Cabinet Office



Circular

27 November 2024

| Intended for | All Ministers | | |
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| | All Chief Executives | | |
| | Chief Parliamentary Counsel | | |
| | Speaker of the House of Representatives | | |

2025 Legislation Programme: Requirements for Submitting Bids

Introduction

- 1 This circular sets out the requirements for bids for bills seeking placement on the 2025 Legislation Programme.
- 2 When submitting bids, Ministers and agencies are asked to consider foreseeable legislative priorities for the remainder of the 54th Parliament, until mid-to-late 2026. This will support the Government to plan and deliver the commitments it has agreed for the full term.
- 3 Information on the <u>Legislation Programme</u>, including the priority categories for bills, can be found on the <u>CabGuide</u> website. The list of priority categories, along with guidance on each category, is also attached as Annex One to this circular.

Invitation to submit bids, deadline and format

- 4 Ministers are asked to arrange for bids for the 2025 Legislation Programme to be delivered to the Legislation Coordinator in the Cabinet Office by **12.00pm on Wednesday**, **29 January 2025**.
- 5 The standard format for bids can be found on the *CabGuide* website and is set out in Annex Two to this circular.
- 6 Each set of bids for a particular portfolio must be accompanied by a covering letter from the Minister.
- 7 All bids should be sent via email to the Legislation Coordinator, Sam Moffett, using the address at the bottom of this circular.

Process for developing the Legislation Programme

8 Bids will be summarised for an initial assessment of priorities, before being placed on the Programme. The Programme will be submitted to the Cabinet Legislation Committee (LEG) for consideration and then to Cabinet for confirmation. 9 In the third quarter of 2025, the Leader of the House, in consultation with Ministers, will undertake a formal process of reassessing the Legislation Programme. This will take into account progress to date, and the remaining House time left in the year, to ensure the Legislation Programme reflects the Government's legislative priorities at that time and that those priorities are able to be delivered in a timely fashion.

Items for which a bid is required

- 10 To allow for the planning of House time and the allocation of drafting resources, a bid is required for:
 - 10.1 every bill that is currently before the House or a select committee;
 - 10.2 bills that are currently undergoing policy development work or are being drafted, and for which there was a successful bid in 2024;
 - 10.3 policy proposals that are likely to result in a bill being introduced before the end of the 54th Parliament in 2026 (including bills likely to be proposed in Law Commission reports);
 - 10.4 any other legislation that will foreseeably be required before the end of the 54th Parliament in 2026, whether or not formal policy development has started.
- Bids for contingency or placeholder bills, which are unlikely to progress, should be avoided. New bills can be added to the Legislation Programme during the year, or to the 2026 Legislation Programme, to address any unforeseen need for legislation over the term of Parliament.
- 12 There is no requirement to submit bids this year for legislation to be enacted beyond 2025 that would normally receive a category one priority in the relevant year, such as appropriations bills, or secondary legislation confirmation bills required in or beyond 2026.
- 13 Agencies preparing bids for minor amending bills should include an assessment of whether these bills may qualify for inclusion in a future Statutes Amendment Bill or Statutes Repeal Bill instead. Statutes Amendment Bills and Statutes Repeal Bills are introduced to promote minor, technical, non-urgent, and uncontroversial amendments or repeals to a collection of Acts, and are the best vehicle for such changes. Bids seeking to advance legislation that could be included in a Statutes Amendment Bill or Statutes Repeal Bill should include an explanation of why a standalone bill is being sought instead, e.g., for timing reasons.

Alignment with Government priorities and commitments

- 14 Ministers are asked to approach their proposals for bills in light of the Government's overall priorities. Agencies must explain how each bid aligns with the Government's priorities, enables the Government to meet its policy and coalition agreement commitments, and/or contributes to the efficient and effective operation of the relevant regulatory system.
- 15 Bids that seek a priority of either two (must be passed in 2025) or three (a priority to be passed by the end of 2025) must be accompanied with a reason why they must or should be passed in 2025. Examples of such reasons include: meeting a commitment made in the National-ACT coalition agreement; meeting a commitment made in the National-New Zealand First coalition agreement; meeting a regulatory deadline; or fulfilling a mandatory requirement that must be met before the end of 2025.

