

## INTERNAL AFFAIRS

Te Tari Taiwhenua

## Local Government Briefing

**Hon Paula Bennett**  
**Minister of Local Government**

Copy to: Hon Peseta Sam Lotu-liga  
 Associate Minister of Local Government

Title: **Cabinet paper: Establishment of a Central-Local Government Regulatory Review Group**

Date: 9 July 2014

**Key issues**

At the Cabinet Economic Growth and Infrastructure Committee meeting on 25 June 2014, you were invited to submit a further paper on proposals for the establishment of a joint central-local government group to consider regulation that adversely affects property owners. A draft Cabinet paper is attached.

**Action sought**

**Either:**  
**provide feedback** on the attached Cabinet paper;  
 or  
**sign and submit** the Cabinet paper and associated CAB100 form, recommending Cabinet approve the establishment of a Central-Local Government Regulatory Review Group.

**Timeframe**

By 10:00am on Thursday  
 17 July 2014.

**Contact for telephone discussion (if required)**

Name	Position	Telephone		Suggested first contact
		direct line	after hours	
Kathy Perreau	Director Policy	04 495 7235	021 243 5690	✓
Damian Zelas	Principal Policy Analyst	04 495 9487	027 703 9738	

Return to: Alessandro Aduso, level 7 46 WT  
 DMS file reference: PLG-1785017 4056565DA  
 Ministerial database reference: LG201400422

### **Purpose of briefing**

1. A draft Cabinet paper proposing the establishment of a Central and Local Government Regulatory Review Group (the Review Group) is attached for your consideration.

### **Cabinet Committee's invitation**

2. The Productivity Commission's report, *Towards Better Local Regulation*, concluded that the current regulatory system involving local government is not working as well as could be expected.
3. On 26 June 2014 the Cabinet Economic Growth and Infrastructure Committee (EGI) agreed that the Government accept most of the Productivity Commission's 29 recommendations [EGI Min (14) 13/1 refers].
4. At that meeting, EGI invited you to submit a proposal "for the establishment of a joint group of central and local government representatives tasked with reviewing the regulatory requirements that affect property owners and identifying those that are not fit for purpose from the perspective of individual ratepayers".
5. We have also set out some potential variations on the EGI scope for your consideration.

### **Establishment of a Central-Local Government Regulatory Review Group**

6. Draft terms of reference for the Review Group are attached to the Cabinet paper. The key parameters proposed for the Review Group are, in brief:
  - a. *Membership* – up to 10 members, representing central and local government. Industry, community, advocacy and business groups could also be represented as appropriate.
  - b. *Period* – mid November 2014 to mid 2015.
  - c. *Proposed Scope* – Listening to local concerns about regulation that is not fit-for-purpose. Identification of opportunities for central government and/or local government to address regulatory requirements affecting property owners that result in poor local outcomes, and are inefficient or ineffective.
  - d. *Support arrangements* – To be confirmed following confirmation of scope. The Department would provide secretarial and policy analysis support. Other agencies would also need to be involved.
7. Local government input to the Terms of Reference and the review scope will be important to ensure a joint approach with central government to the operation of the Review Group. It is recommended that the Terms of Reference be finalised in consultation with the Chair of the Review Group once the proposal has been discussed with local government.

### **Scope options**

8. The attached draft Cabinet paper seeks agreement "that a Central-Local Government Regulatory Review Group be established to advise the Minister of Local Government and other Ministers, of unnecessary or poor-performing local regulation that adversely affects property owners".

9. However the body of the draft Cabinet paper outlines four scope options for the review. These range from broad to narrow.
- **Option One – review of citizen’s experience of regulation**
  - **Option Two – start with a review of property owners’ experience of regulation** (this is the review approach recorded in EGI Min (14) 13/1)
  - **Option Three – local government helps identify priority, i.e. whose experience of regulation to review**
  - **Option Four – review of channels available for citizens to feedback on regulation**
10. The draft paper proposes a preference for Option Two. The overall focus is citizen-centric but with a staged approach. Under this model regulation that impacts property owners would be the first to be reviewed. If this review proves beneficial, subsequent review work could look at how other groups of citizens are impacted by regulation.

### **Publicity**

11. The Department understands that the Prime Minister intends to announce the Government response to the Productivity Commission report and release the associated documents on 22 July 2014 at the Local Government New Zealand National Conference.

### **Next steps**

12. If you prefer a different scope option or approach, the Department will work with your office to provide an amended paper for you to submit to the Cabinet Office by 17 July for consideration by Cabinet at its meeting on 21 July 2014.
13. Following Cabinet’s consideration of the proposal to establish the Review Group, we will amend the Government response to the Productivity Commission’s recommendations, and the Government response statement, for your joint release with the Minister of Finance/for Regulatory Reform. The amended documents will note the initiative to establish the Review Group.

## Recommendations

14. The recommendations are that you:

a) **note** that the attached Cabinet paper as drafted recommends that a Central-Local Government Regulatory Review Group is established to advise the Minister of Local Government and other Ministers, of opportunities to address unnecessary or poor-performing local regulation that adversely affects property owners;

b) **either**

i. **provide feedback** on the attached Cabinet paper

**Yes / No**

**or**

ii. **sign and submit** to the Cabinet Office before 10:00am on Thursday 17 July 2014, the attached Cabinet paper, and associated CAB100 form, which recommend that Cabinet approve the establishment of a joint Central-Local Government Regulatory Review Group; and

**Yes / No**

c) **note** that Prime Minister the intends to announce the establishment of the Review Group, subject to Cabinet's confirmation, and the remainder of the Government response to the Productivity Commission's report, at the Local Government New Zealand National Conference on 22 July 2014.

