



Submission to the Productivity Commission's Inquiry into Local Government Regulation

Tararua District Council has considered the Issues Paper on the Productivity Commission's Local Government Regulatory Review and wishes to make the following submission.

- 1. Involvement in policy formation with central government?
(What is the level of coordination and cooperation?)**
 - 1.1 Very little opportunity prior to the policy being sent out for consultation. Where feasible, policy input is through LGNZ and SOLGM or national professional membership groups such as Ingenium. Council has a very limited capacity to engage in policy development at the national level due to limited staff resources, and inability to recover costs to ratepayers even where Government Ministries seek formal input.

- 2. On what basis would you get involved in regulating something?
What practical effect has the power of general competence had on what and how you regulate?**
 - 2.1 Council generally creates new regulations as a requirement to meet national legislative requirements. Bylaws cover standard issues and the District Plan is relatively permissive. Each bylaw created or amended under the Local Government Act considers the four wellbeings as part of the assessment of effects, and hence the power of general competence has had no impact.

- 3. What regulatory areas currently do you consider are the role of central government and what areas are clearly the domain of local government?**
 - 3.1 Central government in setting national legislation should be required to undertake more evidence based regulatory impact statement assessment, so that the costs and ability to administer or comply are accurately considered. Where local government is required to administer national standards through creation of new bylaws, national minimum standards and / or good practice guidance should be part of every new regulatory requirement to ensure consistency of approach and reduce compliance costs.

- 4. Pressures as a regulator – what are they and where do they come from?**
 - 4.1 Largely from central government imposing new requirements such as gambling, prostitution, liquor, building control, water standards, dog control. These all come with review and reporting requirements. Locally there is ongoing pressure from local communities to 'fix' local problems. This has always occurred but makes up a small proportion of the regulatory processes of this Council.

5. What drives collaboration? Capacity constraints? Desire for efficiencies/cost sharing cooperation? Where/when do you think about working together on regulation?

5.1 The Council is involved in collaboration across a number of activities. These initiatives are driven by a pragmatic approach to delivering efficient services. In building control, it is driven by the availability of skilled staff and the costs of accreditation. In most policy areas, good practice examples are used as a basis for policy development.

6. Regulatory Variation

6.1 Variation is not a problem; it reflects the active participation and democracy in different communities. Attempting to make rural and urban communities have the same regulations infers that all communities have the same values and priorities.

6.2 In areas where resources are limited and the impacts of additional activity are high, it is logical that business costs are higher. This is true for labour, power, water, transport etc and is an accepted part of the cost of doing business. Local government regulations are no different, and can be challenged through the courts.

6.3 If variation is resulting in national targets not being met then national minimums / standards should be set. Any regulation devolved to local government will result in local rules and this should be expected.

7. Centralise or Local?

7.1 The Tararua District Council has a small staff focused on the efficient and effective delivery of services. The district is large and sparsely populated. Local knowledge is crucial to enforcement and service delivery. The Council administration office has low overheads and a high degree of technology usage.

7.2 Given the relatively small volume of work, most staff carry out administrative and customer contact tasks. Centralising administration (as a general rule) would result in higher costs and lower service. The Council would prefer to continue on the existing basis, as it sees no benefits and cost savings achieved through centralisation. Better decisions are made close to the source of the community concerned, rather than at a distance devolved to an external outside agency. This retains the philosophy of decisions being made at the community level to determine solutions to local issues.

8. Getting Regulation Right

8.1 Government policy development resulting in regulations needs to have input from operational delivery staff at the start of the process. Assessments of costs and benefits need to consider the wider priorities for investment in local communities. Regulation requirements should reflect the differences between rural and large urban areas, and the costs of imposing additional processes on communities that have no need for them.

- 8.2 Regulatory requirements imposed on local government over the last ten years have resulted in pressure on rating levels and increases in fees and charges.
- 8.3 Funding policies reflect local issues and a complex mix of levels of service and rating decisions. Councils receive a swift public response to charges that are too high. Imposing more requirements around this process will result in even more complexity and costs with little change to the outcome.

9. Regulatory Assessment

- 9.1 Comparing these measures between councils would need to allow for varying levels of service. Collecting data nationally could be useful in some cases, in others it would be meaningless and just create additional costs. Comparing the cost of delivering a service is particularly difficult due to overhead allocations, population density, growth rates etc and would often be misleading. The Council is unsure of what problem is trying to be solved here.

Providing examples of good practice and templates / software for standardised processes would be useful and in many cases enhance delivery and reduce costs. These sorts of tools, as well as measures developed in partnership between central and local government in the policy development phase, would be welcomed.

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