IAG Submission on the Regulatory Institutions and Practices Issues Paper

25 October 2013

Introduction

IAG welcomes this opportunity to provide views on the Productivity Commission's (the Commission) Issues Paper for its Inquiry into Regulatory Institutions and Practices (Inquiry).

IAG's primary motive in making this submission is to ensure that regulation is improved across the board so that wider 'NZ Inc' benefits can be secured. The points discussed in this submission represent our principal concerns and observations as a business operating in an increasingly complex regulatory environment.

We have divided our submission into two parts. The main body of the submission identifies high-level, generic regulatory issues that we have observed are of particular interest or importance to New Zealand businesses, both in the markets in which we operate and more broadly within the New Zealand economy. This is followed by an appendix that addresses some of the specific questions raised by the Commission. This is where we have tried to make use of specific examples and case studies to provide the submission with some real-world context.

We are happy to provide more detail on any of these points if that would assist the Commission as it looks to refine the scope of its Inquiry. IAG's contacts for matters relating to this submission are:

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Summary

The amount and complexity of regulation in New Zealand is increasing, with implications for all New Zealand businesses. It is important that our regulatory institutions and practices are improved and that a more effective, efficient and adaptive regulatory environment is created to help our business and economy be competitive.

To that end this submission addresses the following points:

- New Zealand needs a co-ordinated, all-of-government regulatory strategy;
- regulatory capability needs to be strengthened;
- more transparency will promote better regulatory outcomes;
- regulatory credibility depends on meaningful stakeholder engagement;
- role clarity impacts on effectiveness;
- funding arrangements can impact on credibility and effectiveness; and
- review of regulators could be enhanced.

Recommendations

In summary, our key recommendations to the Commission are:

- to develop an all-of-government strategic plan to organise and guide the development of the New Zealand regulatory system;
- to investigate ways that a stronger "best practice" culture can be instilled within regulators;
- to examine the different types of incentives on regulators to provide full and frank reasons for their decisions;
- to investigate the appropriateness of each of the primary tools for regulatory engagement in particular circumstances;
- to examine broader issues of regulatory design when addressing the clarity of regulatory objectives;
- to examine how the ad hoc nature of New Zealand's regulatory landscape has contributed to the issue of regulatory overlap;
- to critically examine the use of industry levies by all regulators, with a view to recommending over-arching principles that would be binding on all regulators; and
- to investigate the potential to establish a regulatory oversight body in New Zealand as part of a coherent government strategy to raise regulatory quality overall.

Regulatory issues

New Zealand needs a co-ordinated, all-of-government regulatory strategy

The Commission's Terms of Reference afford it a unique opportunity to review regulatory policy in New Zealand holistically, with a view to making recommendations that will secure higher quality regulation over the medium-to-long term. If improved productivity through increasing regulatory quality is to differentiate New Zealand from competitor economies around the world, then a sustained commitment to a coherent regulatory strategy that applies horizontally across all regulated sectors is needed.

The history of regulation in New Zealand does not paint a picture of coherent government strategy. Rather, individual regulatory regimes appear to have developed in an ad hoc manner in response to differing political concerns, changing policy objectives and specific industry contexts. A better approach to regulatory policy is to aim for the systematic development and implementation of government-wide tools and institutions used to shape how governments and regulators use their regulatory powers. This includes integrating competition policy and market openness initiatives into the regulatory policy agenda explicitly, but also involves broader concerns such as changing the culture of regulators so that flexibility and outcome-oriented approaches are systematically favoured in regulatory design and implementation.

IAG supports the development of an all-of-government strategic plan to organise and guide the development of the New Zealand regulatory system. We encourage the Commission to investigate the development of such a plan as part of its Inquiry.

There are a number of benefits of a government-wide strategic plan for regulation.

Recognition that high-quality regulation is a structural concern

An all-of-government approach to regulatory policy helps emphasise that there is a structural element to ensuring regulatory quality that government is required to manage holistically. This moves the debate beyond the merits (and politics) of specific regulator decisions to focus on the capabilities and processes that serve to enhance regulatory quality overall.

Shared policy objectives

The need for regulatory reform itself implies the need for a shared set of policy objectives that can guide reform. An over-arching framework for regulatory quality would make express the policy objectives on which it is based.