Kathy Perreau  
Director Policy

Hon Paula Bennett  
Minister of Local Government

/ /2014

Chair  
Cabinet

## **ESTABLISHMENT OF A CENTRAL-LOCAL GOVERNMENT REGULATORY REVIEW GROUP**

### **Proposal**

1. Cabinet approval is sought to establish a joint Central-Local Government Regulatory Review Group (the Review Group) with representation from local government, central government and other groups as required, to listen to local concerns and find opportunities to improve regulation/legislation which is administered by local authorities (local regulation<sup>1</sup>).
2. The focus is identifying not fit-for-purpose regulation which adversely and unnecessarily affects property owners. Subject to the finalisation of its Terms of Reference, it is proposed that the work of the Review Group would commence in mid-November 2014 and report to the Minister of Local Government in mid-2015.

### **Background**

3. On 25 June 2014, the Cabinet Economic Growth and Infrastructure Committee (EGI) agreed that the Government accepts most of the 29 recommendations contained in the Productivity Commission's May 2013 report *Towards Better Local Regulation* [EGI Min (14) 13/1 refers].
4. At that meeting, it was agreed that I would, in consultation with other ministers as appropriate, submit a further paper to EGI in July 2014 on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the regulatory requirements that affect property owners and identifying those that are not fit-for-purpose from the perspective of individual rate payers. This would form part of the Government response to the Productivity Commission's Report.

### **Opportunities to improve local regulation**

5. There are a wide range of regulations that affect property owners and those who enjoy the use of property, for example business owners and those who hold consent rights. For the purpose of this paper they are collectively referred to as "property owners". It is important that regulation strikes the right balance between public benefits and the costs imposed on the regulated parties. It is also important that complying with regulations is made as easy as possible for property owners.
6. The Productivity Commission's report, *Towards Better Local Regulation*, concluded that the current regulatory system is not working as well as could be expected. I am aware that some property owners have concerns about the regulatory requirements that they must meet and the time and money required to complete regulatory transactions. It is important that government understands the basis of such concerns, in order to act on

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<sup>1</sup> For the purpose of this paper 'local regulation' is regulation/legislation which is administered by local authorities. This includes locally made regulations under the Resource Management Act, including those in councils' district plans and decisions made under the Building Act

opportunities to improve regulation and address unintended consequences for property owners.

7. I want to know more about local regulation that does not appear to make sense in the context in which it is imposed, presents unnecessary bureaucratic hurdles for property owners, or does not deliver on the outcomes intended in an efficient and effective manner.
8. I am aware that colleagues have noted examples of regulation where the balance between public benefits and costs to the party being regulated may not be appropriate. These examples include: the fencing of a covered spa pool<sup>2</sup>; a fire escape that could not pass a window because of privacy concerns; the requirement to install windows in a room that already had ranch sliders; and the inflexible application of district plan rules which can interfere with the ability of owners to properly manage trees on their property.
9. Regulation that is of concern to property owners is likely to exist in many other areas. For example, in assessing and rectifying earthquake-prone buildings, and in water reform where there is scope for regional variation that may negatively affect some land owners and water users. Property owners may have concerns, including about the length of time required to get consents, or the associated costs.
10. That local regulatory outcomes can be improved, is supported by evidence from the Kiwis Count survey. Results from March 2013 suggest much lower public satisfaction with government services when they are delivered by local government, compared to when either central or local government deliver their own services.
11. Improvements to local regulation may be achieved centrally through regulatory change, or through changes in local practice. But before opportunities to make improvements can be realised the government needs to be sure that any changes will support good public policy objectives, as well as alleviating unreasonable 'pressure points' for property owners.

**Central-Local Government Regulatory Review Group to identify opportunities to improve regulation that affects property owners**

12. I recognise the Productivity Commission's finding that in-depth reviews and evaluations can be valuable. I propose to establish a Central-Local Government Regulatory Review Group (the Review Group) to identify regulatory improvement opportunities, commencing in mid-November 2014 and reporting back in mid-2015.

Scope options

13. As noted earlier, EGI invited me to submit this paper "on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the *regulatory requirements that affect property owners*, and identifying those that are not fit-for-purpose from the perspective of individual rate payers".
14. I have considered this comparatively narrow focus on regulatory requirements that affect property owners and the nature of the discussion at the EGI meeting. I am of the view that there are three options for the scope of the proposed Review Group's work, plus one option that could be adopted in isolation or combination.

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<sup>2</sup> Note that on 28 November 2013 the Minister of Building and Construction announced a proposal that would remove the requirement for spa pools with a child proof cover to be fenced [EGI Min (13) 28/9 refers]. However, this remains an example of unnecessary regulatory burden, until the change occurs.

15. **Option One – review of citizen’s experience of regulation:** At its most broad the review could consider opportunities to improve the regulation experienced by all citizens. Such a review would likely be a significant undertaking, including (in addition to property) many regulatory matters such as dog licensing, freedom camping, transport, health and safety, and food safety, etc. could also be raised. This large scope would increase the cost and time taken for a review. In addition it could simultaneously have implications for many aspects of the government’s legislative program, which may give rise to some logistical issues.
16. **Option Two – start with a review of property owners’ experience of regulation:** This is the review approach recorded in EGI Min (14) 13/1. A citizen-centric approach is valuable, but a more limited scope would make the Review more manageable. This could be achievable by taking a staged approach, with the regulation that impacts property owners being the first to be reviewed. If this review proves beneficial the review work would be continued to look at how other groups of citizens are impacted by regulation.
17. **Option Three – local government helps identify priority, i.e. whose experience of regulation to review:** A variant of Option Two, this option would see the government consulting with local government to select the first group of citizens whose experience of regulation would be reviewed, or potentially the topic. This approach has the advantage of building relationships between central and local government and increasing local government buy-in to the Review. This could be particularly helpful if the Review Group identifies implementation by local government as a driver of poor regulatory outcomes for citizens.
18. **Option Four – review of channels available for citizens to feedback on regulation:** An additional option is for a review to look at how citizens express their concerns to the owners of regulatory systems. Such a review would consider whether appropriate channels exist for regulated parties and others affected by a regulated activity to express their concerns, and how the regulatory authority uses this information to improve the quality of the regulation. A review of this nature could occur at the same time as any of the first three scope options, or as an alternative approach.

