

Otago Regional Council Submission

to

The New Zealand Productivity Commission

on the

Towards Better Local Regulation Report December 2012

This is a submission to The New Zealand Productivity Commission on the Towards Better Local Regulation Report December 2012.

The Otago Regional Council wishes to be heard in support of this submission if the opportunity arises.

Signature of submitter (or person authorised to sign on behalf of submitter):



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Full Submission

This is a submission to The New Zealand Productivity Commission on the Towards Better Local Regulation Report December 2012.

The Otago Regional Council (Council) is generally supportive of the findings and recommendations; however it does wish to make the following comments.

The relationship between central and local government is not well defined. However, the Commission report does not focus on better clarification of this relationship and it remains unresolved which creates much of the tension and makes resolution of a lot of the concerns expressed unrealistic. If the tension is not removed the full functionality of local government can not be realised.

The Commission report dwells on “war stories” from various parties who have had unfortunate relationships with local government. It is these situations, where parties have either under-performed or exceeded their powers, which have driven much of the summary, conclusion and recommendations of the Commission. These situations are usually addressed through rights of challenge against the decision-making process, and how any challenge has been addressed is not covered by the Commission report.

The Commission report attempts to develop a regime where processes and systems will be unable to be mismanaged while not recognising that much of the basis for their concerns are from individual behaviour by decision-makers in local government. Clearly there is little that central government regulation can do to ensure behaviour rather than relying on the checks and balances.

The report does recognise that the unsure relationship means that regulation is not well constructed by central government, and often the costs incurred by local government are not well understood prior to delegation.

Council makes the following comments on specific report findings (F):

- F 4.3
Decision-making needs to recognise differences in the life cycle of situations being managed, as at the local level, circumstances may mean local preferences are not all expressed at the same point, notwithstanding the acceptance of national management.
- F 4.4
The listed matters are not relevant drivers for allocation which should recognise who can allocate costs to the community, such as transaction costs.
- F 4.5
The question of current capability is not required for the role as the existence and quality of governance are not relevant matters as these can and do develop and evolve within a context.
- F 4.12
Council supports this. Particular examples include understanding the cost of leaky homes and the promotion of public transport.
- F 4.13
This is the only real reference to developing a meaningful relationship, but is underpinned by central government recognising that as part of governance it is a political process, not technical.
- F 7.1
This Council has experienced this in relation to the mismatch between the Land Transport Management Act Impact Statement and the Bill.
- F 7.5
Council supports this as it is the appearance of providing support for a whole of government approach and this can only improve the relationship between central government (and its many agencies).

- F 7.7
The process in and of itself is supported, but generally timing is poor as regulatory impact statements tend to be post decision-making rather than prior to decision-making.
- F 7.12
Council is concerned that this material is difficult to find as there is no centralised base and it is not promoted well. Most local government work is undertaken to ensure good quality outcomes are achieved.
- F 8.5
Council is concerned that often central government does not understand the existing commitments in local government and therefore the pressure when there is a need to allocate resources for the implementation of new functions.
- F 9.1
Council accepts the statement, however, it undermines the reason behind it which is that councils are often fully employed in undertaking the current workload and extending its powers is constrained by consultation mechanisms in local government.
- F 9.4
The assumptions in this are wrong as often inconsistency can be seen as diversity which reflects local circumstances. This, as currently stated, assumes difference is a behavioural problem and this is not the case.
- F 9.5
This is a negative statement and the alternative could be that 73% of businesses surveyed are satisfied with the regulatory response.
- F 11.2
It is difficult to understand the point of this comment other than an attempt to suggest some negative connotation. In context, this information relates to health and safety, food and hygiene promotion within the community, and reflects a user

pays world. A larger question is, should a regulation exist and who should pay for that regulation.

- F 13.1

The assumptions made are incorrect and the largest reason is the cultural differences around decision versus majority decision-making. For example, the decision-making timelines required under the RMA are not conducive to a consensus system of decision-making.

- F 14.2

This is further added to by different government departments requiring reporting on various matters, e.g. MfE, NZTA, DIA.