

National's Economic Plan

Regulation Reduction Package



Regulatory Reduction Package

Excessive regulations hamper competitiveness and reduce productivity.

National wants businesses to thrive and not be strangled by red tape and bureaucracy.

National knows we need to regularly test whether regulations are still needed, remove barriers to new businesses entering markets and streamline unnecessarily slow and expensive bureaucratic procedures.

Labour, New Zealand First and the Greens have piled on more regulations and costs without any thought for how it will effect New Zealand businesses or consumers.

Only National has a credible plan to reduce and simplify regulation so businesses can thrive without being held back by bureaucracy and red tape.

National's Plan

1. National will eliminate two old regulations for every new regulation we introduce and repeal 100 old regulations in our first six months

There are tens of thousands of regulations in New Zealand, so many that officials don't even know how many there are or where to find them all.

National recognises many of the regulations have built up over the years are no longer fit for purpose. A number of current regulations protect and preserve the interests of incumbent market players or highly risk-averse Government or Council officials.

National will test those assumptions, remove barriers to new entrants entering markets and streamline unnecessarily slow and expensive bureaucratic procedures.

Eliminating two old regulations for every new regulation introduced will incentivise officials to look at ways of reducing the regulatory burden on New Zealanders before they impose new regulations.

To demonstrate our willingness to cut down on unnecessary and costly regulations we are committed to eliminating 100 bad regulations in our first six months in office.

2. A Minister for Regulatory Reduction

National will appoint a Minister for Regulatory Reduction who is responsible for overseeing the regulatory reduction priorities of the National Government.

The Minister for Regulatory Reduction would be responsible for overseeing the two for one regulation policy and the wider elimination of bad regulations.

The Minister would hold other Minister's to account for proposed new regulation and be accountable for whether the benefits of new regulations outweigh the costs.

Currently there are processes in government to try and identify the impact regulations have. It's out of date, it's not fit for purpose and often leads to more regulation and bureaucracy being created. Often, it doesn't identify what the regulations that are being created will do, how they will impact New Zealanders and what their cost will be.

We think it's important to identify the risks, costs and effects of regulation, but it has to be done in a way which doesn't add more compliance on New Zealanders.

National will also refocus the Regulatory Impact Statement process to ensure the following five measures are met:

a) Accountability

We need to make sure any regulatory power given to regulators can be justified and their decisions scrutinised publicly.

b) Need

We need to only create regulations when necessary. There should be clear rationale for the risks that are posed, and a plan to identify any new costs and how they will be minimised.

c) Consistency

We need to ensure all regulations standards are consistent with each other and don't create administrative burden.

d) Openness

We need to make sure people who are responsible for regulations administer them in an open and transparent way so that people who are affected by them know their effects and how to mitigate them.

e) Focused

We need to only create regulations to solve a particular problem, and those problems should be recognised at the outset and every effort made to minimise side effects.

Finally, we want a more rigorous cost benefit analysis for major new regulations which seek to regulate major industry, major events or common, every day practices. New Zealanders should have certainty their government isn't creating new regulation which puts more cost on them for no real benefit.

3. Resource Management Act reform

The Resource Management Act is a prime example of how red tape and regulation has increased the cost of living and stopped New Zealanders from getting ahead. It has stopped New Zealanders from having more money in your pockets, lower costs and affordable housing.

National believes our complicated planning rules are largely to blame for the affordability of houses and urban land. The dream of home ownership is drifting further away in this country as the sight of hammers on building sites is replaced with people filling out forms and paying consultants. One of the reasons New Zealand has been unable to build enough houses is due to the 798 page Resource Management Act (RMA).

It's near impossible to get a resource consent within the statutory deadline of 20 working days and the cost of the consenting process can be excessive. Where councils change rules to address issues such as affordable housing, consenting processes can be further delayed.

National will repeal and replace the Resource Management Act and reform New Zealand's planning rules. RMA reform will lower the cost of new housing and reduce the cost of living for New Zealand families by reducing the barrier to owning a home.

4. Anti-Money Laundering simplification

When National introduced the Anti-Money Laundering (AML) regime to New Zealand we did so to ensure we were compliant with our international obligations and to protect our interests against illegitimate money laundering.

Both tranche one and tranche two of the law changes were designed with officials and industry to create the least restrictive regime possible, while ensuring we were protected from those real threats.

In practice, both regimes have influenced how New Zealanders do business and how they use financial services, but not always in a good way. For example, people may find it harder to access credit or obtain real estate. Through no fault of their own, businesses subject to the AML regime have felt they have to over-compensate to avoid being hit with charges and red tape.

The rules right now are not as clear as they should be and we will make sure we are not unnecessarily piling compliance and costs on businesses.

National will reduce the compliance costs of AML regulations by providing guidance to industry, via a National Policy Statement, on how to comply in a less costly manner, while continuing to meet our international obligations.

5. A Health and Safety common sense test

Health and Safety is important and National will not compromise important health and

safety requirements that keep New Zealanders safe.

However, National recognises that the existing health and safety regulations go too far in some places and burden businesses with red tape for no benefit.

Put simply, the health and safety regulations need more common sense. To ensure this, National will implement a 'common sense test' that makes sure the benefits of each regulation outweighs the costs.

Currently a builder isn't allowed to make their own sawhorse unless it's certified by an engineer. We can trust them with the structural integrity of house but not to make a basic structure for cutting and measuring.

It's also currently compulsory to use scaffolding when doing work on a single story house. This can add thousands of dollars to households and businesses. Rules like this slow down progress and pile on costs.