Denny Kudrna

Regulatory Stewardship
an empirical view

Abstract

Regulatory stewardship aims to ensure that various parts of a regulatory system work together to achieve its objectives, allowing regulators to keep the system fit for purpose over time. A novel dataset shows that regulatory stewardship is increasingly integrated into agency practices in New Zealand and has outlasted previous regulatory initiatives. Furthermore, regulatory systems amendment bills (RSABs) have doubled the rate of legislative adaptation, while broadening their scope and significance. Regulatory systems amendment bills provide a scalable model for tackling future regulatory challenges.

Keywords primary and secondary legislation, legislative adaptation, regulatory stewardship, regulatory systems amendment bills

Policy accumulation over recent decades has resulted in the multiplication of legislation in New Zealand (Gill, Shipman and Simpson, 2025), Australia (McLaughlin, Sherouse and Potts, 2019), the United States (McLaughlin et al., 2022) and the EU (Fernández-i-Marín et al., 2024; Adam et al., 2019). Major innovations, shifting societal expectations, pressure from interest groups, the outsourcing of state functions and the deregulation of network industries have created a demand for more regulation across various domains (Hinterleitner, Knill and Steinebach, 2023; Productivity Commission, 2014, pp.31–6). Democratic governments respond to such needs by producing more and increasingly complex legislation and regulations.

While the number of public Acts in New Zealand remains relatively stable at between 1,000 and 1,100, their word count has increased from 11 million in the early 1980s to nearly 24 million in 2024 (Gill, Shipman and Simpson, 2024). During the same period, the number of new Acts and amendments adopted by the New Zealand Parliament per year decreased from a peak of 200 to below 100 per year, while the total annual word count nearly doubled to close to a million words.

The relationship between the number of words in legislation and the ultimate social and economic outcomes is not straightforward. Lengthier legislation may lead to greater clarity and reduced uncertainty, making economic calculations easier and facilitating more investment. For instance, developing the 'outer space and high-altitude activities regulatory system' enabled rocket launches from New Zealand and attracted investment in related industries (Ministry of Business, Innovation and Employment, 2023). However, a higher word count and unintended interactions among increasingly complex regulatory systems

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can also create unnecessary burdens that are costly to comply with. A review by the Ministry for Regulation documented an example where education, building standards and fire safety regulations imposed mutually inconsistent requirements regarding the height of door handles in early childhood education centres, making compliance practically impossible (Ministry for Regulation, 2024a, p.56).

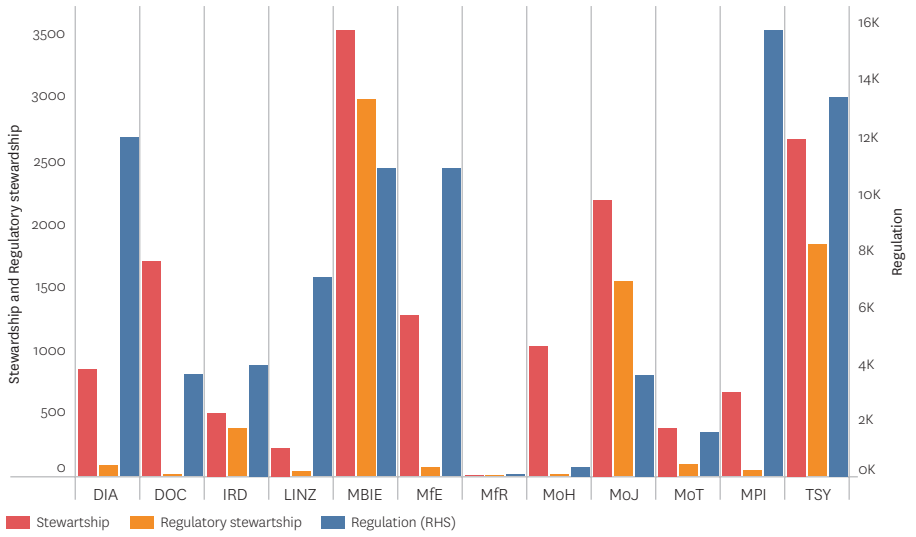
In contrast, the relationship between the number of words and ensuring that legislation remains fit for purpose is straightforward. The more words there are, the greater the capacity required to maintain the legislation. In this regard, legislation is no different from other types of infrastructure: for example, more roads requires increased spending on road maintenance. A paradox of legislative maintenance is that ensuring that millions of words remain fit for purpose amid changing circumstances requires the public service and Parliament to produce even more words in amendments. The key to success lies in their ability to formulate amendments that enhance the enabling aspects of legislation while mitigating the burdensome ones. This challenge is often complicated by the differing views of key stakeholders on what constitutes an enabler or a burden.

