

OECD Regulatory Policy Outlook 2015

Country profile

New Zealand



Access links

- **OECD Regulatory Policy Outlook 2015:** www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm
- **Indicators of Regulatory Policy and Governance and the underlying data:** www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm
- **Regulatory policy in New Zealand:** www.oecd.org/regreform/regulatory-policy/new-zealand.htm
- **Regulatory Policy Outlook country profiles:** www.oecd.org/regreform/regulatory-policy/outlook-country-profiles.htm
- **OECD regulatory policy website:** www.oecd.org/governance/regulatory-policy/

Overview

RIA and public consultation are embedded within New Zealand's policy-making processes and provides information for Cabinet discussions. This is supported by Treasury guidance and templates for RIA, with the Treasury also providing quality assurance of significant regulatory proposals. Cabinet and committee papers that contain policy proposals must contain a section entitled RIA. This includes a statement explaining whether RIA has been conducted and is attached to the Cabinet paper. In addition, it includes an opinion on the quality of the analysis in the RIA.

There is no general legal requirement for consultation in the regulatory process, but consultation is an explicit policy of the government and one of the key quality assurance criteria. RIA must subsequently explain who has been consulted and what form the consultation took, outline key feedback received, with particular emphasis on any significant concerns that were raised about the preferred option, how the proposal has been altered to address these concerns (and if not, why not). If there no consultation undertaken, it must include the reasons why.

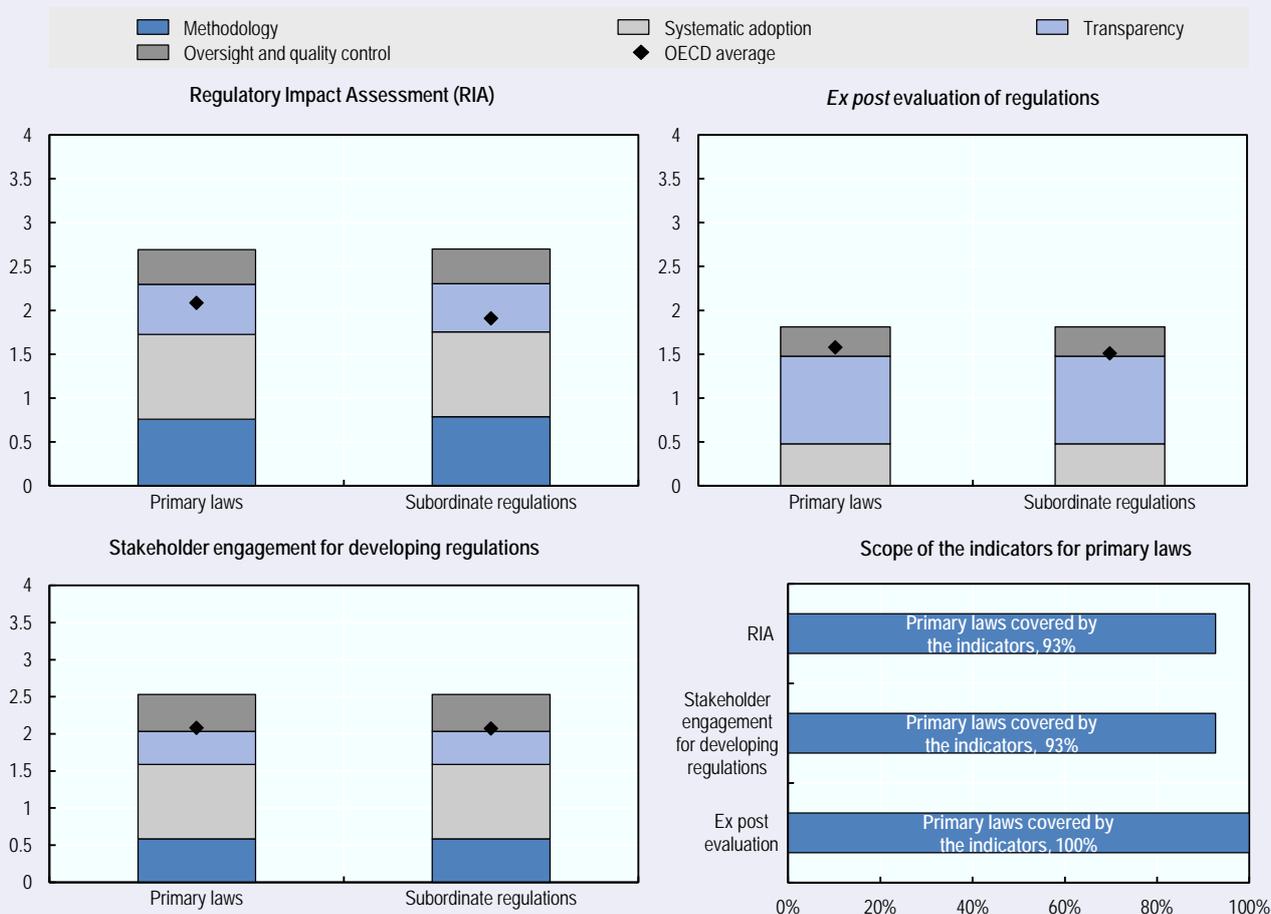
The New Zealand Productivity Commission conducts inquiries and productivity research which can help identify areas for reform in particular sectors. *Ex post* evaluation however is not mandatory and there is no established methodology for conducting *ex post* evaluations. Introducing systematic reviews of regulation could potentially help strengthen the policy-making process.



