



New Zealand

Indicators of Regulatory Policy and Governance 2021





Overview and recent developments

New Zealand has progressively refined its regulatory management policy in recent years. Regulatory stewardship represents a defining principle within the Public Service Act 2020, and the Chief Executive of the Treasury was recently given formal responsibility for its promotion across the public service. This approach applies to all regulatory agencies and involves adopting a whole-of-system, lifecycle view of regulation. It also involves an increased focus on international regulatory co-operation (IRC) in the design and *ex ante* assessment of new proposals. This will soon be supplemented by an IRC Toolkit, which will build on practical experiences to identify a series of IRC options for reducing regulatory overlap and improving coherence with key partners.

The Regulatory Strategy Team (RST) within the Treasury is responsible for the quality control of regulatory management tools and the systematic improvement of regulation. Its activities have recently expanded to include the regulatory aspects of economic strategy and wellbeing. The RST coordinates the Interagency Group on Regulatory Impact Analysis (RIANet), which is a network of government agency experts and specialists interested in the RIA framework and Cabinet's RIA requirements. RST also leads an interagency group that promotes and shares agency experience in implementing regulatory stewardship.

The Cabinet Manual provides that government agencies can adopt a flexible approach in stakeholder consultation and encourages them to develop and maintain close relationships with stakeholders throughout the regulatory policy

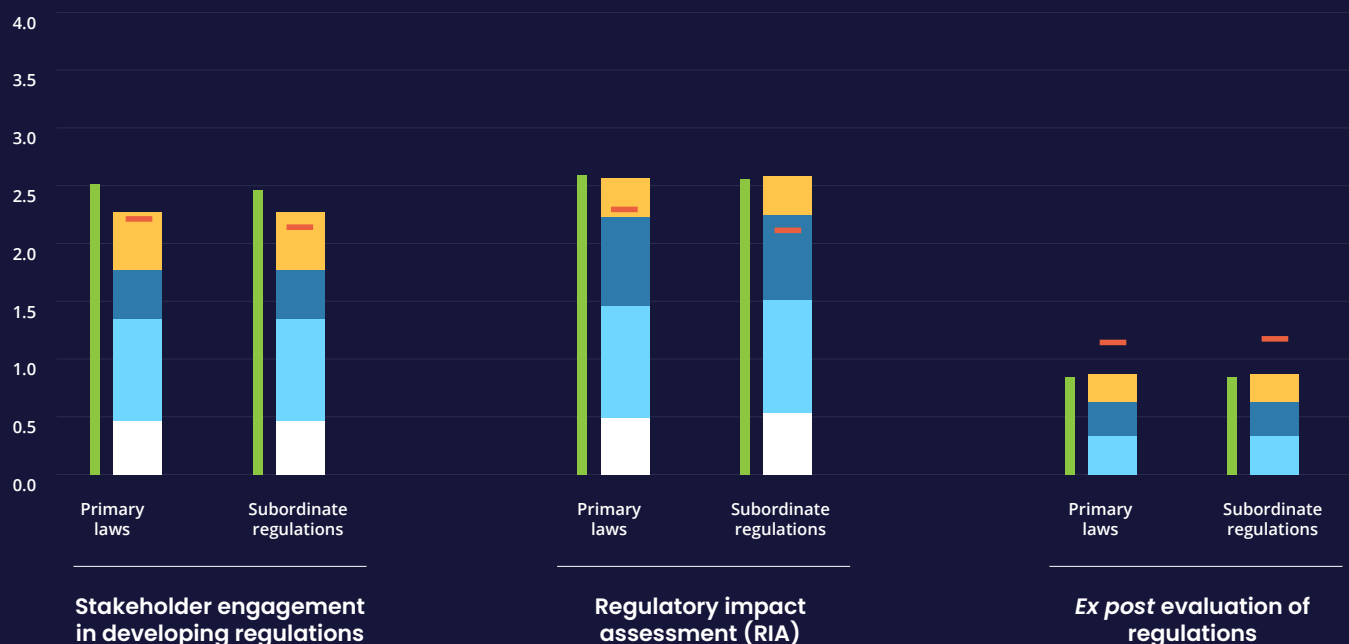
cycle. Updated in 2018, the Legislation Guidelines provide regulators with advice on how stakeholder engagement should be pursued. It will be important to evaluate the effectiveness and efficiency of the consultation system over time. New Zealand's transparency practices would benefit from a more systematic approach to notifying stakeholders of upcoming opportunities to contribute to regulatory proposals.