Recognising this challenge, the OECD (2020) formulated best practice principles for reviewing the stock of regulation. It argued that ex post reviews of existing regulations should be a permanent part of the regulatory cycle, comprehensive, include an evidence-based assessment of the actual outcomes from regulatory action, and contain recommendations to address any deficiencies. However, the OECD also observes that ex post review tends to be a 'forgotten child' of regulatory policy, as it is costly, and governments may fear that a review will reveal that a regulation has not helped solve the problem it was designed to fix.

New Zealand's regulatory stewardship aligns with the goals of the OECD principles, but has evolved to economise on limited public service resources and parliamentary time. Stewardship is defined as the governance, monitoring and care of regulatory systems to keep them fit for purpose and minimise regulatory failures (Treasury, 2022). The concept was introduced in 2013 when stewardship became a statutory obligation imposed on chief executives of public agencies by the amendment of the State Sector Act 1988. The following year, the Productivity Commission (2014) examined regulatory institutions and practices and identified gaps and opportunities for improvement. The government's response to this inquiry helped launch regulatory system reporting and the Government Regulatory Practice Initiative (G-REG), which provided modest investment in the regulatory capabilities of public servants. In 2016, the Ministry of Business, Innovation and Employment introduced the regulatory systems amendment bill, as recommended by the Productivity Commission. In 2020, the regulatory system stewardship and assurance leadership role was assigned to the secretary to the Treasury, and in 2023 it was transferred to the chief executive of the new Ministry for Regulation.

The evolution of stewardship in public policy has attracted some attention in academic literature. Some authors highlighted the risk of stewardship becoming a 'magic concept', which can be helpful (Pollit and Hupe, 2011), but may also become a rhetorical smokescreen, creating an illusion of activity without delivering meaningful improvements (Gill, 2023; Scott and Merton, 2021; Moon et al., 2017). Others have concentrated more on the innovative aspirations of regulatory stewardship (Ayto 2014), such as treating regulatory systems as assets that must be properly maintained and adapted to provide intended net benefits amid changing circumstances (Radaelli, 2022). However, a recurring complaint is the lack of data on practical operationalisation and evidence of its impacts (Van der Heijden, 2021). This article seeks to address this gap by compiling data on agencies' regulatory stewardship efforts and outputs in the form of regulatory systems amendment bills (RSABs).

Figure 1: Mentions on agency websites



Note: DIA: Department of Internal Affairs; DOC: Department of Conservation; IRD: Inland Revenue; LINZ: Land Information New Zealand; MBIE: Ministry of Business, Innovation and Employment; MfE: Ministry for the Environment; MfR: Ministry for Regulation (established in March 2024); MoH: Ministry of Health; MoJ: Ministry of Justice; MoT: Ministry of Transport; MPI: Ministry for Primary Industries; TSY: The Treasury.
Source: Google search of top-level domains of listed agencies.

Regulatory stewardship of regulatory systems

A distinguishing feature of New Zealand's regulatory stewardship is the focus on a regulatory system. Unlike regulatory impact analysis focused on a single legal instrument, stewardship is more comprehensive, covering 'a set of formal and informal rules, norms and sanctions, given effect through the actions and practices of designated actors, that work together to shape people's behaviour or interactions in pursuit of a broad goal or outcome' (Ministry for Regulation, 2024a). The downside of an encompassing system definition is the lack of clarity and some arbitrariness in delineating the system.

The starting point for defining a regulatory system is identifying a lead agency that administers the most important

Table 1: Regulatory Stewardship Effort

Agency	Systems	Description	Strategy	Assessment	Collaboration	Intent	Annual Report	BIM	Minister
MBIE	17	✔	✔	✔	✔	✔	✔	✔	
IRD	7	✔	✔	✔		✔	✔		
DIA	14	✔	✔	✔		✔	✔	✔	
MPI	6	✔	✔	✔			✔	✔	
MoT	1	✔	✔	✔		✔	✔		
LINZ	4	✔	✔	✔		✔		✔	
MfE	10	✔	✔	✔			✔		
TSY	5	✔					✔	✔	✔
MoJ	52	✔				✔	✔	✔	

Note: The coding was conducted at the agency level by identifying the following eight aspects of stewardship activity:
(1) Description: the lead agency describes the regulatory system on its website (any time in 2013–24)
(2) Strategy: the lead agency outlines a regulatory stewardship strategy for the regulatory system (any time in 2013–24)
(3) Assessment: the lead agency conducted evaluations or assessments of a regulatory system (any time in 2013–24)
(4) Collaboration: documented collaboration across agency silos (such as regulatory system charters; any time in 2013–24)
(5) Statement of intent: regulatory stewardship is mentioned in the statement of intent/expectations (latest)
(6) BIM: Regulatory stewardship was referenced in the briefing for the incoming minister (2023)
(7) Annual reports: the lead agency reports on regulatory stewardship in annual reports (the latest available – 2022/23)
(8) Ministerial speech: the lead agency minister mentioned regulatory stewardship in a speech (any time in 2013–24).
The threshold for coding any aspect as present was low: anything beyond merely listing keywords was coded as evidence of corresponding stewardship practice. Data relies exclusively on information in the public domain and, therefore, omits internal stewardship activities that agencies do not report externally.