16 Ministers should ensure that proposed timelines for legislation take into account the need for consultation between the three coalition parties from an early stage in the policy development process.

Planning and capacity

- 17 When making recommendations to Ministers, agencies must ensure that realistic project planning is in place to take into account;
 - 17.1 the time that is required for policy development;
 - 17.2 engagement with the Ministry for Regulation as provided for in paragraph 19;
 - 17.3 discussion with the Legislation Design and Advisory Committee (LDAC);
 - 17.4 drafting, including time for the agency to respond to drafting queries and for PCO's quality control processes to be carried out;
 - 17.5 consultation with agencies, and any consultation with the public;
 - 17.6 Bill of Rights Act 1990 vetting;
 - 17.7 ministerial, caucus, coalition, and cross-party consultation;
 - 17.8 Cabinet approval; and,
 - 17.9 the House time, and any procedures (such as Business Committee agreement, select committee instructions etc.) likely to be necessary to progress the Bill on the proposed timeline as set out in paragraphs 26 and 27.
- 18 Any bids for bills not yet introduced should include an achievable timeline that has been discussed with PCO. If PCO advises that the proposed timeline is not realistic, this advice, and the reasons for it, must be included in the bid.
- 19 When submitting any bids for bills for which final Cabinet policy approvals have not yet been given, or where any supplementary impact analysis requirements are still outstanding, agencies are asked to include a reference to any requirements that are likely to apply to the proposal and to include in the timeline how these requirements are expected to be or have been met. Any concerns raised by the Ministry for Regulation about the appropriate process for regulatory analysis or how Cabinet's requirements will be met must be briefly reflected in the bid.
- If a bill was included on an earlier Legislation Programme, but did not proceed as scheduled (e.g. because policy development or drafting instructions were delayed), the bid must explain why the bill did not proceed as planned and how the proposed new timelines can be met.
- 21 When seeking a priority for a bill that has already been introduced, but for which substantial changes are likely to be required, agencies should consult PCO about the time required for further policy development and drafting. The timeline proposed for the bill should reflect the time required.
- In accordance with the Government's coalition agreements, Ministers should ensure, and indicate, that appropriate consultation on legislative proposals has taken place.

- 23 Policy approvals must be obtained before drafting instructions are issued (see paragraph 7.55 of the Cabinet Manual). While the Attorney-General has the power to approve drafting in advance of Cabinet policy approvals, this is designed to be rarely used and only for emergencies or unavoidable situations. Agencies should consult with PCO before asking the Attorney-General to exercise this power. Similarly, delays in policy development cannot be made up by reducing the time set aside for drafting a bill. If agencies face delays, they should revise their implementation plans and seek a priority that reflects the new timeline.
- For bids where policy approvals have not yet been obtained, appropriate and realistic time must be allowed for best-practice policy development and analysis, and for public consultation. A good policy process is important for preventing ineffective or unnecessary regulation, and for avoiding unintended consequences. This should include early testing of the policy problem that legislation will aim to address, identification of the range of feasible options for government intervention, and examination of the likely impacts or risks with affected parties. Agencies should also consider whether the proposal provides an opportunity to address other matters identified through regulatory stewardship work, including maintenance work within the affected Act and issues in other regulatory regimes that are likely to be affected by the proposed changes.
- 25 Appropriate and realistic time must also be allowed for legislation to be drafted. The amount of time required depends on the size and complexity of proposed legislation. On average, it takes about three months to draft a 50 clause bill of medium complexity, from the time at which instructions are sent to PCO to having a draft ready for agency and Ministerial consultation. More information is available in paragraphs 34 to 36 on how PCO can provide an estimate of the time required for each proposal.
- A minimum of eight months should be allowed for the passage of a bill from introduction to enactment. Much of this time is usually in select committee, where bills spend up to six months by default. Although this time limit for select committee can be reduced by a government motion in the House, any attempt to reduce this time to less than four months is subject to unlimited debate in the House, and the threshold for doing so is high. Ministerial staff should discuss all bids proposing to refer a bill to select committee for less than six months, or which require agreement from the Business Committee or a similar non-standard process, with the office of the Leader of the House before they are submitted, and the outcomes of that discussion must be recorded in the bid.
- 27 The House's capacity to consider and progress legislation should also be considered, both in establishing a timeline and priority for proposed legislation. There are a limited number of House sitting days and hours in each parliamentary year. On average, Parliament passes around 80 Government bills per year. This figure, spread across the number of portfolios and agencies, should be kept in mind when considering bids and their timeline and priority.
- 28 Urgency is used to progress legislation only when necessary. The Leader of the House decides whether urgency is taken, and for what matters. Accordingly, bids should be prepared on the basis that a bill will not be progressed under urgency. The sole exception is if a Minister has sought and received formal confirmation from the Leader of the House approving the use of urgency for a specific bill. Bids that provide for the use of urgency in progressing legislation must indicate whether such formal confirmation has been granted.
- 29 The requirements in paragraphs 17 to 19 and 23 to 25 also apply to secondary legislation associated with a bill. The bid for the bill must describe the nature and extent of necessary secondary legislation, and propose a timeline that includes the dates by which:

- 29.1 any necessary Cabinet policy decisions on secondary legislation are to be taken (which should be before the bill is read a first time);
- 29.2 drafting instructions for the secondary legislation are to be sent to PCO (which should be before the bill reaches committee of the whole House unless the secondary legislation is to commence at least 12 months after the bill is to commence);
- 29.3 consultation, drafting, and promulgation processes for secondary legislation are to be carried out, including any relevant matters set out in paragraph 22.

Discharging existing bills, and stopping work on legislation previously on the Programme

30 Where legislation on the previous Legislation Programme has not yet been fully drafted or introduced, and Ministers no longer wish to proceed with it, a bid should be submitted seeking priority category 9 status. A bid for priority 9 need only contain very brief information on what the bill was intended to do, what stage in the process it is at, and why it will not be progressed.

Role of the Ministry for Regulation

- 31 The Ministry for Regulation is the Government's lead regulatory advisor. Its role is to confirm with agencies how Cabinet's impact analysis requirements will be met, ahead of policy approvals being sought for new or amended legislation. This includes determining whether a Regulatory Impact Statement or supplementary analysis is required and agreeing the arrangements for providing independent quality assurance. The Ministry will review whether agencies have made sufficient allowance in their bid's proposed timeline to fulfil these requirements.
- 32 The Ministry is available for general consultation to assist agencies in preparing bids. Ministers may ask the Ministry for Regulation to assist in ensuring the timeline for seeking final policy approvals and meeting impact analysis requirements is realistic and achievable. Bids should be provided to the Ministry with enough supporting information to enable this to occur.
- 33 Agencies should contact the Ministry via agencyconsultation@regulation.govt.nz.

Role of the Parliamentary Counsel Office

- 34 PCO's role is to draft bills approved for introduction in the Government's Legislation Programme, subject to the conditions laid out in paragraph 23. Agencies should prepare bids for their Minister on the basis that drafting will be undertaken by PCO. The only exception is Inland Revenue, which is authorised to draft certain revenue legislation.
- 35 PCO is available for general consultation to assist agencies in preparing bids. PCO can provide advice on the expected size and complexity of a bill, the proposed timeline for its introduction and passage, and whether it should be referred to LDAC for advice. Agencies should contact the PCO team manager responsible for their legislation:
 - 35.1 Melanie Bromley (Melanie.Bromley@pco.govt.nz, 021 827 014);
 - 35.2 Mark Gobbi (<u>Mark.Gobbi@pco.govt.nz</u>, 021 897 460);
 - 35.3 Alana Belin (Alana.Belin@pco.govt.nz, 021 819 817); or
 - 35.4 Amy Orr (<u>Amy.Orr@pco.govt.nz</u>, 021 883 117).