The Government's Expectations for Good Regulatory Practice instruct regulatory agencies to monitor the performance of existing regulatory systems to determine whether they remain fit-for-purpose. Although relatively few formal *ex post* evaluations have been undertaken, the 2019 Assessment of the Crown Pastoral Land Regulatory System provides a notable example on which to build. The 2019 Guidance Note on Best Practice Monitoring, Evaluation, and Review (MER) may also contribute to more widespread evaluation in future, by requiring departments to specify how they will monitor and evaluate regulatory changes in RIA and establishing a framework for engaging in MER.

RIA is required for all primary laws and subordinate regulations. A requirement for a Supplementary Analysis Report (SAR) is triggered in the event that regulatory proposal is agreed despite having no RIA and no valid exemption, or when the RIA was assessed as not meeting the quality assurance criteria. In 2020, revised Impact Analysis Requirements introduced conditional exemptions from conducting RIA when regulations are enacted to tackle an emergency.

Indicators of Regulatory Policy and Governance (iREG): New Zealand, 2021

● Methodology
 ● Systematic adoption
 ● Transparency
 ● Oversight and quality control
 ■ Country total, 2018
 — OECD average, 2021



Notes: The more regulatory practices as advocated in the [OECD Recommendation on Regulatory Policy and Governance](#) a country has implemented, the higher its iREG score. The indicators on stakeholder engagement and RIA for primary laws only cover those initiated by the executive (92% of all primary laws in New Zealand).

Source: Indicators of Regulatory Policy and Governance Surveys 2017 and 2021, <http://oe.cd/ireg>.

New Zealand: Transparency throughout the policy cycle



Inform the public in advance that:

A public consultation is planned to take place	Some
Regulatory impact assessment (RIA) is due to take place	No
Ex post evaluations are planned to take place	Never



Consult with stakeholders on:

Draft regulations	All
Evaluations of existing regulations	All



Publish online:

Ongoing consultations*	No
Views of participants in the consultation process	Yes
RIAs	All
Evaluations of existing regulations	Yes



Policy makers use:

Interactive website(s) to consult with stakeholders	No
Website(s) for the public to make recommendations on existing regulations	No



Policy makers provide a public response to:

Consultation comments	Yes
Recommendations made in ex post evaluations	Never

* Publish on a single central government website.

Note: The data reflects New Zealand's practices regarding primary laws initiated by the executive.

Source: Indicators of Regulatory Policy and Governance Survey 2021, <http://oe.cd/ireg>.



THE OECD REGULATORY INDICATORS SURVEY AND THE IREG COMPOSITE INDICATORS

The data presented in the 2021 Regulatory Policy Outlook are the results of the 2014, 2017 and 2021 Indicators of Regulatory Policy and Governance (iREG) surveys.

The iREG survey investigates in detail three principles of the 2012 OECD Recommendation of the Council on Regulatory Policy and Governance: stakeholder engagement, regulatory impact assessment (RIA) and *ex post* evaluation. Three composite indicators were developed based on information collected through the surveys for these areas. Each composite indicator is composed of four equally weighted categories:

- **Systematic adoption** comprises formal requirements and how often these requirements are conducted in practice;
- **Methodology** presents 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** reflects the role of oversight bodies and publicly available evaluations; and
- **Transparency** comprises information which relates to the principles of open government e.g. whether government decisions are made publicly available.

The data underlying the composite indicators reflect practices and requirements in place at the national level of government, as of 1 January 2021. The indicators for stakeholder engagement

and RIA relate to regulations initiated by the executive, while the indicator on *ex post* evaluation relates to all regulations. Whilst the indicators provide an overview of a country's regulatory policy system, 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. A full score on the composite indicators does not imply full implementation of the Recommendation. To ensure full transparency, the methodology for constructing the composite indicators and underlying data as well as the results of sensitivity analysis are available publicly on the OECD website (<http://oe.cd/ireg>).

Related links:

- [Regulatory Policy Outlook 2021](#)
- [Indicators and underlying data and methodology](#)
- [2012 Recommendation of the Council on Regulatory Policy and Governance](#)
- [OECD Measuring Regulatory Performance Programme](#)
- [OECD work on regulatory policy](#)

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