acts underpinning the system. In 2015, the minister for regulatory reform asked major regulatory departments to start reporting on their systems and strategies (two more agencies were asked in 2020, and two joined voluntarily). While Figure 1 documents that these agencies discuss regulation and stewardship on their websites, Table 1 systematically summarises their reporting, highlighting available information on their systems and reported stewardship activities.

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Table 1 indicates that about 116 systems were described in public documents at some point since 2016. This is about 60% of the estimated 200 regulatory systems in New Zealand (Productivity Commission, 2014; Ministry for Regulation, 2024a). However, differing and evolving approaches to system definition complicate this conclusion. For example, the Ministry of Justice has defined 52 regulatory systems and comes closest to understanding each Act as a regulatory system. At the same time, these systems are grouped into seven broader categories, which could be considered overarching systems. This is consistent with the approach of the Ministry of Transport, which has shifted from its earlier focus on road, air, rail and maritime systems to a broader understanding of transport as a single regulatory system. However, reliance on overarching systems can increase complexity and complicate collaboration on regulatory stewardship, especially when the definition is not aligned with established stakeholder understanding.

In addition to the 80 or so undescribed systems, there are gaps and overlaps among existing descriptions, as agencies gradually clarify their roles and system boundaries. The Ministry of Business, Innovation and Employment and the Ministry for Primary Industries have made the most progress in systematically mapping the stakeholders involved in their systems. Some undescribed systems result from a lack of clarity regarding which agency is responsible for the underlying Acts. Following various agency closures, the Department of Internal Affairs inherited responsibilities that do not align with its current policy portfolio, and which are only gradually being reassigned to the current lead agencies. Some agencies, such as the Police, Corrections and NEMA (the National Emergency Management Agency), have not been asked to report on their systems because their focus is primarily on implementation, and the advantages of applying a stewardship lens to single-system agencies are less evident.

Table 1 also indicates that cross-agency collaboration and ministerial interest are the weakest aspects of stewardship practice. Most agencies gradually introduce terms of reference for collaboration, but only the Ministry of Business, Innovation and Employment has introduced formal systems charters. While these charters clarify the system definition and agency responsibilities, the Council of Financial Regulators remains the only example of formally institutionalised collaboration. Since the Public Service Act 2020 assigns stewardship obligations to chief executives, ministers are accountable only indirectly. Ministers tend to tolerate stewardship as long as it doesn't compromise their policy priorities, but they do not promote it in their speeches.

Table 1 provides a snapshot of data that masks the fluctuating commitment to regulatory stewardship over time. Initially, some agencies reported annually, but after the 2017 election the commitment of the government and agencies waned. The more recent reporting has not been regular, except for the mentions in annual reports, which often avoid specific findings or commitments. At the same time, some agencies, such as Inland Revenue, have returned to regulatory stewardship to frame their longer-term policy activities.

Overall, the available evidence demonstrates that regulatory stewardship persists a decade after its introduction. Despite caveats about the consistency of agencies' commitment, collaboration across silos and absence of government support, regulatory stewardship continues to be practised. It has survived four government constellations and outlasted its predecessors, such as the Best Practice Regulation initiative (Treasury, 2017; Mumford, 2011). Moreover, evidence from the most recent crop of corporate documents indicates that stewardship is becoming more firmly embedded. However, the most successful aspect of regulatory stewardship practice is that it generates a sustained stream of ideas for regulatory system adaptations. These ideas are increasingly channelled into a novel

legislative tool that helps to keep regulatory systems fit for purpose.

Regulatory systems amendment bills

RSABs have emerged in response to the 2014 Productivity Commission recommenda-tions. They utilise parliamentary time more efficiently, while maintaining adequate scrutiny over bulk changes to the legislation underpinning regulatory systems. Their efficiency stems from better use of existing expert insights, agencies' expertise in excluding politically contested changes, and Parliament's willingness to employ the omnibus procedure flexibly. The combination of these factors has enabled more agencies to adapt more systems in a shorter time, effectively doubling the rate of legislative adaptation compared to a plausible counterfactual scenario. Moreover, trends indicate an increasing proportion of more significant changes and a heightened focus on eliminating rules. This suggests a strong potential for keeping regulatory systems fit for purpose and responding to the government's burden-reduction objectives.