Co-ordinated approach to regulation

An all-of-government approach to regulatory policy promotes consistent and co-ordinated regulation over time, and between separate regulatory regimes. A shared commitment to specific aspects of regulatory quality allows for the rationalisation of regulator mandates, and ensures consistent and mutually-supporting approaches to similar issues or in similar industries. It also promotes cross learnings between regulators, which raises the quality of regulation overall.

Stakeholder accountability

A sustained commitment to quality regulatory outcomes promotes accountability to stakeholders. The decisions of regulators are more open to critique where principles and practices of quality regulation are recognised and accepted. Further, political decisions that shape regulatory regimes and influence the regulator can be held to account against these same standards.

Regulatory capability needs to be strengthened

IAG believes that one area where an all-of-government regulatory strategy would prove particularly useful is improving the internal processes and organisational capabilities of regulators. Regulators are typically not exposed to the scrutiny that comes from the market through competition, shareholders or even rating agencies. Of course, regulators have accountability by different means, such as through the scrutiny of Ministers and Parliament, but IAG would encourage the Commission to investigate ways that a stronger "best practice" culture can be instilled within regulators with a view to recommending ways to strengthen the overall capabilities of regulators.

There are several elements to promoting a "best practice" capability and culture where market disciplines may be absent or weak.

Sharing of best regulatory practice

As between regulators, the sharing of best practice ought to be highly valuable. IAG queries the extent to which New Zealand regulators are currently exposed to or seek to share best practice among themselves. Similarly, IAG considers it is important to test the extent to which New Zealand regulators are exposed to emerging best practice among comparable overseas regulators.

Periodic review of capabilities, matching of capabilities to most important objectives and capability building

As a large employer IAG is critically aware of the importance any large organisation needs to pay to capability and skill building. Given the importance of many regulatory decisions to individual business and the wider economy, IAG considers particular examination is warranted of the ways regulators seek to test and build their own capability including matters such as succession planning and investment in, and retention of, employees. To the extent that any obstacles exist, it is important that the Commission use the Inquiry to identify such obstacles and promote better means to building the strongest possible capabilities within regulators.

Operational efficiency

As with all commercial enterprises, it is important that a regulator is achieving its objectives in the most cost effective means possible. The Commission is well placed in this inquiry to identify ways and assess the effectiveness with which some regulators have sought to ensure operational efficiency.

Strategic focus on objectives, planning and continuous improvement

Of critical importance to regulators and regulated entities alike is the transparency with which a regulator demonstrates how it is focusing on the most important issues and activities. It would be appropriate for the Commission to test the focus regulators place on developing strategic plans and the importance New Zealand regulators place on committing to and demonstrating continuous improvement.

A regulator needs to show how it measures its effectiveness

Related to the above, IAG also considers it important that all regulators develop measures of value and efficiency and demonstrably improve both over time. We would encourage the Commission to explore the different ways that New Zealand regulators could commit to greater periodic self or external assessment of their effectiveness.

More transparency promotes better regulatory outcomes

Regulated market participants have a valid interest in the process, rationale and outcome of regulation. In a complex sector, or where there is complex regulation, it is especially important that the rationale for a regulatory decision is made apparent and is justified.

Further, transparency in the regulatory process is recognised as having a number of benefits, including:

- protection against regulatory capture and bias;
- mitigating inadequate public sector information availability;
- counterbalancing rigidity in regulatory style;
- addressing market uncertainty based on policy risk; and
- promoting meaningful accountability to affected parties.

The importance of these factors suggests that full and transparent reasoning by regulators is important to the success of a regulatory regime. In our experience, transparency and stakeholder engagement often ends with formal consultation processes. The reasoning process of the regulator and the factors that have ultimately influenced its decision are not always made available to interested parties.

It would be useful for the Commission to examine the different types of incentives on regulators to provide full and frank reasons for their decisions. We would encourage the Commission to identify and analyse examples of important regulatory decisions without adequate reasoning to identify underlying framework issues.

Regulatory credibility depends on meaningful stakeholder engagement

The Commission discusses the issues of regulatory engagement in the Issues Paper at some length. However, one aspect of engagement not addressed in the Issues Paper is the need for a regulator to use the engagement process responsibly to inform itself fully of the consequences of its decision making.

