



# RUAPEHU DISTRICT COUNCIL

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**To:** Inquiry into Local Government Regulatory Performance  
New Zealand Productivity Commission  
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**Subject:** **Submission: Inquiry into Government Regulatory Performance**

**Submission from:** Ruapehu District Council  
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Council does not wish to speak in support of its submission.

Ruapehu District Council (RDC) would like to thank The New Zealand Productivity Commission for the opportunity to submit on Towards Better Local Regulation

Ruapehu District Council agrees with and supports the LGNZ submission and makes these further comments to express the concerns of Ruapehu District Council.

## 1 INTRODUCTION

1.1 Almost all regulations administered by councils are undertaken at the direction of

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central government. This has been reflected in rising compliance costs to RDC over a number of years. While in some areas these costs can be passed on to users (RMA is a good example of this) other costs have to be absorbed and are reflected in increased rates for the general community.

- 1.2 The rising costs of regulations are an ongoing concern to Ruapehu District Council. Council has noted the increased regulations cause some inefficiencies to creep into the system. This has been recently seen where RDC has had to pursue old building records, a time consuming exercise with no purpose other than to satisfy regulations.
- 1.3 Another example of the increased amount of regulations was seen when RDC applied for Capital Assistance Funding for Water Schemes. The level of detail and information repeatedly required makes the process of applying for funding highly inefficient. Audit guidelines continually ask for new ways to demonstrate that values are reasonable. There must be some acceptance of a reasonable baseline of information based on the size of the community. The cost of demonstration becomes too high when the benchmark suggests one applies Auckland to RDC.

There needs to be some compromises between necessary regulations and efficiencies.

- 1.4 An example of this is the current 'Review into the Building Seismic Performance'. This will have unnecessary repercussions on small towns and seems to be aimed at removing all possible risks at the expense of benefits. There needs to be due diligence into the repercussions on rural and small towns before regulations aimed at big cities are put into place.
- 1.5 Central government enforced regulations should make provision for the implementation of blanket exemptions taking into consideration the specific nature and demographics of local areas. Exceptions could be based on a variety of measurable criteria, that will speed up the process and make it much more affordable, but still within the acceptable safety margins proposed by probability and reasonability.
- 1.6 The proposed Earthquake Policy (Building Seismic Performance) would be near impossible to implement in view of the available manpower and financial constraints on rural Territorial Authorities, as well as the new purpose of the Local Government Act that strongly focuses on the cost-effectiveness to households and businesses.
- 1.7 The cost of regulatory activities has a clear impact on regional economic growth and ultimately national growth. For example the cost of water and sewerage regulations has impacts on the ability of small communities to afford these services, and limits growth.

## **2 MAIN DISCUSSION POINTS**

RDC recommends that regulations must take into account the differences between Local Authorities.

- 1.6 The following are comments made over and above the comments from LGNZ. RDC supports the submission and the responses from LGNZ.

**3 Diversity across Local Authorities:**

- 3.1 Councils should be able to play an active role in economic development if their community desires this. This is a function of Local Authorities, and to what extent a local council should play an active role in pursuing economic development is one that only local voters can determine.

**5 The funding of regulations**

- 5.1 Central Government grants are one way of improving the quality of regulations particularly if targeted to councils representing low socio economic communities. The ongoing cost of regulations is of concern to RDC. RDC agrees with the suggestion that general grants could be used to assist councils lacking capacity to provide a higher minimum level of service and it is appropriate that councils have the discretion to allocate such funds as required.

**10 Local monitoring and enforcement**

- 10.1 Enforcement is a huge cost to Local Authorities. The benefits of enforcing infringement notices for activities, for example for resource management and illegal dumping of waste, need to be balanced against the cost of providing warranted officers to implement enforcement and the collection of infringement fines. Many councils find the cost of enforcement and prosecution to be greater than income received from a successful prosecution. In the end, the time and resources spent on court actions that fail to influence behavioral change is not an effective or efficient use of council resources.

**13 Local Regulation and Maori**

- 13.1 RDC has worked hard to ensure local iwi participate in decision making and the present Māori Council has seen an improvement in Māori involvement at local level. Local Authorities need the ability to work with iwi in their area to ensure that Māori are involved in the best way possible for all.

**14 Performance assessment options**

- 14.1 RDC believes that performance assessment should allow councils to set their own standards in consultation with local citizens. Performance measures used in the Long Term Plan and Annual Plan already provide a mechanism for monitoring performance.

**15 Fees and Charges**

- 15.1 Fees and Charges should be at the discretion of local authorities, subject to the requirements of section 101(3) of the Local Government Act 2002.



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Pauline Welch