The Productivity Commission inquiry found that two thirds of agencies had to work with outdated legislation and recommended a new procedure to economise on parliamentary time. The Ministry of Business, Innovation and Employment (2016) delivered the first regulatory systems amendment bill proposal, aiming to: clarify and update statutory provisions to better give effect to the purpose of the Act; address duplication, gaps, errors and inconsistencies within and between different pieces of legislation; keep regulatory systems up to date and relevant; and remove unnecessary compliance and implementation costs. The procedural requirements for regulatory systems amendment bills are a combination of established statutes amendment bills[1] and stand-alone Acts (Table 2). However, they remain formally undefined in the Cabinet Manual or Parliament's standing orders.

Table 2 outlines descriptive characteristics of RSABs that contribute towards their efficiency in quickly introducing numerous changes. Regulatory systems amendment bills are more efficient than statutory amendment bills because they introduce more significant changes in a single omnibus proposal, and individual changes do not require unanimous approval from all members of Parliament. Additionally, any policy agency can prepare regulatory systems amendment bills, and, unlike statutory amendment bills, they do not need tight coordination by the Ministry of Justice. At the same time, they are more efficient than single-subject Acts because they can target a broader range of Acts. Thus, a single slot in the legislative plan can be used to update more laws and regulatory systems. However, unlike stand-alone Acts, RSABs are restricted to changes that can achieve near-unanimity in the Business Committee, which excludes alterations to the fundamental design or politically contentious aspects of a regulatory system. In short, the key to the efficiency of regulatory systems amendment bills lies in Parliament's consent to the flexible use of omnibus bills in implicit exchange for agencies' restraint in proposing structural or politically contested changes.

Table 2: Legal instruments to keep regulatory systems fit for purpose

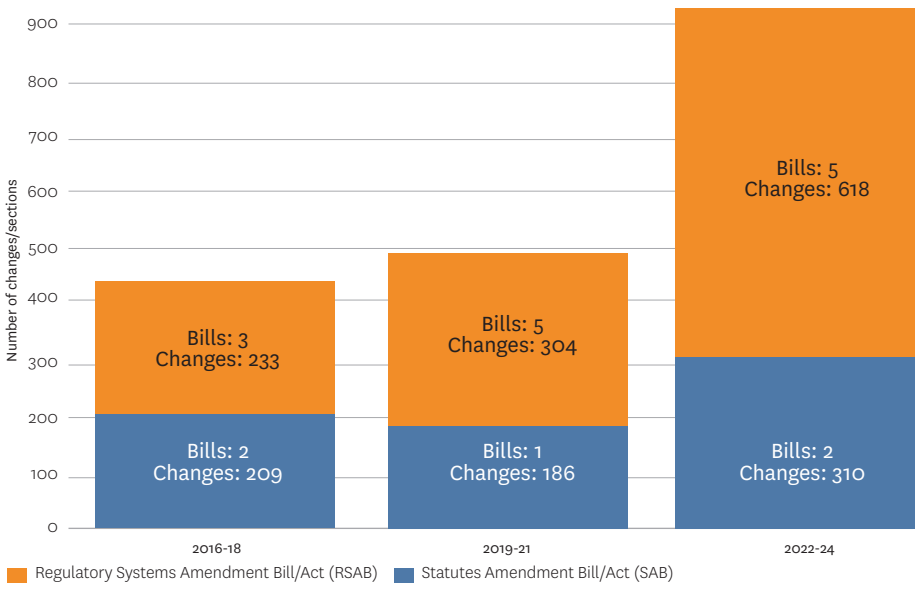
	Statutes Amendment Bills (SABs)	Regulatory Systems Amendment Bills (RSABs)	Standalone Acts and Amendments
Change type	Technical, short, and non-controversial changes	Changes with broad political support that keep regulatory systems fit for purpose	Changes to any aspect of a regulatory system
Legal type	Omnibus bill[1]	Omnibus bill[2]	Single subject area bill[3]
Decision rule	Unanimity (a clause is struck out if any member objects)[4]	Near-unanimity (cross-party in Business Committee)[5]	Majority[6]
Proposing agency	Ministry of Justice prepares proposal for the Parliament[7]	Policy department prepares Cabinet paper	Policy department prepares Cabinet paper
Parliament bandwidth	One every year or two (16 adopted since 1997)	Legislative plan[8] (13 adopted or under consideration since 2016)	Legislative plan[8] (about 80 a year)[9]
Typical scope	About 130 changes to 35 Acts related to any policy domain	About 70 changes to 10 Acts related to the Agency's regulatory systems	As many changes as needed to one or a few Acts in a single policy domain
Average time in parliament[10]	14 months	9 months	Typically 12 to 24 months