#### Recommended Scope

19. On balance my preferred option at this time is **Option Two - review of property owners’ experience of regulation**, as this would provide the Review Group with a manageable scope and provides the basis of a concrete proposal to consult on. I think it is important that the Review Group is able to consider matters covered by Option Four (review of channels for raising concerns), where these matters are raised. However, this should not be the main focus of this Review Group.
20. If this Review Group is successful in identifying high value opportunities to yield significant improvements with minimal resources, further reviews should be undertaken. These reviews would provide opportunities for local government to suggest areas of concern (similar to Option Three). If this Review identifies in its report back that it would be valuable to look at feedback channels for regulated parties (similar to Option Four), this can also be incorporated. However, to include these features at this time risks a scope that fails to support a focused review.
21. I therefore propose that the Review Group would review and advise the Minister of Local Government (jointly with other Ministers as appropriate) of opportunities to address poor-performing local regulation. A focus on identifying opportunities will obtain the best value from the Review Group, enabling officials with detailed technical and legal skills to

subsequently advise on options to address the opportunities. While the Review Group would not be asked to recommend solutions, I would consider the process a success if the opportunities it identifies in its final report are high-value opportunities and able to be fixed. These may be short-term 'easy-fixes', or solutions that require legislative change.

22. Specifically, the Review Group would consider local regulation:

- that adversely and unnecessarily affects property owners, resulting in poor local outcomes, or is inefficient or ineffective;
- that can yield significant improvements with minimal resources ('high-value'<sup>3</sup> opportunities); and
- where there is an opportunity for central government to remedy that situation.

23. The Review Group may also identify issues with locally-developed regulations, such as those within district plans. In this situation such matters would need to be communicated to councils. With local government representation on the Review Group, this would need to be confirmed as part of the Terms of Reference.

24. I understand that some of the matters that the Review Group may identify have already been sufficiently canvassed in other reviews (e.g. RMA reforms). The final Terms of Reference should be clear about how these are considered, as it would be inefficient for them to be revisited.

25. A draft, indicative Terms of Reference for the Review Group is attached as **Annex One**. Discussion with local government and input from the Chair of the Review Group would be needed to finalise the Terms of Reference.

### Membership

26. There are no statutory criteria for appointment to the Review Group. However, candidates with strong knowledge of local government and an understanding of the objectives of local regulation would be desirable. Review Group members would be required to listen to local concerns and relate these to the underpinning legislative and regulatory frameworks, in order to discern opportunities for improvements to be made.

27. Review Group members should collectively have among them experience in local regulation, possibly in a locally or centrally-elected representative capacity that involves local government.

28. To allow appropriate representation from local government, central government and interest groups, the Review Group could have up to 10 members. The actual membership is yet to be finalised. Appropriate consideration would need to be given to the diversity of its membership. Members and their fees would be considered by the Cabinet Appointments and Honours Committee.

### **Consultation**

29. This paper was prepared by the Department of Internal Affairs. The Ministry of Business, Innovation and Employment; Ministry for the Environment; and the Treasury were consulted.

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<sup>3</sup> High value opportunities relate to specific areas of regulation affecting property owners where the removal or amendment of the requirements could provide significant benefit to property owners without producing detriment to other stakeholders or to public policy objectives.



30. The Canterbury Earthquake Recovery Authority; Department of Conservation; Ministry of Health; Ministry of Justice; Ministry of Social Development; State Services Commission; Te Puni Kōwhiri; Ministry for Culture and Heritage; Land Information New Zealand; Maritime New Zealand; New Zealand Police; Ministry for Primary Industries; Ministry of Education; and the Department of the Prime Minister and Cabinet were informed.

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31. Local government (including Local Government New Zealand) has not been consulted at this stage. Consultation with local government will occur once Cabinet has noted my intentions in this paper. Local government input to the Terms of Reference and the review scope will be important to ensure a joint approach with central government to the operation of the Review Group.

### **Financial Implications**

32. Remuneration for members of the proposed Review Group would not have direct or immediate additional costs outside baselines.

### **Human Rights**

33. There are no human rights implications arising from this paper.

### **Legislative Implications**

34. There are no legislative implications arising from this paper.

### **Regulatory Impact Analysis**

35. A Regulatory Impact Statement is not required.

### **Publicity**

36. If agreed, I propose that the Prime Minister announce the Government's intention to work jointly with local government to establish the Review Group and finalise its Terms of Reference. His speech at the Local Government New Zealand National Conference on Tuesday 22 July 2014 would offer an appropriate opportunity for this.