36 Ministers may ask the PCO to size the necessary drafting for each proposed bill or substantive Amendment Paper (AP), to assist in ensuring the Legislation Programme is realistic and achievable. Bids should contain enough information to enable this to occur. If drafting cannot be clearly and accurately sized, the proposed bill may not gain a place on the programme, or may encounter delays.

Role of the Legislation Design and Advisory Committee

- 37 LDAC advises Ministers and departments in the initial stages of developing legislation. LDAC advises on legislative design and consistency with legal and constitutional principles, as set out in the Legislation Guidelines (2021 edition).
- In making a bid, agencies must indicate whether a bill will be referred to LDAC for advice and, if not, explain why. Information about bills that should be referred to LDAC is available on its website, including factors to consider in deciding whether to consult with LDAC on a proposal. Agencies can also discuss LDAC's involvement with the LDAC Adviser or with PCO.
- 39 If LDAC is to be consulted on a bill, agencies should allow time for this consultation when setting the timeline for the bill.

Preparing drafting instructions

40 Good, timely drafting instructions are essential for good, timely legislation. PCO can advise on the preparation of drafting instructions. Agencies should take advantage of this advice, and use PCO's Policy to Legislation resource, and the information on legislation bids at FAQs 1.8 and 1.9.

Rachel Hayward Secretary of the Cabinet

Enquiries:

Sam Moffett, Legislation Coordinator, Cabinet Office Ph: 912 0530 Sam.Moffett@dpmc.govt.nz

Summary of priority categories

Category 1 - must be passed in 2025 as a matter of law

• This category is reserved for legally mandated legislation, such as appropriation bills, or secondary legislation confirmation bills.

Category 2 – must be passed by the end of 2025

• This category is for legislation that must be passed in 2025, due to either a specific Government commitment or other regulatory or mandatory deadline.

Category 3 – a priority to be passed by the end of 2025

• This category is for legislation for which passage in 2025 is a Government priority, but there is no mandatory deadline or specific timing constraint.

Category 4 – to be passed by the end of 2025 if possible

• This category is for legislation which is able to be passed within 2025, but which does not fit into either of the above categories.

Category 5 – to proceed to select committee by the end of 2025

 This category is for legislation which, for reasons of size, complexity, timing, or priority, is intended to be referred to a select committee in 2025, but not be enacted within the year.

Category 6 - drafting instructions to be issued by the end of 2025

• This category is for legislation for which drafting instructions will be issued to PCO within the year, but the legislation is not expected to be ready for introduction.

Category 7 – policy development to continue in or beyond 2025

• This category is for legislation for which policy development is either ongoing, or expected to commence, in or beyond 2025, but no drafting instructions are expected to be issued by the end of 2025.

Category 8 – on hold

• This category is for legislation which is at any stage in the legislative or policy development process, but is currently paused and not expected to advance within 2025.

Category 9 - to be withdrawn

• This category is for legislation which is at any stage of the legislative or policy development process, and is no longer going to proceed.

Annex Two

In Confidence

Office of the Minister of Examples

Government Examples Bill: Request for priority in the 2025 Legislation Programme

Summary information

1 Give the following details about the bid for legislation:

- 1.1 the portfolio of the sponsoring Minister;
- 1.2 the department responsible (include a departmental contact name and phone number);
- 1.3 the title of the proposed Bill (or the Bill in which these legislative changes are to be included);
- 1.4 the proposed ranking of the Bill within the bids from this portfolio;
- 1.5 whether the Bill is estimated to be small/medium/large and of low/medium/high complexity;
- 1.6 the proposed priority category (more information about this is in the 'need for legislation' section below);
- 1.7 an explanation for why the proposed priority is being sought, including if the proposed priority is 2 or 3, a reason why the Bill must or should be passed before the end of 2025 (for example, meeting a commitment made in the National-ACT coalition agreement, meeting a commitment made in the National-New Zealand First coalition agreement, or fulfilling a legal or other mandatory requirement that must be met before the end of 2025).
- 2 The summary information is required for bids prepared in response to the <u>annual request</u> for bids. For papers to LEG seeking a priority outside this process, the "summary information" section should be replaced with a "proposal" section that succinctly states what Ministers are being asked to decide.