Notes:
[1] Standing order 266(1)(f)
[2] Standing order 267(1)(c)
[3] Standing order 264
[4] Standing order 313(2)
[5] Standing order 78
[6] Standing order 140(2)
[7] Cabinet Office circular CO(22)4: Statutes Amendment Bill for 2023
[8] Cabinet Office circular CO(24)6: 2025 Legislation Programme: Requirements for Submitting Bids
[9] Based on a Gill, Shipman and Simpson (2025) data for 2016–23
[10] Statutory amendment bill and regulatory systems amendment bill data based on actual averages for adopted bills since 1997 and 2016 respectively

Parliaments generally insist on single-domain bills to ensure transparency, accountability and focused legislative scrutiny (Wilson, 2023, pp.432–6; Krutz, 2001). Omnibus bills can bundle multiple unrelated provisions into a single proposal, obscuring the intent and impact of specific measures, which makes it difficult for parliamentarians and the public to fully understand and debate their implications. Statutory amendment bills are exempt from the general prohibition as they are explicitly limited to 'technical, short, and non-controversial changes' and are decided unanimously (see Cabinet Office circular CO(22)4).

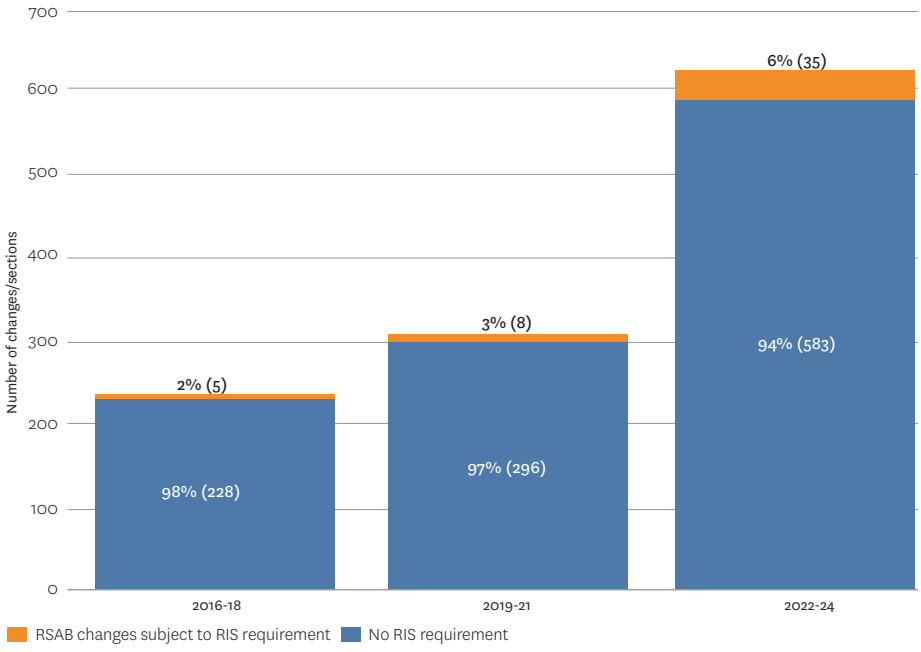
Regulatory systems amendment bills are omnibus bills that are less constrained in scope and decision-making procedure than statutory amendment bills, which raises scrutiny concerns. They are intended to keep systems fit for purpose, which requires more than just changing non-controversial technicalities. The mutual understanding between agencies and

Figure 2: Regulatory systems amendment bill impact on legislative adaptation



Note: Given the specific structure of regulatory systems amendment bills and statutory amendment bills, the number of sections broadly corresponds to the number of changes introduced by each bill.
Source: author's analysis of data on five statutory amendment bills (2016–24) and 13 regulatory systems amendment bills (2017–24) scraped from legislation.govt.nz

Figure 3: Increasing proportion of more significant changes



Note: Estimates based on AI-assisted matching of regulatory impact assessment (RIA) topics to RSAB sections. A one-to-one relationship exists between RIA and RSAB items, except for MPI's RSAB proposal, where a single RIA item translates to changes of 15 sections across nine acts.

parliamentarians is evolving, but currently agencies strive to include measures that: make continuous improvements without major policy or system design changes; do not create significant financial implications; and attract broad political support in Parliament (Ministry of Justice, 2024). In addition, agencies also try to maintain quick adoption timelines by targeting proposals to a specific select committee and keeping their length manageable.

While RSABs can be adopted by a simple majority in the final reading, they must achieve near-unanimity in the Business Committee to be introduced to Parliament. In a typical composition of the New Zealand Parliament, near-unanimity necessitates the support of both major parties in coalition and opposition, with no more than one of the smaller parties expressing disagreement. However, the Business Committee's rules (standing order 78) and established practices strongly favour unanimous decisions (Smith, 2021).

Nevertheless, regulatory systems amendment bills allow for more significant changes to pass under less stringent decision criteria than statutory amendment bills, creating a risk that if they are used excessively, the Business Committee may refuse their introduction to Parliament.