### **Recommendations**

37. The Minister of Local Government recommends that the Committee:

1. **note** that at the Cabinet Economic Growth and Infrastructure Committee's meeting of 25 June 2014, I was invited, in consultation with other Ministers as appropriate, to submit a further paper to EGI in July 2014 on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the regulatory requirements that affect property owners, and identifying those that are not fit-for-purpose from the perspective of individual rate payers;
2. **agree** that a Central-Local Government Regulatory Review Group is established to advise the Minister of Local Government and other Ministers, of opportunities to address unnecessary or poor-performing local regulation that adversely affects property owners;
3. **note** that the establishment of a Central-Local Government Regulatory Review Group would form part of the Government response to the Productivity Commission's

report *Towards Better Local Regulation* [EGI (14) 138 refers], as it responds to several of the issues and recommendations raised by the Productivity Commission;

4. **note** that the attached draft Terms of Reference for the creation of a Central-Local Government Regulatory Review Group would be finalised following discussion with local government and input from the Chair of the Group upon their appointment;
5. **note** that the Local Government New Zealand National Conference on Tuesday 22 July 2014 would offer an opportunity to announce the establishment of the Review Group and the remainder of the Government's response to the Productivity Commission's Report; and
6. **note** that the Minister of Local Government has not involved Local Government New Zealand in the development of the Government's response to the Productivity Commission Report, but will inform them of the key response elements and discuss the Terms of Reference and membership of the Review Group with them once Cabinet has considered this paper.

Hon Paula Bennett  
Minister of Local Government

/ / 2014

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## INTERNAL AFFAIRS

Te Tari Taiwhenua

## Local Government Briefing

**Hon Paula Bennett**  
**Minister of Local Government**

**Copy to:** Hon Peseta Sam Lotu-liga  
 Associate Minister of Local Government

**Title:** Aide Memoire for the Cabinet paper: *Establishment of a Central-Local Government Regulatory Review Group*

**Date:** 17 July 2014

**Key issues**

On 21 July 2014 Cabinet will consider your Cabinet paper: *Establishment of a Central-Local Government Regulatory Review Group*. This aide memoire summarises the Cabinet paper's main points to help you prepare for this meeting.

**Action sought**

Read in preparation for Cabinet

**Timeframe**

Before Cabinet meets at 11:00am, on 21 July 2014

**Contact for telephone discussion (if required)**

Name	Position	Telephone		Suggested first contact
		direct line	after hours	
Kathy Perreau	Director Policy	04 495 7235	021 243 5690	
Damian Zelas	Principal Policy Analyst	04 495 9487	027 703 9738	✓

Return to: Damian Zelas, level 6, 46 Waring Taylor Street  
 DMS file reference: PLG-1785-17  
 Ministerial database reference: 4076420DA



Kathy Perreau  
 Director Policy

## **Aide memoire for Cabinet on 21 July 2014**

- On Monday 21 July at 11:00am Cabinet is considering the establishment of a joint Central-Local Government Regulatory Review Group (the Review Group).

### **Background**

- The Productivity Commission Report "Towards Better Local Regulation" was released in May 2013.
- The Government intends to announce its response to the report on Tuesday 22 July 2014, at the Local Government New Zealand conference.
- On 25 June 2014, the Cabinet Economic Growth and Infrastructure Committee invited you to "submit a further paper ... on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the regulatory requirements that affect property owners and identifying those that are not fit for purpose from the perspective of individual rate payers" [EGI Min (14) 13/1 refers].
- The Cabinet paper seeks approval to establish the Review Group, which would have representation from local government, central government and other groups as required.
- The Review Group will listen to local concerns and find opportunities to improve regulation or legislation which is administered by local authorities.
- The scope of the review includes locally made regulations under the Resource Management Act, including those in councils' district plans and decisions made under the Building Act.
- It is proposed that the work of the Review Group would commence in mid-November 2014 and report to the Minister of Local Government in mid-2015.

### **Points to note**

#### Paper notes examples of regulation which could be improved

- The Cabinet paper notes the following examples, given by your colleagues, where the balance between public benefits and costs to the party being regulated may not be appropriate:
  - the fencing of a covered spa pool (note that on 28 November 2013 the Minister of Building and Construction announced a proposal that would remove the requirement for spa pools with a child proof cover to be fenced [EGI Min (13) 28/9 refers]. However, this remains an example of unnecessary regulatory burden, until the change occurs);
  - a fire escape that could not pass a window because of privacy concerns;
  - the requirement to install windows (for ventilation) in a room that already had ranch sliders; and
  - the inflexible application of district plan rules which can interfere with the ability of owners to properly manage trees on their property.

- The Cabinet paper also notes the existence of regulation that is likely to be of concern to property owners, in the following areas:
  - assessing and rectifying earthquake-prone buildings;
  - water reform, where there is scope for regional variation that may negatively affect some land owners and water users; and
  - the length of time, or the costs, associated with getting building/resource consents (note that some concerns will have been addressed previously eg. through the Resource Management Amendment Act 2013, which introduced a six-month time limit for processing consents for medium sized projects).

#### Relationship to Productivity Commission reports

- The establishment of the Review Group would respond to some issues identified by the Productivity Commission, in its report *Towards Better Local Regulation*. Notably, it helps respond to the need for central and local government to better work together to improve local regulation.
- On 16 July 2014, the Productivity Commission released its report *Regulatory Institutions and Practices*. This report does not affect or create risks for either the proposal to establish the Review Group, or the Government's overall response to the Commission's earlier report on local regulation.

#### **Points to raise**

##### Duplication to be avoided

- It is intended that the Review Group will not duplicate work of other reviews (e.g. RMA reforms). Its Terms of Reference should be clear about how these are considered, as it would be inefficient for them to be revisited.

##### Regulatory review group will identify opportunities

- There are opportunities to reduce local regulation that may appear unnecessary, nonsensical or illogical and annoying to property owners.
- The focus of the Review Group is to identify opportunities for improvement. This will allow property owners' concerns about regulatory requirements that result in poor outcomes and are inefficient or ineffective, to be heard.
- The Review Group will provide independent advice to the Minister of Local Government about high value opportunities available for central government and local government to address regulatory requirements affecting property owners which are not fit for purpose.

#### **Next steps**

- The paper proposes the Prime Minister announce the Government's intention to work jointly with local government to establish the Review Group, and that he announce the release of the Government's response to the Productivity Commission's report on local regulation. His speech at the Local Government New Zealand National Conference on Tuesday 22 July 2014 would offer an appropriate opportunity for this.