Policy

- 3 Briefly summarise the policy to be implemented by the Bill, giving the Cabinet or Cabinet committee minute references and dates of any relevant Cabinet and Cabinet committee decisions (i.e. Cabinet agreed to the policy on 15 October 2024 [CAB-24-MIN-1234]).
- 4 Include a brief outline of whether Cabinet's requirements for impact analysis or any supplementary analysis have been met. If all policy approvals have not yet been given, indicate whether the timeline leading to policy approvals has been discussed or confirmed with the Ministry for Regulation, and include a summary of any comments from the Ministry.

- 5 Explain how the bid aligns with the Government's priorities, enables the Government to meet its election and coalition commitments, and/or contributes to the efficient and effective operation of the relevant regulatory system.
- 6 Indicate any aspects of the Bill that are likely to be contentious.
- 7 Note any policy issues that have not yet been agreed and the dates by which these are expected to be resolved by Cabinet.

Need for legislation

- 8 Why is legislative action needed to implement the policy? Why is legislation the preferred approach over other interventions? Please attach or refer to legal advice and refer to any completed regulatory impact statements.
- 9 Indicate the suggested priority (the priority categories are outlined in the <u>CabGuide</u>). Is it essential that legislation be enacted in the period under consideration, or simply desirable? If it is essential, explain why, drawing a direct link to the applicable Cabinet decision or government commitment.
- 10 If the proposal is for amending legislation, has the principal Act been amended in the last year or will it be amended in the near future? If so, explain why this amendment is needed now, why it was not made as part of the previous legislation, and what consideration has been given to undertaking a broader review or rewrite of the legislation.

Compliance

- 11 Indicate whether the Bill is likely to comply with each of the following, with reasons if the Bill is not expected to comply:
 - 11.1 the rights and freedoms contained in the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993;
 - 11.2 the principles and guidelines set out in the Privacy Act 2020 (if the legislation raises privacy issues, indicate whether the <u>Privacy Commissioner</u> agrees that it complies with all relevant principles);
 - 11.3 the principles of the Treaty of Waitangi;
 - 11.4 the relevant international standards and obligations; and
 - 11.5 the <u>Legislation Guidelines (2021 edition</u>), which are maintained by the Legislation Design and Advisory Committee.

Binding on the Crown

12 At the policy development stage a Cabinet committee must decide whether the Bill should bind the Crown. Provide advice, if possible, on what is likely to be recommended. See the Cabinet Office circular <u>Acts Binding the Crown: Procedures for Cabinet Decision</u> [CO (02) 4] for further guidance.

Consultation

- 13 Summarise the <u>consultation on policy issues</u> that has already taken place or will be needed with each of the following groups, as well as the results of any consultation that has already taken place:
 - 13.1 relevant government departments or other public bodies; and
 - 13.2 relevant private sector organisations and public consultation processes.
- 14 If consultation on policy issues has not yet been completed, indicate the date by which it is expected to be completed.
- 15 Indicate whether the proposed Bill will be referred to the Legislation Design and Advisory Committee for advice and, if not, explain why. If consultation is indicated, this should be factored into the legislative timeline.
- 16 Indicate whether an exposure draft of the Bill will be released for consultation before theBill is introduced and, if so, provide details about why, when, how, and to whom.
- 17 Summarise the consultation that has already taken place or will be needed with Ministers, Government parties, and other parties represented in Parliament.