Consultation and engagement are matters largely left to the discretion of the regulator. This can lead to too little engagement in practice. In our experience, regulators can be reluctant to provide full reasons for their decisions once they have been made, even if consultation has been extensive. This approach has a number of consequences:

- It undermines confidence in the consultation process, as the regulator does not have the opportunity to demonstrate responsiveness to the views of affected parties.
- It undermines the credibility of the substantive decision because the merits for adopting it (or declining to adopt an alternative approach) are not made clear.
- It undermines the effectiveness and quality of the regulator's decision, as there is no meaningful way to challenge (directly or indirectly) the merits of the decision (which remain opaque).

Generic regulators lack industry specific knowledge, so are often unaware of the wider impacts of their decisions. In part, this is because a generic regulator is likely to be involved because its attention has been drawn to a specific (perhaps 'social') issue, so it has little perceived need to address the wider industry or market context. Good regulatory processes enable interested parties to bring wider industry impacts to the regulator's attention, and for those to be given appropriate weighting in decision making.

Industry-specific regulators tend to have greater knowledge of specific sectors and markets. Even then, that expertise should be accepted as not extending to commercial decision making that is undertaken by regulated market participants. If regulatory decision making amounts to a second guessing of legitimate business decisions regarding risk allocation, price signalling or competitive offerings, then the onus on the regulator to justify that level of intervention is particularly high. Certain types of regulation – prudential regulation, for example – are especially susceptible to blurring the lines between regulatory and commercial decision making due to their nature. The effect of such regulation on market outcomes needs to be better understood so that regulators are made responsible for the full set of consequences of their decisions.

There are five basic tools for ensuring the flow of information between the regulator and affected parties:

- informal consultation;
- exposure of regulatory proposals;
- formal notice and comment procedures;
- public hearings; and
- advisory bodies.

IAG considers that the Commission should investigate the appropriateness of each for particular circumstances.

It is important to note that meaningful stakeholder engagement also relies on a regulator having the capability to translate stakeholder messages and views into considerations that inform regulatory outcomes. Appropriate transparency and accountability mechanisms are also needed to ensure that there are incentives to

do so. In this way, many of the core elements of high-quality regulation are inter connected and self-reinforcing, and should be considered in a holistic sense.

Role clarity impacts on regulatory quality

The Commission has identified role clarity as a key issue in its Issues Paper. Clarity with respect to regulatory objectives is understood to have a number of benefits:

- increased legitimacy for the regulator;
- greater consistency in regulatory decision making;
- a greater likelihood of an internally well-organised, well-run regulator;
- greater opportunities to monitor regulatory performance successfully; and
- an increased ability for regulated industries and consumers to judge the legitimacy and appropriateness of regulatory policies and actions.

We consider there to be two key issues with role clarity:

- regulatory objectives are often unclear; and
- regulated parties can face regulators with overlapping jurisdictions.

Clarity of regulatory objectives

In our experience, regulatory objectives are often not as clear as they might be. A regulator's objectives will be unclear where it has been delegated broad and imprecise duties that require it to exercise broad discretion over how its objectives are defined and prioritised. This can be a particular issue in New Zealand because our style of statutory drafting often relies on broadly phrased "purpose statements", which are intended to guide regulator discretion but in practice are often imprecise or call for the regulator to make difficult trade-offs.

Further, in assessing the clarity of regulatory objectives it will often be necessary to look beyond the description of objectives in a statute or other legal instrument. Other aspects of the design of a regulatory regime will also be influential. For example, where a regulator's powers are disproportionate in terms of either the outcome that is sought or the potential for market distortion, then the regulator's rationale for intervention will invite challenge.

In the primary sectors in which IAG operates, this is a particular concern. Both the Fire Service Commission and the Earthquake Commission discharge regulatory functions in a manner that leads to significant market distortions:

- The Fire Service Commission imposes levies on all fire insurance contracts that interfere with the effectiveness of the risk-signalling function performed by the market price for insurance contracts. Neither the determination of the amount of these levies nor the means of their collection is subject to usual standards of transparency and engagement with affected parties, so there is no evidence that this level of market distortion is justified.
- The Earthquake Commission is funded in a manner that creates similar market distortions preventing the ability of individual market participants to make an accurate assessment of risk. In addition, the Earthquake

Commission's participation in the claims management and repair and rebuild processes prevents the efficient functioning of markets after an event due to the dependency and commercial pressures that exist between the EQC and insurer in settling claims.