Agencies recognise this risk, as the criticism of omnibus-based business law reform bills by select committees led to their discontinuation in the 2000s (Wilson, 2023, p.434). Agencies also face a 'tragedy of the commons' situation when a controversial proposal from one agency can trigger a parliamentary veto against the flexible use of omnibuses, thereby blocking the regulatory systems amendment bill pathway for all agencies. An informal inter-agency group works to mitigate this risk by sharing the accumulated know-how from successive bills, formulating accepted practices, and enhancing their scrutiny.

Once agreed upon by the Business Committee, any regulatory systems amendment bill omnibus is subject to the standard parliamentary procedure of the first reading, select committee, second reading, house committee, third reading and royal assent. On average, regulatory systems amendment bills attract about 14 submissions in select committees. This attests that stakeholders can identify changes that affect them within the omnibus bill or are alerted by agencies' informal consultations with stakeholders. However, the best evidence that regulatory systems amendment bills maintain the balance between efficiency and legitimacy comes from data on their adoption over time.

Since 2016, nine RSABs have been signed into law (see data appendix).[2] Four more were progressing through the parliamentary process in 2024,[3] and policy agencies were preparing at least another two. Figure 2 shows that regulatory systems amendment bills at least doubled the rate of adaptation in each three-year period compared to a scenario relying only on statutory amendment bills. The overall number of changes (proxied by the number of sections) increased by 113%, and the number of Acts (a reasonable proxy for the number of updated regulatory systems) increased by about 60%. Moreover, the development of this new legislative arrangement has enabled eight agencies to prepare RSABs, thus increasing the

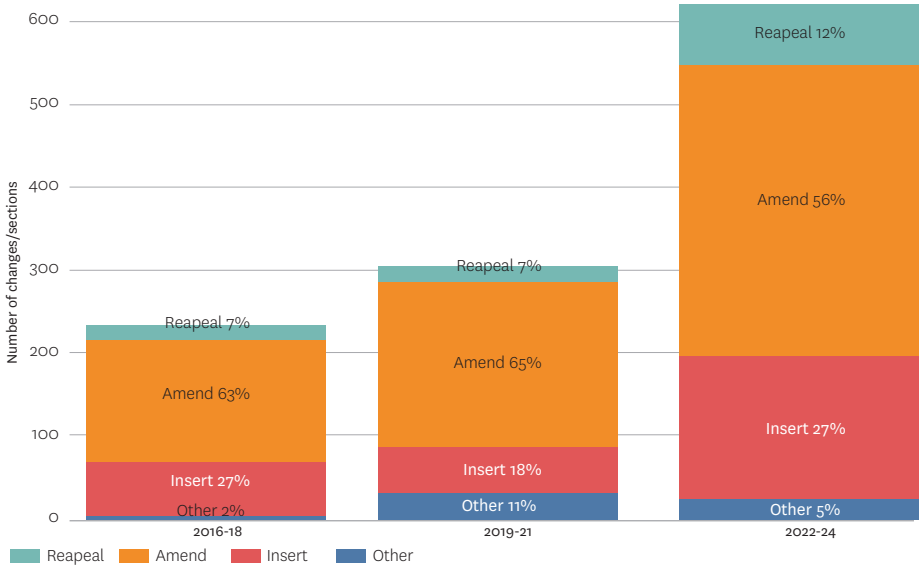
adaptation opportunities previously limited to the Ministry of Justice.[4]

While regulatory systems amendment bills have increased the rate of legislative adaptation, a question arises as to whether they have lived up to their broader mandate to include more significant changes necessary for keeping regulatory systems fit for purpose. Judging the substantive significance of a legislative change is a very knowledge-intensive task which requires a solid grasp of the given regulatory system. Fortunately, agency experts must make this judgement to comply with the regulatory impact assessment requirement. The current New Zealand rules require any government regulatory proposal to be subjected to regulatory impact assessment unless exempted on the grounds of 'no or only minor impacts on businesses, individuals, and not-for-profit entities'. This implies that the number of changes not exempted from the regulatory impact assessment requirement serves as a proxy for a proportion of more significant changes in any individual regulatory systems amendment bill. The requirement separates non-controversial technicalities in statutory amendment bills that are always exempted on minor impact grounds from significant changes that are more likely to succeed in fulfilling the regulatory systems amendment bill mandate to keep legislation fit for purpose.

Figure 3 indicates that the proportion of changes significant enough to trigger the regulatory impact assessment requirement has recently tripled to 6% compared with the initial 2016–18 period. This indicates that regulatory systems amendment bill are no longer limited to technicalities and are starting to deliver on their distinct mandate. Finally, the increasing number of significant changes also suggests that they can deliver even more of them.

