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1 March 2013

Inquiry into Local Government Regulatory Performance
New Zealand Productivity Commission
PO Box 8036
The Terrace
Wellington 6143

Dear Sir/Madam

**Towards Better Local Regulation - Productivity Commission Draft Report
December 2012**

Thank you very much for the opportunity to submit on this draft 262 page report. This submission follows on from the Southland District Council's submission of 29 August 2012 to the previous "Regulatory Performance Issues Paper", which preceded this latest report in 2012.

Firstly, the Council would commend the Productivity Commission for this latest report, which this Council considers to be a well balanced, well presented and informative report. It is also noted and appreciated that the Commission appears to have taken on board many of the issues raised by this Council in its submission to the previous Issues Paper.

Secondly, the Southland District Council would wish to reiterate that it fully supports the importance of efficiency in local government regulatory practice, and is striving to continuously improve Council regulatory processes. The Council also has a strong focus on budget management in the regulatory area, so as to ensure that regulatory services are delivered in a cost effective manner and, as highlighted in Council's previous submission, has several shared services and contractual arrangements in place to assist with this.

With regard to some of the key issues raised in your current report, the Council submits as follows:

The Quality of Regulation Reflects Central Government Practices

The Council agrees that where central government requirements impose a regulatory duty on councils, then the clarity and quality of the central government requirements often has a strong correlation/relationship to how these are delivered in practice at local government level.



An example could be the recent National Environmental Standard in relation to contaminated land. The Council supports the purpose of this NES in ensuring historical contamination is suitably investigated and if necessary remediated rather than potential hazards persisting into the future. However, staff at the coal face at this Council and others have found some of the requirements of the NES difficult to interpret.

A closer working relationship between central and local government, and particular regard being had by central government to submissions from Local Government New Zealand (LGNZ) on future regulation, could assist with addressing this. LGNZ represents the bulk of the local government sector. Southland District Council is a member, and the Council considers that LGNZ submissions are well formulated and speak for a range of views across the wide spectrum of local government entities in New Zealand, and hence can add significant value to central government regulatory initiatives. This could also address another concern of the Commission's report, being that **"national regulatory standards are often inconsistently applied"**.

How should Roles be allocated between the tiers of Local Government?

The Southland District Council supports the Commission's view that regulatory functions should be performed closest to the community that is affected, unless there is good reason to centralise. This is consistent with this Council's approach to service delivery generally.

In so saying, the Council agrees with the Commission's view that there could be good reasons to deviate from this approach in some instances, such as where the necessary competencies are not available locally, and/or where significant cost savings can be achieved.

Monitoring and Enforcement appears to be under-resourced

The Council notes this finding of the report and to some extent concurs. The Southland District covers 11% of New Zealand and hence having sufficient monitoring resources to cover all parts of the District regularly while keeping costs, and hence rates, down is a significant challenge.

However, the Council has also sought to focus on non-regulatory methods to achieve desired environmental outcomes, such as co-funding a position for a person to seek to progress non-regulatory protection of indigenous vegetation (eg by covenanting) rather than the alternative of battling owners in Court over the removal of indigenous vegetation.

Co-operation on Regulatory Functions is widespread

The Southland District Council is very pleased to see the Commission recognising the high level of shared services and co-operation occurring in Southland and other regions. This is delivering better outcomes and reduced costs to ratepayers, and the focus on such opportunities is ongoing in Southland through the Southland Shared Services Forum.

Ways Forward

The Southland District Council would wish to support the following suggested "Ways Forward" as outlined in the report:

"Better co-ordinating regulatory activity to avoid unnecessary strains on the system (eg ensuring local authorities are given adequate lead time to prepare for regulatory change and phasing the introduction of new regulations to avoid bottlenecks)."

The Council considers this would be useful, and a recent positive example is the Sale and Supply of Alcohol Act 2012, where councils have been given workable lead times for implementation.

“Improving the quality of engagement between central and local government through meaningful consultation and encouraging a change in culture in both spheres so that they view each other as policy partners and co-regulators.”

The Council would strongly support these comments. In some recent central government submission processes which Council has actively participated in, it has felt that there is a pre-determined central government agenda and hence that consultation and submission processes are really just “going through the motions”.

A more collaborative partnership approach could have positive benefits for everyone, and recognise that both central and local government are working for the benefit of Southland’s communities and New Zealand.

Thank you very much for your consideration of this submission.

Yours faithfully



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