Secondary legislation

18 Is secondary legislation likely to be needed within 12 months of the Bill being enacted to give effect to the provisions in the Bill? If so, summarise briefly the secondary legislation that will be needed, its likely timing (taking into account the <u>28-day rule</u>), and the likely size of the drafting task involved to develop it.

Timeline

- 19 If the Bill must come into force by a particular date, give the date and explain why. If it is proposed that the Bill be expedited faster than standard timelines (see below) explain why.
- 20 Summarise the proposed timing for the legislation in chronological order, with as much specificity as possible, as follows (providing Cabinet or Cabinet committee references where any deadlines have been established by Cabinet or Cabinet committee decision):

| Step | Proposed date | Comment |
|---|---------------|--|
| Date on which Cabinet was or will be asked to announce the policy or approve public consultation. | | If discussion documents need to be approved by Cabinet for publication, include the date. |
| Date on which public or targeted consultation concluded or is likely to conclude, to inform regulatory options ahead of policy approval. | | Describe any consultation processes before Cabinet policy decisions (e.g. consultation methods, duration, discussion documents). |
| Date on which the regulatory impact statement was, or will be, provided for independent quality assurance. | | Describe the agency's initial view of its likely significance and independent quality assurance arrangements. |
| Date on which final policy approvals were, or will be, obtained from Cabinet. | | Describe process before or since this date(e.g. consultation, discussion documents). |
| | | If a Bill had a place on an earlier Legislation Programme but did not proceed, explain why the bill did not proceed as planned and why the proposed new timeline can be met. |
| Date on which complete drafting instructions were or will be sent to PCO. | | Note the period between submission of instructions and approval for introduction that is provided for drafting and consultation on the draft Bill – relate your estimate for this phase to the expected length and complexity of the Bill. PCO gives advice on how to estimate these matters. |
| | | This date should be at least three months (depending on expected length and complexity of the Bill) before the date on which the Bill will go to Justice (or Crown Law if applicable) (see below). If there will be an exposure draft, at least two additional months are needed between these dates. If not, give |

| | reasons. |
|---|---|
| | Note any concerns expressed by PCO. |
| Date by which the Bill will be released for exposure draft (if an exposure draft is planned). | Allow enough time to amend the Bill in response to comments from the exposure draft before the Bill goes to Justice (or Crown Law if applicable). |
| Date by which the Bill will go to the Ministry of Justice (or Crown Law if applicable) for an assessment of consistency with the New Zealand Bill of Rights Act 1990. | This date must be at least two weeks priorto the paper being considered by LEG. |
| Dates on which the Bill will bebefore LEG and Cabinet for approval for introduction. | |
| Date by which any policydecisions for associated secondary legislation will be before Cabinet. | This date should be before the first readingof the Bill. Give reasons if not. Note any impact analysis requirements that need to be met when those policy decisions are sought, including the likely significance and independent quality assurance arrangements. |
| Date requested for introduction of the Bill. | |

| Date of report back from selectcommittee. | Allow six months for the select committee process (or, at a minimum, four months). Give reasons if a period of less than six months is proposed, and consult the office of the Leader of the House and record the outcome of the consultation. If new policy is proposed to be added to aBill at select committee, this date should be no less than six months from the first reading of the Bill, and a select committee extension should be sought if it has an earlier report back date set at present. |
|---|--|
| Date on which final policyapprovals will be obtained from Cabinet for any substantive Amendment Paper (AP) to Bill (if already introduced). | Describe the process before or since this date (e.g. consultation, discussion documents). |
| Date on which final drafting instructions were or will be sent to PCO for any substantive AP to Bill (if already introduced). | This date should be at least 2 months (depending on expected length and complexity of the AP) before the date on which the substantive AP will be submitted to Cabinet for approval. Note any concerns expressed by PCO. |
| Date by which final drafting instructions for any associatedsecondary legislation will be sent to PCO. | This date should be before the committee of the whole House stage of the Bill. Givereasons if not. |
| Date of enactment. | |
| Date of commencement. | |

Hon Jane Smith Minister of Examples