

Submission on the Regulatory Standards Bill

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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.

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