The Commission should address broader issues of regulatory design, including the nature of any statutory powers and discretion, and how these are justified in terms of the stated objects of the regulation.

Overlapping jurisdiction

Role clarity can also be compromised where two or more regulators are responsible for performing a single task. The key risk in this situation is that each regulator has different enforcement thresholds and different powers of enforcement, making the regulatory response to a course of action highly unpredictable.

We would encourage the Commission to examine how the ad hoc nature of New Zealand's regulatory landscape has contributed to the issue of regulatory overlap. Broadly phrased regulatory mandates or prohibitions on market conduct in particular can overlap with more specific regulatory requirements. This creates an unnecessary additional compliance burden on regulated parties, and we anticipate in most cases the regulatory overlap is simply redundant.

Funding arrangements can impact on credibility and effectiveness

Industry levies imposed by regulators can be significant. We would encourage the Commission to explore the use of industry levies by all regulators, open to a view of recommending the need for over-arching principles that would be binding on all regulators with industry levy setting powers. It is IAG's impression that there is currently diverse practice by regulators around establishing industry levies, particularly related to transparency and the level of detail provided on the methodology adopted by a regulator to establish levies by industry participant. This ought to extend to providing clarity on the basis for allocating costs across sectors (where a regulator has regulatory powers across multiple sectors) and also greater clarity on major shifts of any such allocations.

We note the UK Financial Conduct Authority has set out the following seven governing principles in relation to the industry levies it collects:

- **fair**: justify basis for any cross-subsidy;
- **risk aligned**: risk taken into account where effective to do so;
- **transparent**: link between cost allocation, application of risk and level of fees is clear;
- **predictable**: firms can reasonably estimate their fees for the forthcoming year;
- **flexible**: adaptable to changes in financial markets;
- **proportionate**: costs of operating should be proportionate and consideration given to the impact on dual-regulated firms; and
- **legal**: allowable within relevant statutory provisions.

Accountability mechanisms could be enhanced

We see meaningful accountability for regulatory decision making as key to providing the incentives for high-quality decision making. We see room for accountability mechanisms to be enhanced in New Zealand, especially in terms of systematic review of broader regulatory practice.

Even where regulators are formally independent from the political process, they are never completely free of political influence. We view this as an important aspect of the accountability of regulators that needs to be better understood. The challenge political accountability presents is to balance effective review of the regulatory regime as a whole with the need to avoid direct political control. Political accountability should never be so direct that the regulator has strong incentives to pursue short-term political gains at the expense of long-term regulatory outcomes and strategic coherency.

Judicial review

Where there is a need to promote at least a formal degree of political independence, legal accountability takes on added importance. Legal accountability usually comes in one of two forms: judicial review or merits review (appeal).

Judicial review is often seen as likely to improve the quality of regulatory decision making. We do not question the value of judicial review as a necessary backstop to ensure all administrative decision making, including regulation, meets minimum standards of process and fairness. However, in our experience judicial review has a number of important limitations which means that, in many regulatory contexts, it will not be sufficient to promote higher quality regulation:

- it is generally a costly and time-consuming means of redress;
- it tends to focus on the outcomes of particular decisions, rather than broader issues of overall regulatory quality;
- it carries little precedent value outside of the sector in which judgment is made (due to the ad hoc and inconsistent nature of New Zealand regulation overall); and
- it is simply not an option in many cases where an interested party must maintain a working relationship with a regulator.

Merits review

Merits review and appeals suffer from many of the same shortcomings as judicial review in practice, although in limited cases there may be an advantage to be gained from the specific error correction and close scrutiny of the merits that such processes promote.

Administrative oversight

An alternative is to establish an 'oversight body' that would act as a champion of regulation on a government-wide basis. This would enable systematic review of regulatory regimes, including processes and systems as well as people and

capability. This type of review provides the additional incentives for high-quality regulation that are currently lacking in legal reviews of individual regulatory decisions.

The Commission should investigate the potential to establish a regulatory oversight body in New Zealand as part of coherent government strategy to raise regulatory quality overall. We recognise that an oversight body would to some extent be political. Options such as making any body accountable to a particular Minister may in fact carry certain benefits, such as conferring additional gravitas on its decisions. The precise nature and function of such a body is something we urge the Commission to investigate in more detail. For example, the specific functions of an oversight body might include:

- co-ordination of institutional frameworks for high-quality regulation from a whole of government perspective;
- informal challenge the decisions, but also the priorities and processes, of individual regulators to promote conformance with best practice regulation; and
- advocacy to promote reform at both a political and regulator level to move practice in New Zealand closer to the frontier.

