

5 June 2026

Hon David Seymour
Deputy Prime Minister
Parliament
WELLINGTON

E-Mail: david.seymour@parliament.govt.nz

Dear David

LEVIES ON BUSINESS

BusinessNZ has been supportive and appreciative of your efforts to improve the quality of regulation in New Zealand. Whether it be through the successful passing of the Regulatory Standards Bill last year, or the establishment of the Ministry for Regulation which has undertaken some excellent work to both identify the plethora of regulations and regulatory bodies in New Zealand as well as seek to improve them.

I want to raise an issue which we are increasingly hearing negative feedback on - the number and cost of levies, which has been foisted onto business over recent years. Levies cover a range of areas from the almost exclusive funding of Fire and Emergency NZ (FENZ) through to cost recovery by MPI, the expansion of Waste Levies, Anti-Money Laundering (AML), and more recently, proposals to charge banks and other financial institutions, including insurers, for the cost associated with prudential supervision requirements from the Reserve Bank.

Some Government-imposed levies are clearly justified, reflecting user (or beneficiary) pays principles. Indeed, Section 9 of the Regulatory Standards Act explicitly states when levies may or may not be justified. Moreover, Treasury has also provided guidelines on setting charges for the public sector¹.

In BusinessNZ's view, some levies such as Waste Levies, which are imposed over and above normal commercial landfill levies, raise issues as to their legitimacy, particularly given that there is increasingly a disassociation between those levied and the beneficiaries of those funds.

¹ The Treasury: Guidelines for Setting Charges I the Public Sector (April 2017).
<https://www.treasury.govt.nz/sites/default/files/2017-04/settingcharges-apr17.pdf>

Ultimately levies charged to businesses will be reflected in higher costs to households and consumers. Therefore, it is important that all levies are justified and reviewed as to their legitimacy from time to time.

BusinessNZ considers that it would be timely for you to direct the Ministry for Regulation to undertake a review of all levies in New Zealand, to ensure that they are consistent with the principles of good regulatory practices outlined in Section 9 of the Regulatory Standards Act.

Thank you for taking the time to read this letter. I look forward to an opportunity to discuss this with you when your schedule permits.

Yours sincerely

A handwritten signature in black ink that reads "Katherine Rich". The signature is written in a cursive, flowing style.

Katherine Rich
Chief Executive

cc: Hon Nicola Willis, Minister of Finance