



**BEEHIVE to BUSINESS**  
in partnership with Allen + Clarke

**WITH HON. DAVID SEYMOUR**



# Beehive to Business with the Honourable David Seymour

## Allen + Clarke Summary of the Key Takeaways

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*20 November 2024*





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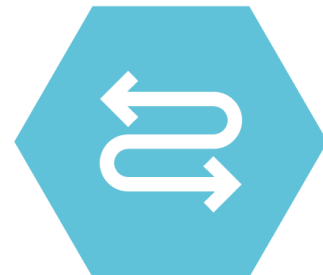
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**Please note:** This is *Allen + Clarke* 's interpretation of the key messages from the session. Whilst we aim to reflect the discussion as accurately as possible, some parts may have been interpreted differently to other attendees and the intended messages of the speaker.

### Foreword

Regulation profoundly impacts the productivity, innovation, and culture of our nation. The Honourable David Seymour shared his perspective on the pressing need for reform, highlighting the Regulatory Standards Bill and the Ministry for Regulation as pivotal initiatives driving this change. This summary captures key points from Minister Seymour's discussion at the Wellington Chamber of Commerce's Beehive to Business event, including efforts to reduce New Zealand's regulatory burden and empower businesses through clearer legislative principles.

The session also highlighted the Minister's view that there is a need for a cultural shift within government to foster greater accountability and innovation. Organisations are encouraged to participate in consultations, leverage tools like the Red Tape Tip Line, and advocate for meaningful reforms.

## Regulatory Standards

### Key points

- Importance of Regulatory Standards: The Minister emphasised the foundational role of standards in lawmaking, aiming to improve transparency and accountability.
- Legislative Principles: The Regulatory Standards Bill introduces principles such as the rule of law, clarity, and accessibility. It prohibits laws that adversely affect rights or impose retrospective obligations without justification.
- Cultural Message: Embedding standards into legislation aims to shift public policy debates and provide a tangible mechanism for regulated parties to advocate for their rights.
- International Inspiration: Where relevant, New Zealand should understand regulatory practices in countries like Australia and the UK to frame discussions on best practices.

**Implications for Businesses:** By providing a legal framework, businesses gain recourse to challenge unfair regulations.

### Action for Your Organisation:

- **Engage in Consultation:** Review and provide feedback on the draft Regulatory Standards Bill. Advocate for clauses that align with your organisation's operational needs and concerns.

### Summary of the discussion

Minister Seymour underscored the urgency of implementing robust regulatory standards as a cornerstone for better governance. The proposed Regulatory Standards Bill serves as a structural guide, ensuring laws meet the principles of fairness, equality, and transparency.

**“ our starting point for making rules is you shouldn't take people's stuff unless you've got a really good justification for doing so.”**

By codifying such principles, the government seeks to empower individuals and businesses, providing a platform to challenge unfair regulations. For instance, the bill mandates clear and accessible laws and prohibits undue restrictions on property rights without proper justification or compensation. This approach borrows insights from international frameworks, such as Australia's streamlined licensing systems and the UK's recourse bodies. The overarching goal is to foster a culture of accountability and challenge, elevating the quality of regulations across sectors. "You shouldn't take people's stuff unless you've got a really good justification for doing so," the Minister quips, encapsulating the essence of the reform.

### Questions & Answers:

#### Q: How will the Regulatory Standards Board function?

A: It will review grievances, assess them against statutory principles, and make recommendations to the Minister.

#### Q: What role does transparency play in this initiative?

A: Transparency is key, shifting cultural attitudes and enabling regulated parties to hold the government accountable.





## Ministry for Regulation

### Key points

- **Role and Structure:** The newly established Ministry for Regulation evaluates existing laws, removes unnecessary regulations, and conducts sector reviews.
- **Rapid Response Team:** A small, agile team addresses urgent complaints through mechanisms like the "Red Tape Tip Line."
- **Sector Reviews:** Reviews are underway for areas like early childhood education and agricultural products to reduce regulatory burdens.
- **Challenges:** The Ministry faces resistance from public sector entities due to its disruptive agenda.

### Action for Your Organisation:

- **Submit Issues via the "Red Tape Tip Line":** Encourage teams to identify burdensome regulations that hinder operations and report them to the Ministry for review and resolution.

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### Summary of the discussion

The Ministry for Regulation, a compact yet influential government body, is portrayed as a champion for deregulation and efficiency. With only 41 employees, the Minister believes it punches above its weight by addressing regulatory issues that hinder productivity and innovation. Its initiatives include sector reviews and a tip line for public complaints, demonstrating its commitment to listening and acting on stakeholder concerns. The Ministry is positioned as a watchdog, challenging entrenched bureaucratic norms and fostering a more

**“ We have one [ministry] whose job is to put the ruler over [regulations] and delete the ones that don't stack up. ”**

balanced regulatory environment. Minister Seymour indicated that resistance from within the public sector and political opponents reflects the disruptive nature of its work, but the Ministry's results-driven ethos aims to bring tangible benefits to businesses and individuals alike.

Concerns were raised about officials being directed to dilute Regulator Impact Statement (RIS) quality. The Minister highlighted that the Ministry for Regulation will act as a "homework checker" to improve RIS credibility and quality. Upcoming changes include a Cabinet circular to refine RIS requirements and the Regulatory



Standards Bill mandating statutory considerations, ensuring more balanced and thorough assessments.

### Questions & Answers:

**Q:** How does the Ministry plan to address its resource constraints?

**A:** By prioritising impactful issues and leveraging the Regulatory Standards Bill to enforce principles systematically.

**Q:** What are the early successes of the Ministry?

**A:** Delaying impractical regulations, such as WorkSafe's particulate matter limits for bakeries.



## Economic and Business Impact

### Key points

- **Regulatory Costs:** Regulation costs New Zealand approximately \$5 billion annually, equivalent to 1.3% of GDP.
- **Opportunity Costs:** Restrictions deter investments and delay projects critical for growth, such as electricity infrastructure.
- **Sector-Specific Impacts:** Businesses like agriculture and early childhood education face disproportionate regulatory burdens, hampering efficiency and competitiveness.

### Action for Your Organisation:

- **Conduct Internal Review:** Identify projects or initiatives stalled by regulatory burdens and assess potential opportunity costs. Use these findings to inform submissions to sector reviews or advocate for reforms.

## Summary of the discussion

The economic ramifications of overregulation are highlighted as a pressing concern. The Minister cites both direct and opportunity costs, illustrating how restrictive policies impede productivity and discourage innovation. Specific examples included NZIER's estimate of regulatory costs and anecdotal evidence from the agricultural sector, where outdated approval processes disadvantage New Zealand's farmers in global markets. These insights are said to bolster the case for reform, as the Minister advocates for pragmatic deregulation to unlock economic potential. "What are the things people would have done if the business case wasn't hampered by regulation?" is posed to underline the pervasive effects of overregulation.

**“ They estimated it at \$5 billion or around 1.3% of GDP.”**



### Questions & Answers:

**Q: What is the estimated annual cost of regulation in New Zealand?**

A: \$5 billion, based on data from 2013.

**Q: How does the Ministry aim to reduce these costs?**

A: By revisiting outdated regulations and conducting targeted sector reviews.

## Additional Points:

### Red Tape Tip Line

The Red Tape Tip Line, introduced by the Ministry, serves as a public complaint mechanism. It was demonstrated by the Minister personally submitting a complaint regarding climate impact reporting requirements, which he found redundant alongside the emissions trading scheme.

### What's on next?

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