Appendix: Answers to the Commission's specific questions

Question 1: What sort of institutional arrangements and regulatory practices should the Commission review?

It is important the Commission address government-wide institutional arrangements that impact on regulatory quality. Promoting the overall coherency of regulatory policy and a shared commitment to high-quality regulatory outcomes is likely to secure the largest and most tangible gains for productivity from regulatory reform.

Question 3: Does New Zealand have (or need) a unique 'regulatory style' as a result of our specific characteristics?

The lack of a consistent, coherent and shared approach to regulatory quality across government means that New Zealand's 'regulatory style' is largely piecemeal and ad hoc. Specific regulatory regimes are often developed and implemented in response to short-term political pressures or specific (dramatic) instances of perceived regulatory failure. In our view New Zealand needs to move towards a framework that promotes higher regulatory quality through tangible, over-arching objectives, systematic review and ongoing political accountability.

Question 5: What other ways of categorising New Zealand's regulatory regimes and regulators would be helpful in analysing their similarities and differences? How would these categorisations be helpful?

In our view, the differences between regulatory regimes are unlikely to be as important as their similarities, as there is likely to be little benefit in identifying specific regulatory problems or recommending context-specific solutions. The step change needed in regulatory quality will occur only if regulatory policy (by which we mean the implementation of government-wide tools and institutions to shape the appropriate and effective use of regulatory powers) is addressed as a whole.

Question 6: Can you provide examples of regulatory regimes with particularly clear or (conversely) unclear objectives? What have been the consequences of unclear regulatory objectives?

Generally where regulation is intended to produce market-like outcomes, the purposes of the regulatory regime are expressed as a number of broad objectives that require balancing and trade-offs. This may be a result of attempting to articulate difficult trade-offs that workable markets often do well, but in the context of regulation it confuses the regulator's objectives. Section 3 of the Financial Markets Conduct Act 2013 might be a typical example.

We note that the Electricity Authority has been identified as a regulator with multiple objectives that are the subject of debate among interested parties. This

might be another useful example for the Commission to analyse, as there is existing analysis to build on.

Question 7: Where regulators are allocated multiple objectives, are there clear and transparent frameworks for managing trade-offs? What evidence is there that these frameworks are working well/poorly?

In our experience, empowering legislation often does not include an express mechanism for balancing or trading off competing objectives. Further, regulators themselves are often reluctant to make these trade-offs expressly in their decision making.

The Electricity Authority is an exception in that it has published an 'interpretation' of its objectives in an attempt to provide additional certainty in its decision making, but this approach has not been successful at resolving the debate over the content of the particular value judgements intended by Parliament in enacting the legislation.

Question 11: Can you provide examples where two or more regulators have been assigned conflicting or overlapping functions? How, and how well, is this managed?

A useful case study is the function of consumer protection from misleading statements in financial markets. The Commerce Commission has a general jurisdiction under the Fair Trading Act 1986 to regulate misleading and deceptive conduct in trade (s 9). The Financial Markets Authority has a more specific jurisdiction that extends to the offer of financial products (see Securities Act 1978, s 58, for example). This is a direct overlap in the sense that any offer of financial products will be subject to both regimes.

It is not clear to us that this type of issue is managed effectively. As a business affected by both requirements, it is not clear which regulator (or indeed both) has primary responsibility for ensuring compliance. Currently there is no formal guidance available to the market on this matter, although we understand that the Financial Markets Authority and the Commerce Commission are in the process of developing an MOU that may provide some assistance. This initiative was only taken, however, after numerous requests from affected parties for greater clarity.

Question 26: How effective and consistent are the review and appeals processes provided for in New Zealand regulatory regimes?

Review and appeal processes are generally lacking in New Zealand because they are narrowly focused on particular decisions and are inaccessible in practice. An effective review process ought to promote the quality of a regulatory regime overall, consistent with other regulatory regimes. In our view this requires the development of an independent oversight body with broad review powers and a responsibility for promoting the overall quality of New Zealand's regulatory stock.

Question 27: Can you provide examples of where the review and appeals processes provided for are well matched or poorly suited to the nature of the regulatory regimes?

