *Are any of the following tools likely to be relevant?*   * The Policy Project, Department of Prime Minister and Cabinet.   <https://www.dpmc.govt.nz/our-programmes/policy-project>   * The Living Standards Framework can provide insights into which aspects of current and future well-being might be affected by changes to current policy. It may also help to consider whether there are any risks intended to be addressed, or that might be created by policy reform.   <https://treasury.govt.nz/information-and-services/nz-economy/living-standards>   * A 'rural proofing lens' asks policy makers to look at what is being proposed, and take into account the rural community's: low population density; isolation; and reliance on the primary sector for employment.   <https://www.mpi.govt.nz/about-us/our-work/rural-proofing/>   * The Child Impact Assessment Tool can be used to assess whether policy proposals will improve the wellbeing of children and young people.   <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/resources/child-impact-assessment.html>   * Gender analysis tool to help you explore the gender impacts of your policy <https://women.govt.nz/gender-tool> * Links to Maori interests and Treaty implications.   <https://www.justice.govt.nz/maori-land-treaty/>   * **Kapasa is a tool for incorporating the perspectives of Pacific peoples** <http://www.mpp.govt.nz/language-culture-and-identity/kapasa/> * The Bill of Rights Act (BORA): The Ministry of Justice is responsible for scrutinising proposed legislation to look at whether it meets BORA requirements. <https://www.justice.govt.nz/justice-sector-policy/constitutional-issues-and-human-rights/bill-of-rights-compliance-reports/>   *Note that if you are considering offences and penalties, you will need to consult the Ministry of Justice. The above list of tools is not all-inclusive, and you should check with interested agencies to see whether they may have analytical tools that could be useful.* |
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## Section 5: Other relevant information

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| 5.1 Are you intending a consultation exercise? |
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| Any other information around the policy process you are proposing to follow and/or the content of your proposed changes |
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