

Submission on the Regulatory Standards Bill

To:

Committee Secretariat
Finance and Expenditure Committee
Parliament Buildings
Wellington

05 June 2025



STET Limited is a social enterprise focused on ecological restoration and environmental sustainability. We participated in the public consultation on the discussion paper that preceded this Bill and are disappointed to see that many of our earlier recommendations have not been adopted. Many of our key points—including concerns about the overreach of compensation requirements, the undervaluation of ecological services in cost-benefit analysis, and the risks of deregulatory bias in retrospective review—**have been either disregarded or inadequately addressed in the final drafting.** This omission not only weakens the legitimacy

of the consultation process but also reinforces the impression that environmental values are being sidelined in favour of economic and private interests. We have included the original recommendations as an appendix.

We remain concerned that the Regulatory Standards Bill ("the Bill") undermines environmental protections and places disproportionate emphasis on private property and economic considerations at the expense of collective ecological wellbeing. This submission identifies specific clauses that could lead to negative environmental outcomes and suggests practical amendments to ensure legislation enables environmental protection and restoration, aligning with the values of New Zealanders.

1. Clause 8(2)(b): Compensation for Impairment of Property

Issue: This clause requires fair compensation when legislation impairs private property. While protecting property rights is important, this could deter the introduction of vital environmental regulations.

Example: Regional rules requiring wetland restoration or fencing livestock out of waterways could be deemed an impairment, triggering costly compensation.

Impact: Councils may avoid implementing measures critical for improving water quality and biodiversity due to budget constraints, leaving degraded ecosystems unprotected.

Recommendation: Add an exemption to clause 8(2)(b):

"This principle does not apply to legislation whose primary purpose is to protect, maintain, or restore ecological integrity, natural ecosystem services, or public health."

Rationale: This ensures public-good environmental protections can proceed without triggering undue financial burdens. It also reflects the shared responsibility New Zealanders feel for our land and waterways.

2. Clause 8(2)(k): Cost-Benefit Expectations

Issue: The requirement that legislation produce benefits exceeding costs could sideline environmental measures with long-term, non-monetised benefits.

Example: Protecting a native forest from logging may not show immediate economic gain but secures carbon storage, biodiversity, and cultural value over decades.

Impact: Short-term economic framing may lead to rejection of essential biodiversity and climate legislation.

Recommendation: Modify clause 8(2)(k) to include:

"Assessments must consider intergenerational equity, ecological thresholds, and the non-monetary value of biodiversity and ecosystem services."

Rationale: Aligns cost-benefit analysis with New Zealand's commitments under the Climate Change Response Act and the Kunming-Montreal Global Biodiversity Framework.

3. Clause 8(2)(i): Consultation Requirements

Issue: The clause only requires consultation where "reasonably practicable," which may exclude key stakeholders from marginalised or environmentally impacted communities.

Example: Restoration decisions near culturally significant wetlands may proceed without involving local community conservation groups or freshwater ecologists.

Impact: Poor consultation erodes trust, overlooks scientific evidence, and undermines outcomes.

Recommendation: Strengthen clause 8(2)(i):

"Consultation must include all groups materially affected by ecological or public health outcomes, including community organisations, tangata whenua, and environmental experts."

Rationale: Meaningful consultation improves the quality of legislation and honours New Zealand's collaborative approach to managing environmental resources.

4. Clause 17: Regular Review of Legislation

Issue: This clause requires all legislation to be reviewed for consistency with the principles. Without safeguards, this invites deregulation of existing environmental protections.

Example: Existing restrictions on bottom trawling or pesticide use could be repealed if deemed inconsistent with property rights or efficiency principles.

Impact: Undermines hard-won protections for endangered species and fragile ecosystems.

Recommendation: Amend clause 17 to state:

"Environmental legislation should only be reviewed under this clause where the purpose of the review is to strengthen or better align protections with up-to-date scientific understanding and international obligations."

Rationale: This prevents environmental backsliding and focuses stewardship on improving ecological outcomes, consistent with the precautionary principle.