- The Cabinet paper attaches a draft Terms of Reference for the proposed Review Group. This would specify the scope, membership, timing and deliverables of the Review Group. It will be finalised by the Minister of Local Government after the 2014 general election.

**Hon Paula Bennett**  
**Minister of Local Government**

1/2014

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**From:** Damian Zelas  
**Sent:** Thursday, 17 July 2014 12:35 p.m.  
**To:** Michael Coles  
**Cc:** Kathy Perreau  
**Subject:** RE: Cab paper\_RReview Group - new footnote

Hi Michael

This has a new footnote to para 9, as requested.

Happy to discuss.

Regards

**Damian Zelas** | Principal Policy Analyst | Policy Group  
**The Department of Internal Affairs Te Tari Taiwhenua**  
Direct Dial: (04) 495 9487 | Extn: 5487 | Mobile: (027) 703 9738  
46 Waring Taylor St | PO Box 805, Wellington 6140, New Zealand | [www.dia.govt.nz](http://www.dia.govt.nz)

**From:** Michael Coles  
**Sent:** Thursday, 17 July 2014 11:55 a.m.  
**To:** Damian Zelas  
**Subject:** Cab paper\_RReview Group 16-7-14 (2)

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Chair  
Cabinet

## **ESTABLISHMENT OF A CENTRAL-LOCAL GOVERNMENT REGULATORY REVIEW GROUP**

### **Proposal**

1. Cabinet approval is sought to establish a joint Central-Local Government Regulatory Review Group (the Review Group) with representation from local government, central government and other groups as required, to listen to local concerns and find opportunities to improve regulation/legislation which is administered by local authorities (local regulation<sup>1</sup>).
2. The focus is identifying not fit-for-purpose regulation which adversely and unnecessarily affects property owners. Subject to the finalisation of its Terms of Reference, it is proposed that the work of the Review Group would commence in mid-November 2014 and report to the Minister of Local Government in mid-2015.

### **Background**

3. On 25 June 2014, the Cabinet Economic Growth and Infrastructure Committee (EGI) agreed that the Government accepts most of the 29 recommendations contained in the Productivity Commission's May 2013 report *Towards Better Local Regulation* [EGI Min (14) 13/1 refers].
4. At that meeting, it was agreed that I would, in consultation with other ministers as appropriate, submit a further paper to EGI in July 2014 on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the regulatory requirements that affect property owners and identifying those that are not fit-for-purpose from the perspective of individual rate payers. This would form part of the Government response to the Productivity Commission's Report.

### **Opportunities to improve local regulation**

5. There are a wide range of regulations that affect property owners and those who enjoy the use of property, for example business owners and those who hold consent rights. For the purpose of this paper they are collectively referred to as "property owners". It is important that regulation strikes the right balance between public benefits and the costs imposed on the regulated parties. It is also important that complying with regulations is made as easy as possible for property owners.
6. The Productivity Commission's report, *Towards Better Local Regulation*, concluded that the current regulatory system is not working as well as could be expected. I am aware that some property owners have concerns about the regulatory requirements that they must meet and the time and money required to complete regulatory transactions. It is important that government understands the basis of such concerns, in order to act on

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opportunities to improve regulation and address unintended consequences for property owners.

7. I want to know more about local regulation that does not appear to make sense in the context in which it is imposed, presents unnecessary bureaucratic hurdles for property owners, or does not deliver on the outcomes intended in an efficient and effective manner.
8. I am aware that colleagues have noted examples of regulation where the balance between public benefits and costs to the party being regulated may not be appropriate. These examples include: the fencing of a covered spa pool<sup>2</sup>; a fire escape that could not pass a window because of privacy concerns; the requirement to install windows in a room that already had ranch sliders; and the inflexible application of district plan rules which can interfere with the ability of owners to properly manage trees on their property.
9. Regulation that is of concern to property owners is likely to exist in many other areas. For example, in assessing and rectifying earthquake-prone buildings, and in water reform where there is scope for regional variation that may negatively affect some land owners and water users. Property owners may have concerns<sup>3</sup>, including about the length of time required to get consents, or the associated costs.
10. That local regulatory outcomes can be improved, is supported by evidence from the Kiwis Count survey. Results from March 2013 suggest much lower public satisfaction with government services when they are delivered by local government, compared to when either central or local government deliver their own services.
11. Improvements to local regulation may be achieved centrally through regulatory change, or through changes in local practice. But before opportunities to make improvements can be realised the government needs to be sure that any changes will support good public policy objectives, as well as alleviating unreasonable 'pressure points' for property owners.

**Central-Local Government Regulatory Review Group to identify opportunities to improve regulation that affects property owners**

12. I recognise the Productivity Commission's finding that in-depth reviews and evaluations can be valuable. I propose to establish a Central-Local Government Regulatory Review Group (the Review Group) to identify regulatory improvement opportunities, commencing in mid-November 2014 and reporting back in mid-2015.

Scope options

13. As noted earlier, EGI invited me to submit this paper "on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the *regulatory requirements that affect property owners*, and identifying those that are not fit-for-purpose from the perspective of individual rate payers".
14. I have considered this comparatively narrow focus on regulatory requirements that affect property owners and the nature of the discussion at the EGI meeting. I am of the view that there are three options for the scope of the proposed Review Group's work, plus one option that could be adopted in isolation or combination.

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<sup>2</sup> Note that on 28 November 2013 the Minister of Building and Construction announced a proposal that would remove the requirement for spa pools with a child proof cover to be fenced [EGI Min (13) 28/9 refers]. However, this remains an example of unnecessary regulatory burden, until the change occurs.

