Regulatory Impact Analysis requirements - Hints and Tips sheet

Important questions to ask yourself

- Do the RIA requirements apply? Will the RIAU be involved (has enough time been allowed for this)?
- What do I need to do at each stage of my policy development to comply with the RIA requirements?
- What level of analysis is needed to make the case that the preferred option is the best of all options (including the status quo)? Is this level of analysis commensurate with the magnitude of the proposal?
- Have I identified any underlying assumptions?

Flow chart: whether the RIA requirements apply and whether RIAU involved

1	Will the proposal result in changes to legislation or regulations?			
	If yes …	If no …	⇨	RIA requirements do not apply, however in terms of best practice, RIA provides robust framework for policy development that could be used.
	⇩			
2	Do any of the exemptions apply?			
	If no …	If yes …	⇨	RIA requirements do not apply, however in terms of best practice, RIA provides robust framework for policy development that could be used.
	⇩			
3	Is the proposal likely to have significant impact on economic growth?			
	If yes …	If no …	⇨	*RIA requirements apply but department reviews discussion document, RIA and RIS (no RIAU involvement)*
	⇩			
	RIA requirements apply. RIAU comments on discussion documents and reviews RIA analysis and RIS for adequacy, but departments still take overall responsibility			

What you need to do at each stage of policy development

Stage in policy process	RIA requirement	RIAU involvement*
Discussion document drafted	Must include substantive RIA elements or draft RIS. Must state that these are included.	Submit discussion document to RIAU for comment.*
Discussion document submitted to Cabinet (if applicable)	Requirements for Regulatory Impact Analysis section of Cabinet paper.	
Discussion document circulated to stakeholders	Consultation must be adequate.	
Submissions received		
Submissions analysed	Level of analysis must be adequate.	Submit analysis to RIAU for review of adequacy of analysis.*
Further analysis conducted		
Analysis completed		
RIS prepared	RIS must contain the required information and reflect adequate analysis.	Submit RIS to RIAU for review of adequacy of RIS.*
Proposal submitted to Cabinet	Requirements for Regulatory Impact Analysis section of Cabinet paper. Department must include its assessment of adequacy.	Include RIAU statement on the adequacy of RIS and analysis.*

*Applies only if the proposal is 'likely to have a significant impact on economic growth'; department assesses adequacy for other proposals. See RIA Guidelines for more information, available at http://www.med.govt.nz or https://psi.govt.nz/pdtoolkit/ .

Note that the requirement that the RIA analysis is adequate applies to the entire policy development process – right through the stages of developing and assessing options and choosing the preferred option.

Regulatory Impact Statement Template

Your RIS needs to set out the information below. The topics covered in a RIS are the questions you should ask yourself during your policy development.

Section title	Required information
Executive summary	• One paragraph of no more than 150 words summarising the problem, the preferred option, and the main impacts.
Adequacy statement	• Who has reviewed the RIS (RIAU or name of department that has reviewed RIS) and whether the RIS is adequate according to the adequacy criteria.
Status quo and Problem	• Brief, high-level summary of key features of the current situation – not just features of the current regulation. • Summary of why government action is needed, including why the current arrangements are insufficient to address the problem. This should contain an appropriate level of detail on the status quo's costs and benefits (including compliance costs, risks and opportunities). The root cause of the problem should be identified, not just the symptoms.
Objectives	• The objectives that options are measured against. These should not pre-justify the preferred option.
Alternative options	For each option that is neither the status quo nor the preferred option: • Brief, high-level summary of key features of the option. • Why it is not the preferred option, including an appropriate level of detail on the benefits and costs (including compliance costs, risks and opportunities).
Preferred option	• Brief, high-level summary of key features of the preferred option. • Why it is preferred and a statement of all of the proposal's impacts, including an appropriate level of detail on the benefits and costs (including compliance costs). • A risk assessment with a description of how risks will be/are being mitigated. • Steps that have been taken to minimise compliance costs, if any. • A paragraph that briefly describes how the preferred option would impact on the stock of regulation (existing regulation), including whether the proposal overlaps and interacts with existing rules, whether the proposal makes any existing rules redundant, and whether these rules are being removed or altered as part of the proposal.
Implementation and review (note: this section does not need to be completed for tax policy proposals)	• How the proposal will be given effect, including timetables where available. • Plans for notifying affected parties of what they need to do to comply with any new requirements, if any. • The enforcement strategy that is to be implemented to ensure that the preferred option achieves the public policy objective, if any. • Plans for monitoring and evaluating the preferred option, including key dates if any.
Consultation	• Who was consulted. • What the form of consultation was. • Key feedback from stakeholders and government departments on each of the options considered. In particular, any significant concerns that were raised about the preferred option, how the department authoring the RIS altered the proposal to address these concerns, and if they did not alter the proposal, why not. • If there was no consultation, the reasons why.

Other sources of information

For policy development guidance material, visit the Policy Development Toolkit (https://psi.govt.nz/pdtoolkit/).

RIA Guidelines (including adequacy criteria)	http://www.med.govt.nz or https://psi.govt.nz/pdtoolkit/
Code of Good Regulatory Practice	Included in RIA Guidelines or http://www.med.govt.nz
Cabinet Office Step By Step Guide	http://www.dpmc.govt.nz/cabinet/guide/
Guidelines on Assessing Options	https://psi.govt.nz/pdtoolkit/
Legislation Advisory Committee Guidelines	http://www.justice.govt.nz/lac
Guidelines for Regulatory Functions Involving Local Government	http://www.dia.govt.nz
Policy Impact Checklist	https://psi.govt.nz/pdtoolkit/
Occupational Regulation Policy Framework	http://www.med.govt.nz or https://psi.govt.nz/pdtoolkit/