5. Clause 33: Board Inquiry Restrictions

Issue: The Regulatory Standards Board can only review legislation subject to clause 17. This excludes the possibility of responding to public concern over unreviewed but harmful laws.

Example: A law enabling wetland drainage may persist unchallenged, despite public complaints and known biodiversity loss.

Impact: Prevents the Board from responding to credible environmental concerns, weakening public oversight.

Recommendation: Amend clause 33 to allow:

"The Board may inquire into any legislation where a credible concern is raised about environmental degradation, public health risk, or conflict with international obligations."

Rationale: Ensures environmental laws can be improved when gaps are identified, even outside scheduled reviews.

6. Clauses 43–47: Information Gathering by the Ministry

Issue: These powers are broad but do not acknowledge the need to protect sensitive environmental data.

Example: Publishing the exact location of Threatened species could inadvertently lead to poaching or vandalism.

Impact: Loss of trust from environmental organisations and possible harm to protected sites.

Recommendation: Add a clause:

"Information gathering must be subject to safeguards that ensure sensitive environmental or conservation data is protected from misuse or disclosure."

Rationale: Balances transparency with responsibility, safeguarding ecological integrity.

7. Clause 24 and Clause 25: No Legal Effect or Validity Challenge

Issue: These clauses state that non-compliance with the Bill does not affect the validity of legislation, making the principles potentially symbolic.

Example: A law could violate environmental principles with no legal consequence, even if it causes widespread harm.

Impact: Reduces accountability and weakens the Bill's intent to improve law-making.

Recommendation: Amend clause 25 to allow judicial review where legislation significantly and unjustifiably deviates from clause 8:

"Where a CAS fails to address significant inconsistencies with clause 8, the matter may be subject to judicial review to ensure public accountability."

Rationale: Gives the principles real force and reinforces Parliament's role in stewarding environmental outcomes.

Final Comments

The Regulatory Standards Bill, as drafted, prioritises economic efficiency and property rights without adequate regard for New Zealand's environmental values. Without amendment, it risks undermining hard-fought protections and our ability to respond to the climate and biodiversity crises. New Zealanders expect our laws to uphold the health of our land, rivers, oceans, and native species.

In light of recent developments, STET has decided not to present an oral submission on the Regulatory Standards Bill. This decision stems from our concern that the consultation process may not be genuinely receptive to public input. Notably, ACT leader and Minister for Regulation David Seymour has publicly claimed that 99.5% of the approximately 23,000 submissions received on the discussion document were generated by "bots" and therefore lacked validity¹. Such assertions, made without substantive evidence, undermine the legitimacy of public participation and suggest a dismissive attitude toward citizen engagement. Given this context, we question the efficacy of further engagement and urge the government to reaffirm its commitment to transparent and inclusive democratic processes.

We urge the Select Committee to improve this Bill by recognising that strong environmental safeguards are essential to regulatory quality and public trust.

¹ <https://www.rnz.co.nz/news/national/562990/act-leader-david-seymour-suggested-bots-drove-fake-submissions-against-his-regulatory-standards-bill>

Thank you for considering our submission.

Shaun Lee
Director
STET Limited

shaun@stet.co.nz

021 555 425

Appendix: STET LIMITED SUBMISSION 28 DECEMBER 2024

STET Limited, a social enterprise committed to environmental restoration and sustainability, writes to express our concerns regarding the potential environmental implications of the Regulatory Standards Bill and its misalignment with New Zealand's environmental values. Below, we outline specific provisions in the Bill that could lead to poor environmental outcomes, with corresponding suggestions for amendments to address these concerns.

1. Prioritisation of Property Rights Over Environmental Protections

Provision - Discussion Area One. *Legislative design principles related to property rights*

Issue: The prioritisation of property rights and compensation requirements could discourage critical environmental regulations which often require restrictions on land use (e.g., wetland protections, controls on agricultural runoff). The requirement for full compensation introduces significant financial and administrative burdens, potentially discouraging critical environmental regulations. This prioritisation of private property rights undermines New Zealanders' collective interest in protecting natural resources.