Spotlight: Independent review of regulatory impact statements

The New Zealand Treasury periodically commissions independent reviews of the quality of RIA. Reviews were conducted in 2008, 2009, 2011, 2012, 2013 and 2014, drawing upon a sample of regulatory impact statements (RIS) from the previous calendar year. In 2008-13 the Reviews sought to evaluate whether government agencies are meeting the expectations set for preparing high-quality RISs; to comment on the Regulatory Impact Analysis carried out by government agencies to help improve their ability to prepare high-quality RISs; to compare differences in the agencies' view of RIS quality and the independent assessment of RIS quality; and to help the Treasury provide effective guidance to government agencies when preparing RISs. The 2014 evaluation took a different approach than previous reviews and focused on the options analysis section of the RIS, a particularly challenging section of the RIS.

Indicators of Regulatory Policy and Governance 2015



1. The figures display the aggregated scores from all four categories giving the total composite score for each indicator. The maximum score for each category is one and the maximum score for each aggregated indicator is four.
2. The information presented in the indicators for primary laws on RIA and stakeholder engagement only covers processes of developing primary laws that are carried out by the executive branch of the national government. As in New Zealand approx. 93% of primary laws are initiated by the executive, the indicators on RIA and stakeholder engagement cover approx. 93% of primary laws. There is a formal requirement in New Zealand for consultation with the general public, but not for conducting RIAs to inform the development of primary laws initiated by parliament. The information presented in the indicators for primary laws on *ex post* evaluation covers processes in place for both primary laws initiated by parliament and by the executive. The percentage of primary laws initiated by parliament is an average between the years 2011 to 2013.

Source: 2014 Regulatory Indicators Survey results, www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Statlink: <http://dx.doi.org/10.1787/888933263261>

Indicators of Regulatory Policy and Governance (iREG)

The three composite indicators provide an overview of a country's practices in the areas of stakeholder engagement, Regulatory Impact Assessment (RIA) and *ex post* evaluation. Each indicator comprises four equally weighted categories:

- Systematic adoption which records formal requirements and how often these requirements are conducted in practice.
- Methodology which gathers information on the methods used in each area, e.g. the type of impacts assessed or how frequently different forms of consultation are used.
- Oversight and quality control records the role of oversight bodies and publically available evaluations.
- Transparency records information from the questions that relate to the principles of open government, e.g. whether government decisions are made publically available.



The composite indicators are based on the results of the *OECD 2014 Regulatory Indicators Survey*, which gathers information from all 34 OECD countries and the European Commission as of 31 December 2014. The survey focuses on regulatory policy practices as described in the 2012 *OECD Recommendation on Regulatory Policy and Governance*. The more of these practices a country has adopted, the higher its indicator score. Further information on the methodology is available online at www.oecd.org/gov/regulatory-policy/measuring-regulatory-performance.htm.

Whilst the indicators provide an overview of a country's regulatory framework, they cannot fully capture the complex realities of its quality, use and impact. In-depth country reviews are therefore required to complement the indicators and to provide specific recommendations for reform.

OECD Regulatory Policy Outlook 2015

The *OECD Regulatory Policy Outlook* (www.oecd.org/publications/oecd-regulatory-policy-outlook-2015-9789264238770-en.htm) provides the first evidence-based, cross-country analysis of the progress made by OECD countries in improving the way they regulate. Findings are based on the results of the *OECD 2014 Regulatory Indicators Survey*.

Key findings:

- Laws and regulations are essential instruments, together with taxes and spending, in attaining policy objectives such as economic growth, social welfare and environmental protection. OECD countries have generally committed at the highest political level to an explicit whole-of-government policy for regulatory quality and have established a standing body charged with regulatory oversight.
- Implementation of regulatory policy varies greatly in scope and form across countries. While RIA has been widely adopted, few countries systematically assess whether their laws and regulations achieve their objectives. Stakeholder engagement on rule making is widespread in OECD countries, taking place mostly in the final phase of developing regulation.
- The national executive government has made important progress over the last decade to improve the quality of regulations. Parliaments, regulatory agencies and sub-national and international levels of government need to be more engaged to ensure that there are evidence-based and efficient laws and regulations for stimulating economic activity and promoting well-being.
- The impact of regulatory policy could be further improved by addressing shortcomings in the implementation and enforcement of regulations and by considering new approaches to regulatory design and delivery such as those based on behavioural economics.

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