

19 June 2025

Submission on the Regulatory Standards Bill

Finance and Expenditure Committee

Who we are and what we stand for

InternetNZ | Ipurangi Aotearoa manages the .nz domain name system. We ensure all domain names ending in .nz are available for people and businesses in Aotearoa New Zealand. As a purpose-driven community organisation, we invest back into the community through grants and collaborative partnerships. We also advocate for an accessible and safe Internet that benefits everyone in Aotearoa New Zealand.

InternetNZ is not a Māori organisation and does not speak on behalf of Māori. We recognise Te Tiriti o Waitangi as a key constitutional document for all New Zealanders, and it is important to our operation of the .nz domain name system. We advocate for the principles and partnership intent of Te Tiriti and He Whakaputanga, acknowledging the sovereign rights of Māori.

Executive Summary

InternetNZ strongly opposes the Regulatory Standards Bill. InternetNZ is deeply concerned that the Bill, in its current form, would fundamentally undermine our core purpose to foster an open, secure, and free Internet for Aotearoa New Zealand. While supporting accountability goals, the Bill's rigid principles contradict evidence-based policymaking and introduce ideological constraints. The principles set out in the Bill are at odds with best legal and policy practice, introducing unnecessary complexity into regulation and predetermining outcomes through what many would consider a narrow ideological lens.

The principles outlined in the Bill contradict global regulatory trends in the digitech sector. New Zealand already lags behind our international counterparts, such as the European Union and Australia, in our regulation of the Internet and emerging technologies. This Bill would widen these gaps and hinder the Government's ability to address critical challenges like online safety and digital equity. InternetNZ is committed to empowering everyone in Aotearoa to equitably participate online, and the Bill's focus on individual liberties within the principles prevents the comprehensive analysis needed to protect citizens from online harms, particularly collective harms and those disproportionately experienced by marginalised groups.

Additionally, the Bill fundamentally conflicts with Te Tiriti o Waitangi and undermines effective multistakeholder governance. Multistakeholder governance models like ICANN's (which manages global domains) and our own .nz framework demonstrate that inclusive collaboration among governments, industry/businesses, academia, civil society, and Indigenous partners drives adaptable, legitimate regulation. The Bill's top-down, individualistic principles conflict with this inclusive ethos, risking outdated or inequitable outcomes.

By prioritising minimal state intervention and individual property rights, the Bill constrains the Crown's ability to honour its active obligations to protect collective

Māori rights and interests. This creates a structural bias that excludes Māori from their rightful role as a constitutional partner, contradicting the spirit of multistakeholderism, which requires equitable recognition of distinct rights. It also restricts the state's capacity to facilitate co-governance by privileging individualist legal frameworks over collective kaitiakitanga and tino rangatiratanga and forces Māori perspectives into Western property paradigms, sidelining mātauranga Māori in regulatory design. Such an approach undermines both New Zealand's constitutional foundations and the inclusive, participatory multistakeholder processes InternetNZ champions. The Crown must enable active fulfilment of its partnership duties, not diminish them through restrictive statutory principles.

InternetNZ urges the Finance and Expenditure Committee to recommend that this Bill not progress. The Bill has been pursued without adequately considering more effective and less harmful alternatives already supported by the Ministry for Regulation, such as building on the existing disclosure statement regime. We recommend pursuing alternative, evidence-based pathways to improve regulatory quality through genuinely inclusive engagement, ensuring our frameworks are truly fit for purpose in the digital age and uphold our foundational commitments.

Impact of the Bill on the Internet and technology sectors

Threats to Effective Digital Regulation and Equity

The proposed Bill would undermine efforts to establish regulations vital for the digital age. By requiring regulations to be assessed against a rigid framework prioritising minimal state intervention, the Bill prevents a comprehensive analysis of the State's obligations to protect citizens from documented online harms. The Bill's narrow focus, particularly its rigid 'liberty' principle (Clause 8(a)(ii)) and strict 'proportionality' test (Clause 20(b)(iii)), risks undermining essential efforts to address complex, society-wide digital challenges. This directly conflicts with InternetNZ's mandate to ensure an open, secure and safe Internet for all New Zealanders by disproportionately shifting the balance of regulatory considerations toward individual rights and private property.

Addressing global Internet-scale challenges requires perspectives beyond individual liberty that also consider impacts at the level of communities and society as a whole. We need adaptable regulatory frameworks to respond to emerging challenges such as cross-border data exploitation, AI-generated deepfakes, and algorithmic discrimination. These issues require regulatory approaches that explicitly consider their impacts on communities and social cohesion — perspectives that may be unintentionally discouraged under the Bill's current framing, which risks treating them as 'inconsistent' with its core principles.

Aotearoa New Zealand's regulatory frameworks already lag behind international

counterparts, with tangible consequences for New Zealanders. The European Union's Digital Services Act (2023) mandates platform accountability through systemic risk assessments, independent audits, and algorithmic transparency, with fines up to 6% of global revenue. Australia's Online Safety Act (2021) established an e-Safety Commissioner with the power to issue 24-hour removal notices for cyberbullying and impose daily fines of up to AU\$700,000.