Private property does not exist in isolation; it is embedded within ecosystems that provide essential shared services, such as clean water, air, and biodiversity. These services are critical not only for the health of the property itself but also for the surrounding communities and environments. For example, wetlands on private land act as natural filters for water, reducing pollution downstream, while forested areas contribute to carbon sequestration and erosion control. When property use compromises these shared services, the costs are borne collectively through degraded ecosystems, public health impacts, and reduced resilience to climate change.

Allowing property rights to override environmental protections fails to account for the interconnected nature of ecosystems and the mutual dependence between private and public interests. A balanced approach is needed that recognises the shared benefits and responsibilities inherent in managing land within an ecological system. Regulations that safeguard these shared services should not be hindered by compensation requirements that treat environmental stewardship as a burden rather than a public good.

Recommendations:

- Exempt environmental regulations aimed at protecting ecosystems, biodiversity, and public health from compensation requirements.
- Recognise the intrinsic value of ecosystems and the shared responsibility for their stewardship.

2. Overemphasis on Cost-Benefit Analysis

Provision - Discussion Area One. Good law-making principles requiring benefits to outweigh costs.

Issue: Environmental benefits, such as biodiversity preservation and ecosystem services, are often long-term and difficult to quantify. This clause risks undervaluing such benefits, favouring short-term economic gains and weakening essential environmental protections.

Recommendations:

- Require cost-benefit analyses to explicitly account for long-term environmental and societal benefits, including the costs of inaction on climate change and ecosystem degradation.
- Align cost-benefit assessments with New Zealand's international commitments on biodiversity and climate change.

3. Insufficient Consultation Provisions

Provision – Discussion Area One. Consultation principles.

Issue: The vague language undermines meaningful public participation, particularly by communities most affected by environmental degradation and climate impacts. Insufficient consultation risks overlooking critical perspectives, including those of Indigenous groups and environmental scientists.

Recommendations:

- Require robust and inclusive consultation, including iwi/hapū representatives, environmental scientists, and affected communities.
- Specify minimum standards for consultation processes to ensure meaningful engagement.

4. Retrospective Application and Deregulation Risks

Provision – Discussion Area Two. Regulatory stewardship requiring review of existing legislation.

Issue: Retrospective application could lead to the repeal or weakening of existing environmental protections deemed inconsistent with the bill's prioritisation of individual rights and cost efficiency. This creates significant risks for laws addressing pollution, emissions, and biodiversity loss.

Recommendations:

- Exclude existing environmental protections from retrospective review unless explicitly justified.
- Safeguard laws aligned with international environmental obligations and climate goals.

5. Regulatory Standards Board

Provision - Discussion Area Three. Establishment of the Regulatory Standards Board.

Issue: While the Board provides a streamlined mechanism for assessing regulation, its scope and membership must ensure adequate environmental expertise.

Recommendations:

- Include members with expertise in environmental law, ecology, and climate science.
- Allow the Board to commission independent expert advice where environmental impacts are significant.
- Ensure the Board's processes are transparent and open to public scrutiny.

6. Information Gathering Powers

Provision – Discussion Area Four. Ministry for Regulation's information-gathering powers.

Issue: These powers are necessary but should include safeguards to prevent misuse and ensure they serve public interest goals.

Recommendations:

- Limit the scope of information-gathering powers to matters of public interest, with clear justifications required.
- Implement safeguards to protect sensitive environmental data and ensure its responsible use.

Final Remarks

The Regulatory Standards Bill, as currently drafted, prioritises individual and economic rights at the expense of collective and environmental interests. This approach is inconsistent with New Zealanders' values and international obligations to protect the environment. STET Limited urges the inclusion of provisions that explicitly support environmental sustainability and long-term ecological health.

Thank you for considering our submission.

Shaun Lee
Director
STET Limited

shaun@stet.co.nz

021 555 425