A related question is whether the increased volume and significance of changes align with the burden reduction objectives of the current government. While assessing the likely impacts of over 1,800 legal changes is both knowledge- and labour-intensive, quantitative text analysis can provide some estimate of the proportion of regulatory rescissions. Nearly all sections of statutory amendment bills and regulatory systems amendment

Figure 4: Estimating the types of changes



Note: Quantitative text analysis estimates based on the frequency of legal keywords in a section. In case of a draw, the coding prefers the less frequent category.
Source: author's analysis of data on 13 regulatory systems amendment bills (2017–24) scraped from legislation.govt.nz

bills include an operational keyword indicating the type of change being made to the amended Act. Extracting these keywords and their synonyms indicating the intent either to insert, or amend or repeal the legislation generates proportions depicted in Figure 4. While amendments and insertions are the most frequent, the proportion of repeals has nearly doubled to 12% during 2022–24 compared to the previous periods. While this proportion is only an approximate estimate, it shows that regulatory systems amendment bills provide a viable instrument for a government intent on reducing the number of regulatory provisions and the compliance burdens that these may create.

A notable feature of regulatory systems amendment bills is that they also provide ways of reducing regulatory burdens without repealing rules. The common theme of many changes requiring a regulatory impact assessment was standardising regulatory processes and decisions. Since agencies steward multiple systems (see Table 1), they can compare regulatory burdens across their systems and, with feedback from stakeholders, identify the most effective implementation procedures. Regulatory systems amendment bills then enable them to replicate best practices across all their systems. The burden-reducing impact of standardisation gets further multiplied as regulated parties no longer need to devise specific compliance procedures for each system when common procedures apply across multiple systems. In this context, the Ministry for Primary Industries (2022) used its regulatory systems amendment bill to standardise procedures across systems including agriculture, animal welfare and biosecurity. The Department of Internal Affairs (2016) clarified local electoral roles and standardised various filing requirements for local governments. The Ministry of Transport (2019) introduced transport instruments to land and maritime systems after they proved efficient for adaptation to changing international rules in civil aviation.

Overall, the empirical evidence suggests that regulatory systems amendment bills are making a difference. They enable agencies and Parliament to deliver more (and more significant) changes to more regulatory systems, stewarded by more agencies in less time than a plausible alternative scenario based on some combination of statutory amendment bills and stand-alone acts. Importantly, the higher efficiency of regulatory systems amendment bills is not a result of their reduced scrutiny, which makes them sustainable over time as Parliament is less likely to constrain the use of the omnibus procedure. In this context, the RSAB process is best understood as a procedural innovation that shifts the legislative possibility frontier

without requiring unsustainable compromises between efficiency and legitimacy.

The fundamental innovation that keeps regulatory systems amendment bills balanced stems from the better use of technical and political knowledge accumulated by experts in stewarding agencies. People involved in everyday operations, interacting with regulated parties and other stakeholders, learn about the system's errors, loopholes, gaps, overlaps and unnecessary burdens. They are aware of various absurdities arising from outdated requirements, unintended consequences, or unexpected interactions among ever more complex systems. Sometimes they can address them on the operational level, or, if rooted in some technicality, try to get them into the next statutory amendment bill. However, before regulatory systems amendment bills, more significant legislative changes had to wait years until a suitable single-subject bill got a slot in the legislative plan (or until a very public and visible regulatory failure pushed the amendment to the top of the legislative plan). Regulatory systems amendment bills provide a timely outlet for these expert insights.

While expert knowledge is necessary for the success of regulatory systems amendment bills, it is not sufficient. Regulatory systems typically combine uncontroversial technical rules with – often hard-fought – political economy compromises. Major stakeholders understand that seemingly innocuous changes may have dramatic distributive consequences, and they stand ready to defend their interests. Agencies preparing regulatory systems amendment bills need to possess good knowledge of the political economy landscape to avoid reigniting political conflicts that could derail the process of preparation and adoption. The prohibition on altering a system's structure and the emphasis on broad political support for regulatory systems amendment bill measures help to prevent attempts to relitigate contested system features.

The degree of political controversy surrounding regulation also influences the broader usefulness of regulatory systems amendment bills. When stakeholders perceive a regulatory system as a zero-sum game, they may attempt to obstruct even mundane changes out of concern that these may advantage the opposing side: farmers may oppose proposals from environmentalists, unions proposals from employers, and 'nimbies' proposals from 'yimbies', or vice versa. The range of proposals that can achieve broad political support is smaller when regulation becomes hostage to zero-sum politics, which diminishes the regulatory systems amendment bill's potential to maintain regulatory systems. Nevertheless, New Zealand politics is not deeply polarised on most regulatory matters, so the set of pragmatic improvements is likely to be substantial, suggesting an opportunity for scaling up regulatory systems amendment bills.