As discussed above, IAG has concerns with the effectiveness of the legal review of regulation in practice. We would be happy to provide examples in response to any specific questions the Commission has if that would further assist with the Commission's Inquiry.

Question 32: Which New Zealand regulators (or regulatory regimes) provide good examples of open and transparent funding arrangements? Can you provide examples where the transparency of funding needs to be improved?

An example that is of particular concern to use are the levies imposed by the New Zealand Fire Service Commission (NZFSC), established by the Fire Service Act 1975. The NZFSC is required by statute to take an active and co-ordinating role in the promotion of fire safety in New Zealand. The NZFSC is funded out of levies imposed on private contracts for fire insurance. This approach means that service providers of fire insurance are required to recover the amount of any levies in the premiums they apply to contracts for fire insurance. The amount of the levies is then collected by insurance companies and passed on to the NZFSC. In practice, this has the effect of significantly increasing the premiums of all fire insurance contracts, regardless of risk. The amount of the levy is calculated by the NZFSC, and then reviewed annually at a political level by the Minister of Internal Affairs, and is fixed by Order in Council.

In practice, there is little transparency over how levies are calculated, or how the operating costs of the NZFSC are determined or constrained. This is of particular concern as:

- the imposition of levies on fire insurance contracts distorts the insurance market significantly by interfering with the risk-signalling function of insurance prices; and
- the NZFSC has disproportionately strong enforcement powers in the event of late or non-payment.

The NZFSC levy is over 35 years old, and was originally intended as a temporary measure. However, recent levying by regulators has been equally lacking in transparency. The levies on Qualifying Financial Entities are imposed by the Financial Markets Authority (FMA) to part-fund its operations. Larger businesses are disproportionately affected under the approach adopted by the FMA to determining its levies, but the rationale for this difference of treatment has not been disclosed. This leaves affected parties unclear as to the appropriate use of their funds by the regulator, and whether regulatory priorities are being set appropriately.

We are concerned that over 35 years the processes by which regulators are funded by industry has not improved to the point where affected parties can understand the basis for levies, and hold the regulator accountable for the use of those funds.

Question 35: What restrains or enables a regulator to develop the capability they need in the New Zealand context?

New Zealand's small size significantly reduces the size of the pool of available talent to staff a regulator (at all levels). Any individual expertise is also likely to be subject to competition from the private sector.

Question 36: Where are there gaps in regulator workforce capability? Can you provide examples?

As discussed above, IAG sees important challenges with developing the desirable skills and capability for the regulator workforce. We would be happy to provide examples in response to any specific questions the Commission has if that would further assist with the Commission's Inquiry.

Question 45: Can you provide examples of where regulatory regimes require too much or too little consultation or engagement? What are the consequences?

As discussed above, IAG considers genuine consultation and engagement with regulated businesses as critical to the development of high-quality regulation. We would be happy to provide examples in response to any specific questions the Commission has if that would further assist with the Commission's Inquiry.

Question 46: What are the characteristics that make some regulations more suited to prescriptive consultation requirements?

Wide and engaged consultation with affected stakeholders and other interested parties performs a number of important functions that add to the credibility of the regulatory process and the effectiveness of regulatory decision making:

- Protection against regulatory capture and bias.
- Inadequate public sector information availability.
- A counterbalance to rigidity in regulatory style.
- An effective means of addressing market uncertainty based on policy risk.
- Meaningful accountability to affected parties.

Where these functions are important to achieving regulatory outcomes, then the regime is overall more likely to be suited to prescriptive consultation requirements. However, prescription should be seen as a minimum standard to achieve the intended goals of consultation, and consistency with prescribed requirements should not be treated as a means to avoid more meaningful stakeholder engagement.

Question 51: Can you provide examples of where the culture or attitude of the regulator has contributed to good or poor regulatory outcomes? How?

As discussed above, IAG believes that the culture and attitude of a regulator can significantly influence the quality of regulatory outcomes. We would be happy to provide examples in response to any specific questions the Commission has if that would further assist with the Commission's Inquiry.

Question 55: Can you provide examples of how accountability or transparency arrangements improve or undermine the effectiveness of a regulatory regime?

As discussed above, IAG considers that accountability and transparency mechanisms could be improved in New Zealand regulatory regimes. We would be happy to provide examples in response to any specific questions the Commission has if that would further assist with the Commission's Inquiry.