<sup>3</sup> Some concerns will have been addressed previously eg. through the Resource Management Amendment Act 2013, which introduced a six-month time limit for processing consents for medium sized projects.

15. **Option One – review of citizen's experience of regulation:** At its most broad the review could consider opportunities to improve the regulation experienced by all citizens. Such a review would likely be a significant undertaking, including (in addition to property) many regulatory matters such as dog licensing, freedom camping, transport, health and safety, and food safety, etc. could also be raised. This large scope would increase the cost and time taken for a review. In addition it could simultaneously have implications for many aspects of the government's legislative program, which may give rise to some logistical issues.
16. **Option Two – start with a review of property owners' experience of regulation:** This is the review approach recorded in EGI Min (14) 13/1. A citizen-centric approach is valuable, but a more limited scope would make the Review more manageable. This could be achievable by taking a staged approach, with the regulation that impacts property owners being the first to be reviewed. If this review proves beneficial the review work would be continued to look at how other groups of citizens are impacted by regulation.
17. **Option Three – local government helps identify priority, i.e. whose experience of regulation to review:** A variant of Option Two, this option would see the government consulting with local government to select the first group of citizens whose experience of regulation would be reviewed, or potentially the topic. This approach has the advantage of building relationships between central and local government, and increasing local government buy-in to the Review. This could be particularly helpful if the Review Group identifies implementation by local government as a driver of poor regulatory outcomes for citizens.
18. **Option Four – review of channels available for citizens to feedback on regulation:** An additional option is for a review to look at how citizens express their concerns to the owners of regulatory systems. Such a review would consider whether appropriate channels exist for regulated parties and others affected by a regulated activity to express their concerns, and how the regulatory authority uses this information to improve the quality of the regulation. A review of this nature could occur at the same time as any of the first three scope options, or as an alternative approach.

#### Recommended Scope

19. On balance my preferred option at this time is **Option Two - review of property owners' experience of regulation**, as this would provide the Review Group with a manageable scope and provides the basis of a concrete proposal to consult on. I think it is important that the Review Group is able to consider matters covered by Option Four (review of channels for raising concerns), where these matters are raised. However, this should not be the main focus of this Review Group.
20. If this Review Group is successful in identifying high value opportunities to yield significant improvements with minimal resources, further reviews should be undertaken. These reviews would provide opportunities for local government to suggest areas of concern (similar to Option Three). If this Review identifies in its report back that it would be valuable to look at feedback channels for regulated parties (similar to Option Four), this can also be incorporated. However, to include these features at this time risks a scope that fails to support a focused review.
21. I therefore propose that the Review Group would review and advise the Minister of Local Government (jointly with other Ministers as appropriate) of opportunities to address poor-performing local regulation. A focus on identifying opportunities will obtain the best value from the Review Group, enabling officials with detailed technical and legal skills to subsequently advise on options to address the opportunities. While the Review Group

would not be asked to recommend solutions, I would consider the process a success if the opportunities it identifies in its final report are high-value opportunities and able to be fixed. These may be short-term 'easy-fixes', or solutions that require legislative change.

22. Specifically, the Review Group would consider local regulation:

- that adversely and unnecessarily affects property owners, resulting in poor local outcomes, or is inefficient or ineffective;
  - that can yield significant improvements with minimal resources ('high-value'<sup>4</sup> opportunities); and
  - where there is an opportunity for central government to remedy that situation.
23. The Review Group may also identify issues with locally-developed regulations, such as those within district plans. In this situation such matters would need to be communicated to councils. With local government representation on the Review Group, this would need to be confirmed as part of the Terms of Reference.
24. I understand that some of the matters that the Review Group may identify have already been sufficiently canvassed in other reviews (e.g. RMA reforms). The final Terms of Reference should be clear about how these are considered, as it would be inefficient for them to be revisited.
25. A draft, indicative Terms of Reference for the Review Group is attached as **Annex One**. Discussion with local government and input from the Chair of the Review Group would be needed to finalise the Terms of Reference.

#### Membership

26. There are no statutory criteria for appointment to the Review Group. However, candidates with strong knowledge of local government and an understanding of the objectives of local regulation would be desirable. Review Group members would be required to listen to local concerns and relate these to the underpinning legislative and regulatory frameworks, in order to discern opportunities for improvements to be made.
27. Review Group members should collectively have among them experience in local regulation, possibly in a locally or centrally-elected representative capacity that involves local government.
28. To allow appropriate representation from local government, central government and interest groups, the Review Group could have up to 10 members. The actual membership is yet to be finalised. Appropriate consideration would need to be given to the diversity of its membership. Members and their fees would be considered by the Cabinet Appointments and Honours Committee.

#### **Consultation**

29. This paper was prepared by the Department of Internal Affairs. The Ministry of Business, Innovation and Employment; Ministry for the Environment; and the Treasury were consulted.

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<sup>4</sup> High value opportunities relate to specific areas of regulation affecting property owners where the removal or amendment of the requirements could provide significant benefit to property owners without producing detriment to other stakeholders or to public policy objectives.

30. The Canterbury Earthquake Recovery Authority; Department of Conservation; Ministry of Health; Ministry of Justice; Ministry of Social Development; State Services Commission; Te Puni Kōwhiri; New Zealand Transport Authority; Ministry for Culture and Heritage; Land Information New Zealand; Maritime New Zealand; New Zealand Police; Ministry for Primary Industries; Ministry of Education; and the Department of the Prime Minister and Cabinet were informed.
31. Local government (including Local Government New Zealand) has not been consulted at this stage. Consultation with local government will occur once Cabinet has noted my intentions in this paper. Local government input to the Terms of Reference and the review scope will be important to ensure a joint approach with central government to the operation of the Review Group.