> The cross-party support in Parliament and the growing expectation that regulatory systems amendment bills are integral in chief executives fulfilling their stewardship obligations ...

Regulatory systems amendment bills can also complement the regulatory impact assessment process by evolving into a full-fledged ex post regulatory management tool. While regulatory impact assessment improves the quality of regulatory proposals through ex ante scrutiny, it struggles to influence politically salient proposals, particularly following elections, after major scandals or during crises, when regulatory impact assessment requirements get sidelined. During such times, political imperatives lead to hastily adopted legislation, the implementation of which is likely to create disproportionate complexities and compliance costs. The ex post regulatory systems amendment bill can enable lawmakers – once the political salience decreases – to streamline and integrate the new legislation better into the existing systems to avoid excessive changes and associated compliance costs.

The need to maintain technical and political knowledge connects regulatory systems amendment bills to the practice of regulatory stewardship. Agencies investing in active stewardship are more likely to compile comprehensive ideas for improvements and turn them into proposals that introduce significant changes without overstepping political constraints. In turn, regulatory systems amendment bills can ensure greater return on an agency's stewardship investment and provide clear evidence that its chief executive is delivering on their statutory stewardship obligations.

The innovative aspects of regulatory stewardship build on the strengths of the New Zealand policy environment. The willingness of Parliament to make flexible use of omnibus bills is rooted not only in the veto of the Business Committee, but also in the relatively high trust between agencies and Parliament. Similarly, the extensive expert and political consultations of RSAB proposals are enabled by dense informal networks among agencies and stakeholders (substituting for more systematic reviews and consultations expected by the OECD best practices). While the preparation costs of RSABs are considerable, the high trust and informal environment lower them enough to enable large agencies to fund the process from their baselines without dedicated project funding from the government. As a result, the regulatory systems amendment bill process is akin to a low-cost version of a formal ex post regulatory stock management tool (OECD, 2020) that is – at least so far – robust enough to avoid poor quality or biased outputs.

Conclusions and policy implications

Regulatory stewardship and RSABs are genuine policy innovations. They enable regulatory agencies to adapt more regulations and regulatory systems faster than was possible before their introduction. Since 2016, only about 1.5% of words adopted by the New Zealand Parliament have been regulatory systems amendment bills, but they updated about 10% of existing Acts by introducing over 1,800 changes, of which about 50 were significant enough to require a regulatory impact assessment.

Regulatory stewardship and regulatory systems amendment bills have the potential to achieve even more in keeping regulatory systems fit for purpose. The trend of introducing significant changes and the capacity to respond to evolving government regulatory priorities illustrate this potential. The cross-party support in Parliament and the growing expectation that regulatory systems amendment bills are integral in chief executives fulfilling their stewardship obligations as defined in the Public Service Act also underline this.

Stewardship and regulatory systems amendment bills put New Zealand among the regulatory policy innovators in the OECD (2021, p.87). The new Ministry for Regulation should support further development of this approach. RSABs provide an additional tool alongside the Ministry for Regulation's regulatory reviews, and are particularly useful in regulatory systems that do not require structural changes. In such cases, the ministry can ask the agency's chief executive to deliver a burden-reducing regulatory systems amendment bill for a system without initiating a costly review. This would mirror the current approach to fiscal policy, where the government can ask for a specific expenditure reduction without a fiscal baseline review.

The Ministry for Regulation should also think strategically about its support for regulatory stewardship and RSABs. This should entail a careful design of new regulatory initiatives so that they leverage existing achievements and avoid crowding out ongoing stewardship and regulatory systems amendment bill work. While regulatory systems amendment bills can be used to implement legislative changes derived from the Ministry for Regulation's reviews, using them for contested reforms may undermine their cross-party support and efficiency. Finally, as the experimentation matures, formalising RSAB requirements in the standing orders and strengthening the cross-agency network overseeing their development should be on the ministry's agenda.

1 The New Zealand convention is to call a legislative proposal a bill until it is adopted by Parliament and signed by the governor-general, at which point it becomes an Act. Therefore, most statutory amendment bills and regulatory systems amendment bills become statutory amendment Acts and regulatory systems amendment Acts when adopted and signed, while some are split into multiple Acts focused on specific policy domains.

2 This is available at tinyurl.com/rsabs.

3 The Regulatory Systems (Social Security) Amendment Bill was discharged when the minister failed to turn up for the first reading, but it is likely to be reintroduced.

4 Bills were completed by the Ministry of Business, Innovation and Employment, the Ministry of Transport, Department of Internal Affairs, Ministry for Primary Industries, Ministry of Social Development and Ministry of Education, while the Department of Conservation, Ministry for the Environment and Ministry of Justice are in the process of preparing their first regulatory systems amendment bill.

Data appendix: tinyurl.com/rsabs

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