



CLUTHA DISTRICT COUNCIL

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SUBMISSION TO NEW ZEALAND PRODUCTIVITY COMMISSION INQUIRY INTO LOCAL GOVERNMENT REGULATION – DRAFT REPORT

The Clutha District Council submitted on the original review, and now wishes to follow that up by responding to the Draft Report prepared by the Commission.

Overall, the Clutha District Council strongly supports the Draft Report, and congratulates the Commission on having genuinely assessed the issues and come to its own conclusions. Local government is often the messenger that is shot due to costs and regulations which are actually imposed by central government, and it was refreshing to see that this report looks beyond that perception.

In supporting the Draft Report, Council would like to highlight the following points:

Probably the most important finding in the Draft Report is the mis-alignment of views between central and local government. Our Council's own experience in dealing with central government is that we are seen as a 'delivery' mechanism, rather than as a partner with our own funding, democracy and responsibility to our community.

As a result of this view of local government as a delivery mechanism, we are often forced into poor quality decision-making and spending. The 'unfunded mandate' is part of this, but often it also involves the shifting of priorities and spending. This was the point of our submission in terms of National Drinking Water Standards – our communities will naturally spend some rates money on water supply treatment, but the Standards have interfered with their ability to weigh the amount of that spending up against other priorities (such as rates spending on road safety, or reducing the rates take so as to have more money for personal health and wellbeing spending).

The Draft Report also finds that there are often shortcomings in the way that regulations are made at the central government level, and that national standards do not necessarily improve consistency. We would support those findings. One example is the National Environment Standards for wood burners. The two-hectare property size used as a trigger in that standard may work reasonably well in urban areas, but does not when dealing with small rural landholdings. Another example is the National Environmental Standards for Assessing and Managing Contaminants in Soil to Protect Human Health. This Standard is very complicated and technical, so that it is inevitable that there will be differences in interpretation (including for private consultancies as much as councils). The two consents we have processed under the Standard so far both replicated controls that were already in place through other

mechanisms, thereby costing the applicants hundreds of dollars in consent fees and probably thousands of dollars in consultant fees, for no environmental benefit.

The Draft report also found that monitoring and enforcement appear to be under-resourced. While we agree with that finding in general, it is important to remember that 'under-resourcing' will often be in the eye of the beholder. We repeat the example given in our original submission regarding freedom camping enforcement. Our Council went through a full public consultation process, and as a result chose not to have dedicated enforcement patrols but to instead put effort into education and information. This is a valid and reasonable decision, weighing up the cost of enforcement against the scale and severity of the problem. Communities need to retain the ability to set such priorities for themselves – if all councils were expected to fully monitor and enforce all issues that lie within their jurisdiction, there would be a huge amount of extra cost and wasted effort.

In terms of a way forward, Council strongly supports the broad themes identified in the Draft Report. In particular, we consider that the greatest gains to be made will come from improving the quality of engagement between central and local government, and encouraging a change of culture so that the two spheres of government see each other as policy partners and co-regulators. As highlighted in the National Environmental Standards examples given above, stronger direction from central government will not in itself deliver better local government regulation – it needs both central and local government to be working to common purposes.

This is not to underestimate the scale of change in existing mind-sets that will be required. We point out that Local Government New Zealand has consistently shown its willingness to play an active part in engagement, but has at times struggled to gain acceptance of its role by central government agencies. We consider it would be very helpful if the final Report addressed this issue directly, and made it explicit that central government agencies should be expected to work with Local Government New Zealand as a matter course.

We also agree with the Draft Report that effecting this change will require a clear framework for allocating regulatory functions, and the Draft Report should be used as the starting point in this regard.

Conclusion

The Clutha District Council strongly supports the overall findings of the Draft Report. We see real value in having a clear set of principles for allocating regulatory roles, and in developing better collaboration between central and local government to ensure that the implementation is as effective and efficient as possible.

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