### **Financial Implications**

32. Remuneration for members of the proposed Review Group would not have direct or immediate additional costs outside baselines.

### **Human Rights**

33. There are no human rights implications arising from this paper.

### **Legislative Implications**

34. There are no legislative implications arising from this paper.

### **Regulatory Impact Analysis**

35. A Regulatory Impact Statement is not required.

### **Publicity**

36. If agreed, I propose that the Prime Minister announce the Government's intention to work jointly with local government to establish the Review Group and finalise its Terms of Reference. His speech at the Local Government New Zealand National Conference on Tuesday 22 July 2014 would offer an appropriate opportunity for this.

### **Recommendations**

37. The Minister of Local Government recommends that the Committee:
1. **note** that at the Cabinet Economic Growth and Infrastructure Committee's meeting of 25 June 2014, I was invited, in consultation with other Ministers as appropriate, to submit a further paper to EGI in July 2014 on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the regulatory requirements that affect property owners, and identifying those that are not fit-for-purpose from the perspective of individual rate payers;
  2. **agree** that a Central-Local Government Regulatory Review Group is established to advise the Minister of Local Government and other Ministers, of opportunities to address unnecessary or poor-performing local regulation that adversely affects property owners;
  3. **note** that the establishment of a Central-Local Government Regulatory Review Group would form part of the Government response to the Productivity Commission's report *Towards Better Local Regulation* [EGI (14) 138 refers], as it responds to several of the issues and recommendations raised by the Productivity Commission;

4. **note** that the attached draft Terms of Reference for the creation of a Central-Local Government Regulatory Review Group would be finalised following discussion with local government and input from the Chair of the Group upon their appointment;
5. **note** that the Local Government New Zealand National Conference on Tuesday 22 July 2014 would offer an opportunity to announce the establishment of the Review Group and the remainder of the Government's response to the Productivity Commission's Report; and
6. **note** that the Minister of Local Government has not involved Local Government New Zealand in the development of the Government's response to the Productivity Commission Report, but will inform them of the key response elements and discuss the Terms of Reference and membership of the Review Group with them once Cabinet has considered this paper.

Hon Paula Bennett  
**Minister of Local Government**

/ / 2014

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Replacement Tim 3

In Confidence

Office of the Minister of Local Government

Chair  
Cabinet

## ESTABLISHMENT OF THE RULES REDUCTION TASKFORCE

### Proposal

1. Cabinet approval is sought to establish a joint Central-Local Government regulatory review group known as the Rules Reduction Taskforce with representation from local government, central government and other groups as required, to listen to local concerns and find opportunities to improve regulation/legislation which is administered by local authorities (local regulation<sup>1</sup>).
2. The focus is identifying not fit-for-purpose regulation which adversely and unnecessarily affects property owners. Subject to the finalisation of its Terms of Reference, it is proposed that the work of the Rules Reduction Taskforce would commence in mid-October 2014 and report to the Minister of Local Government in mid-2015.

### Background

3. On 25 June 2014, the Cabinet Economic Growth and Infrastructure Committee (EGI) agreed that the Government accepts most of the 29 recommendations contained in the Productivity Commission's May 2013 report *Towards Better Local Regulation* [EGI Min (14) 13/1 refers].
4. At that meeting, it was agreed that I would, in consultation with other ministers as appropriate, submit a further paper to EGI in July 2014 on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the regulatory requirements that affect property owners and identifying those that are not fit-for-purpose from the perspective of individual rate payers. This would form part of the Government response to the Productivity Commission's Report.

### Opportunities to improve local regulation

5. There are a wide range of regulations that affect property owners and those who enjoy the use of property, for example business owners and those who hold consent rights. For the purpose of this paper they are collectively referred to as "property owners". It is important that regulation strikes the right balance between public benefits and the costs imposed on the regulated parties. It is also important that complying with regulations is made as easy as possible for property owners.
6. The Productivity Commission's report, *Towards Better Local Regulation*, concluded that the current regulatory system is not working as well as could be expected. I am aware that some property owners have concerns about the regulatory requirements that they must meet and the time and money required to complete regulatory transactions. It is important that government understands the basis of such concerns, in order to act on opportunities to improve regulation and address unintended consequences for property owners.

<sup>1</sup> For the purpose of this paper 'local regulation' is regulation/legislation which is administered by local authorities. This includes locally made regulations under the Resource Management Act, including those in councils' district plans and decisions made under the Building Act

7. I want to know more about local regulation that does not appear to make sense in the context in which it is imposed, presents unnecessary bureaucratic hurdles for property owners, or does not deliver on the outcomes intended in an efficient and effective manner.
8. I am aware that colleagues have noted examples of regulation where the balance between public benefits and costs to the party being regulated may not be appropriate. These examples include: the fencing of a covered spa pool<sup>2</sup>; a fire escape that could not pass a window because of privacy concerns; the requirement to install windows in a room that already had ranch sliders; and the inflexible application of district plan rules which can interfere with the ability of owners to properly manage trees on their property.
9. Regulation that is of concern to property owners is likely to exist in many other areas. For example, in assessing and rectifying earthquake-prone buildings, and in water reform where there is scope for regional variation that may negatively affect some land owners and water users. Property owners may have concerns<sup>3</sup>, including about the length of time required to get local government approvals, or the associated costs.
10. That local regulatory outcomes can be improved, is supported by evidence from the Kiwis Count survey. Results from March 2013 suggest much lower public satisfaction with government services when they are delivered by local government, compared to when either central or local government deliver their own services.
11. Improvements to local regulation may be achieved centrally through regulatory change, or through changes in local practice. But before opportunities to make improvements can be realised the government needs to be sure that any changes will support good public policy objectives, as well as alleviating unreasonable 'pressure points' for property owners.

