

# ACT Red Tape and Regulation Policy

## **Goals**

- Expand freedom by increasing the role for the common law in regulating interactions between individuals.
- Eliminate unnecessary regulation and red tape, and free New Zealanders to create jobs and wealth.
- Make it harder for governments to pass bad regulations in future.
- Simplify remaining regulations where possible, making compliance less costly.

## **Background**

- Governments (central and local) have smothered productive people with red tape and bureaucracy.
- The cost to businesses and the economy is millions of dollars each year.
- Small businesses, which supply most of our jobs, are weighed down with regulations and associated compliance costs and risks.
- Businesses are seldom able to fully comply with all the regulations that exist, despite their efforts. They often have to fly blind, which puts them at risk of being ruined at any time by a regulator who chooses to pick on them.
- Most regulations would fail to pass a cost-benefit test.
- Many regulations contain fuzzy terms that mean no one can be sure what they have to do in order to comply (e.g. “intrinsic value”, “sustainable management”).
- Generally, there is no power to opt out of their provisions by mutual agreement.
- Too often regulators aim to impose outcomes on people, regardless of diverse individual preferences or the cost to human welfare.
- This is in marked contrast to the common law which is concerned to provide rules that people can modify, where mutually convenient, in order to pursue outcomes of their own choosing.
- The common law is often a friend of freedom.

## ***Principles***

- Legislation must be well-conceived. Factors such as interest group pressures, undue haste and bad processes must be removed from the legislative design process and protections for liberty and citizen rights added.
- Liberty and prosperity are undermined by regulatory excesses.
- The common law and an independent judiciary are crucial bulwarks against undue state regulation.
- Regulations that displace the common law should attract particularly close scrutiny as should regulations that fail to allow adults to opt out of their provisions by mutual consent
- Defects in legislation need to be eliminated at source. Tinkering only leads to more problems, and cynicism.

## ***Policy detail***

- Appoint a Minister of Regulatory Reform.
- Review all regulations in order to eliminate burdensome elements that fail a rigorous regulatory assessment.
- Introduce a Regulatory Responsibility Act that would make it harder to impose regulations in future in the absence of a well substantiated need.
- Require the issue of compensation to be formally addressed whenever a regulation is proposed that would impair property rights.
- Give priority to radically reducing the burden of regulation in respect of employment, economic development and taxation, as well as compensating businesses for their costs.

## **Note**

- For specific recommendations on the Resource Management Act refer ACT Resource Management Act policy.

If you believe that nutty regulations and legislation are stifling economic and personal freedoms, then give ACT **your Party vote**, *for a free and prosperous New Zealand.*