The Bill would obstruct the development of necessary regulatory tools by prioritising deregulation over vital and overdue legislation for online spaces. In 2023, Netsafe found that nearly half of Māori individuals (46%) had received unwanted digital communications in the past year, including racist harassment and false allegations, and they were three times more likely to report that this had a negative impact on their lives.^{1,2} InternetNZ's latest Internet Insights survey found that 55% of all New Zealanders were very or extremely concerned about the Internet's role in spreading hate speech and extremist content.³

These failures carry significant economic consequences. By discouraging policies designed to close digital divides for Māori communities through declaring inconsistency with the principles of responsible regulation, the Bill would undermine growth in New Zealand's \$8.7 billion Māori tech sector⁴, which requires culturally responsive regulation. New Zealand already ranks 33rd among 38 OECD nations in inclusive digital governance.⁵ Aside from excluding Treaty settlement Bills from requiring a consistency accountability statement, the Regulatory Standards Bill makes no mention of Te Tiriti o Waitangi. As drafted, it would see the quality of most legislation assessed without any consideration of Te Tiriti o Waitangi, neglecting the Crown's responsibilities to Māori, and overlooking the significant economic and societal benefits that can arise from regulatory approaches that centre Te Tiriti o Waitangi commitments.

Progressing this Bill would further harm social cohesion and trust in government. The Helen Clark Foundation has documented New Zealand's existing lag behind Australia on social cohesion metrics.⁶ The Minister for Regulation's power to appoint Regulatory

¹ "2023 Annual Māori Population Survey Report," *Netsafe*, 2023, <https://netsafe.org.nz/our-work/reports-and-research>

² "2023 Annual Population Survey Report," *Netsafe*, 2023, <https://netsafe.org.nz/our-work/reports-and-research>

³ "New Zealand's Internet Insights 2024," *InternetNZ*, 2025, <https://internetnz.nz/assets/Archives/New-Zealands-Internet-Insights-2024.pdf>

⁴ "Te Ōhanga Māori 2023: The Māori Economy 2023 Report," *Ministry of Business, Innovation and Employment and BERL*, 2025, <https://www.mbie.govt.nz/business-and-employment/economic-growth/te-ohanga-maori-the-maori-economy/te-ohanga-maori-the-maori-economy-reports>

⁵ "OECD Digital Economy Outlook 2024 (Volume 2)," *OECD*, 2024, https://www.oecd.org/en/publications/oecd-digital-economy-outlook-2024-volume-2_3adf705b-en/full-report.html

⁶ "Social Cohesion in New Zealand," *Helen Clark Foundation*, 2025, <https://helenclark.foundation/publications-and-medias/social-cohesion-in-new-zealand/>

Standards Board members to assess the consistency of all legislation with the principles in the Bill would erode public trust by failing to provide informed and well-rounded perspectives. Trust in institutions — not political appointments — remains critical for developing future-focused digital policy that genuinely empowers communities.

Conflict with Te Tiriti o Waitangi and Indigenous Rights

The Bill undermines the constitutional foundations established by Te Tiriti o Waitangi, raising many of the same concerns that we noted in our recent submission on the Principles of the Treaty of Waitangi Bill.⁷

The Bill prioritises "minimum state intervention" and "individual property rights" over guarantees of tino rangatiratanga in Article 2 of Te Tiriti o Waitangi, which require active protection of collective Māori rights in digital domains. The exclusion of digital equity from regulatory assessments violates equity guarantees in Article 3, contradicting the Waitangi Tribunal's *Wai* 2922 ruling affirming Māori partnership in legislation affecting Māori interests. The Ministry for Regulation acknowledges this regression, noting the Bill "could be perceived as an attempt by the Crown to limit the established role of the Treaty of Waitangi/Te Tiriti o Waitangi as part of law-making".⁸

The Bill is inconsistent with New Zealand's commitments under the United Nations Declaration on the Rights of Indigenous Peoples (UNDRIP). Specifically, the lack of any requirement to consult with Māori when appointing members to the Regulatory Standards Board breaches Article 18, which affirms the right of Indigenous peoples to participate in decision-making.⁹ Additionally, the Bill also fails to uphold the principle of free, prior, and informed consent, preventing iwi from having a meaningful say in policies that shape digital infrastructure. International human rights bodies have repeatedly emphasised the importance of genuine Indigenous participation in policymaking, especially in areas with long-term impacts on rights, access, and equity.

Our general position on the Bill

InternetNZ understands the importance of high-quality regulation. We are responsible for developing the rules that govern .nz domain names for the benefit of all New Zealanders. Good regulation is essential to a well-functioning society, and it is

⁷ "Submission on 'Principles of the Treaty of Waitangi Bill,'" *InternetNZ*, 2024, https://internetnz.nz/assets/20241220_Treaty-Principles-Bill-Submission.pdf

⁸ "Preliminary Treaty Impact Analysis for the proposed Regulatory Standards Bill," *Ministry for Regulation*, 2024, <https://www.regulation.govt.nz/assets/Publication-Documents/Preliminary-Treaty-Impact-Analysis-for-the-proposed-Regulatory-Standards-Bill.pdf>

⁹ "United Nations Declaration on the Rights of Indigenous Peoples," *United Nations General Assembly*, 2007, https://www.un.org/development/desa/indigenouspeoples/wp-content/uploads/sites/19/2018/11/UNDRIP_E_web.pdf.

important that our regulatory settings are trusted, kept up to date and fit for purpose. Robust, evidence-based decision-making needs to take into account the full range of benefits and costs involved and not be predetermined by a restrictive set of principles. Critically, the Bill disregards proven multistakeholder approaches — the foundation of effective digital governance.

The Bill has been progressed without adequate consideration of alternative options. The Ministry for Regulation has itself noted in its Interim Regulatory Impact Statement that it believes there are cheaper and more effective ways to achieve the goals of the Bill without adopting the principles in the Bill in legislation, such as building on the existing disclosure statement regime.¹⁰ We also agree with the New Zealand Council for Civil Liberties that the proposed legislation redefines and limits the role of government and that it is not appropriate for proposals of this nature to be passed by a simple majority.¹¹

We have observed that several previous attempts to advance the Bill have been unsuccessful. This is partly due to concerns raised regarding its redundancy, as similar functions already exist within the government. Additionally, the Bill has faced significant opposition from the Treasury, constitutional lawyers, and environmental groups. The fundamental issues and questions regarding these previous attempts have not been addressed in this Bill before the Select Committee. We agree with the view of the New Zealand Law Society that “it is striking that a policy process purporting to promote good law-making and high-quality regulation should fail to meet the proposal’s own standards.”¹²

The Legislative Design Principles

The Bill seeks to establish a narrow set of principles that do not adequately capture the range of the State's responsibilities and duties, including protecting human rights, administrative fairness, and due process. We are concerned that the Bill would see all regulations assessed on ideological grounds and significantly change our constitutional foundations without support across Parliament.

The Bill is also silent on other important principles, including meeting wellbeing needs, protecting the environment, and protecting the interests of future generations.

¹⁰ “Interim Regulatory Impact Statement: Legislating to improve transparency of the quality of regulation,” *Ministry for Regulation*, 2024, <https://www.regulation.govt.nz/assets/RIS-Documents/Interim-Regulatory-Impact-Statement-Legislating-to-improve-transparency-of-the-quality-of-regulation-v2.pdf>

¹¹ “Submission: Consultation on proposed Regulatory Standards Bill,” *New Zealand Council for Civil Liberties*, 2025, <https://nzcccl.org.nz/submission-consultation-on-proposed-regulatory-standards-bill/>

¹² “Feedback on the proposed Regulatory Standards Bill,” *New Zealand Law Society*, 2025 <https://www.lawsociety.org.nz/assets/Law-Reform-Submissions/Proposed-Regulatory-Standard-s-Bill-13-January-2025.pdf>

Regulations do not exist in a vacuum, and it is crucial to consider the wider societal context within which these frameworks exist.

Our recommendations

1. Call for the Bill to be immediately withdrawn: InternetNZ | Ipurangi Aotearoa strongly recommends that the Finance and Expenditure Committee withdraw the Regulatory Standards Bill. The Bill's fundamental flaws pose unacceptable risks to effective digital regulation, social equity, Te Tiriti o Waitangi obligations, and evidence-based policymaking.

2. Pursue Evidence-Based Alternatives: We urge the Government to abandon this flawed approach and instead develop a genuinely effective pathway to enhance regulatory quality. This must involve:

- Robust Evidence: Prioritising comprehensive analysis of costs, benefits, and societal impacts
- Inclusive Engagement: Actively seeking diverse perspectives, particularly Māori voices, throughout the policy development process
- Future-Focused Design: Creating adaptable frameworks capable of addressing emerging digital challenges and opportunities.

3. Build Cross-Parliamentary Consensus: Any new proposals for regulatory improvement must be developed transparently and collaboratively to attract broad support across Parliament. Foundational legislation that significantly influences the creation of other legislation needs bipartisan support to ensure that improvements endure across political terms.

4. Prioritise Fit-for-Purpose Digital Regulation: Any future regulatory enhancement initiatives must explicitly ensure frameworks are fit for purpose in the digital age, capable of protecting citizens online, upholding Te Tiriti o Waitangi, and fostering an innovative and equitable digital future for Aotearoa New Zealand.

Want more details? Get in touch.

We welcome the opportunity for further dialogue on the Regulatory Standards Bill and on regulation that affects the Internet. Please contact us at policy@internetnz.nz.