**The Rules Reduction Taskforce to identify opportunities to improve regulation that affects property owners**

12. I recognise the Productivity Commission's finding that in-depth reviews and evaluations can be valuable. I propose to establish a Central-Local Government regulatory review group, the Rules Reduction Taskforce, to identify regulatory improvement opportunities, commencing in mid-October 2014 and reporting back in mid-2015.

Scope options

13. As noted earlier, EGI invited me to submit this paper "on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the *regulatory requirements that affect property owners*, and identifying those that are not fit-for-purpose from the perspective of individual rate payers".
14. I have considered this comparatively narrow focus on regulatory requirements that affect property owners and the nature of the discussion at the EGI meeting. I am of the view that there are three options for the scope of the Rules Reduction Taskforce's work, plus one option that could be adopted in isolation or combination.
15. **Option One – review of citizen's experience of regulation:** At its most broad the review could consider opportunities to improve the regulation experienced by all

<sup>2</sup> Note that on 28 November 2013 the Minister of Building and Construction announced a proposal that would remove the requirement for spa pools with a child proof cover to be fenced [EGI Min (13) 28/9 refers]. However, this remains an example of unnecessary regulatory burden, until the change occurs.

<sup>3</sup> Some concerns will have been addressed previously eg. through the Resource Management Amendment Act 2013, which introduced a six-month time limit for processing consents for medium sized projects.

citizens. Such a review would likely be a significant undertaking, including (in addition to property) many regulatory matters such as dog licensing, freedom camping, transport, health and safety, and food safety, etc. could also be raised. This large scope would increase the cost and time taken for a review. In addition it could simultaneously have implications for many aspects of the government's legislative program, which may give rise to some logistical issues.

16. **Option Two – start with a review of property owners' experience of regulation:** This is the review approach recorded in EGI Min (14) 13/1. A citizen-centric approach is valuable, but a more limited scope would make the Review more manageable. This could be achievable by taking a staged approach, with the regulation that impacts property owners being the first to be reviewed. If this review proves beneficial the review work would be continued to look at how other groups of citizens are impacted by regulation. I also propose that property owners can submit directly to the Taskforce through a dedicated website.
17. **Option Three – local government helps identify priority, i.e. whose experience of regulation to review:** A variant of Option Two, this option would see the government consulting with local government to select the first group of citizens whose experience of regulation would be reviewed, or potentially the topic. This approach has the advantage of building relationships between central and local government and increasing local government buy-in to the Review. This could be particularly helpful if the Rules Reduction Taskforce identifies implementation by local government as a driver of poor regulatory outcomes for citizens.
18. **Option Four – review of channels available for citizens to feedback on regulation:** An additional option is for a review to look at how citizens express their concerns to the owners of regulatory systems. Such a review would consider whether appropriate channels exist for regulated parties and others affected by a regulated activity to express their concerns, and how the regulatory authority uses this information to improve the quality of the regulation. A review of this nature could occur at the same time as any of the first three scope options, or as an alternative approach.

#### Recommended Scope

19. On balance my preferred option at this time is **Option Two - review of property owners' experience of regulation**, as this would provide the Rules Reduction Taskforce with a manageable scope and provides the basis of a concrete proposal to consult on. I think it is important that the Rules Reduction Taskforce is able to consider matters covered by Option Four (review of channels for raising concerns), where these matters are raised. However, this should not be the main focus of the Rules Reduction Taskforce.
20. If the Rules Reduction Taskforce is successful in identifying high value opportunities to yield significant improvements with minimal resources, further reviews should be undertaken. These reviews would provide opportunities for local government to suggest areas of concern (similar to Option Three). If this Review identifies in its report back that it would be valuable to look at feedback channels for regulated parties (similar to Option Four), this can also be incorporated. However, to include these features at this time risks a scope that fails to support a focused review.
21. I therefore propose that the Rules Reduction Taskforce would review and advise the Minister of Local Government (jointly with other Ministers as appropriate) of opportunities to address poor-performing local regulation. A focus on identifying opportunities will obtain the best value from the Rules Reduction Taskforce, enabling officials with detailed technical and legal skills to subsequently advise on options to



address the opportunities. While the Rules Reduction Taskforce would not be asked to recommend solutions, I would consider the process a success if the opportunities it identifies in its final report are high-value opportunities and able to be fixed. These may be short-term 'easy-fixes', or solutions that require legislative change.

22. Specifically, the Rules Reduction Taskforce would consider local regulation:
- that adversely and unnecessarily affects property owners, resulting in poor local outcomes, or is inefficient or ineffective;
  - that can yield significant improvements with minimal resources ('high-value'<sup>4</sup> opportunities); and
  - where there is an opportunity for central government to remedy that situation.
23. The Rules Reduction Taskforce may also identify issues with locally developed regulations, such as those within district plans. In this situation such matters would need to be communicated to councils. With local government representation on the Rules Reduction Taskforce, this would need to be confirmed as part of the Terms of Reference.
24. I understand that some of the matters that the Rules Reduction Taskforce may identify have already been sufficiently canvassed in other reviews (e.g. RMA reforms). The final Terms of Reference should be clear about how these are considered, as it would be inefficient for them to be revisited.
25. A draft, indicative Terms of Reference for the Rules Reduction Taskforce is attached as **Annex One**. Discussion with local government and input from the Chair of the Rules Reduction Taskforce would be needed to finalise the Terms of Reference.

#### Membership

26. There are no statutory criteria for appointment to the Rules Reduction Taskforce. However, candidates with strong knowledge of local government and an understanding of the objectives of local regulation would be desirable. Rules Reduction Taskforce members would be required to listen to local concerns and relate these to the underpinning legislative and regulatory frameworks, in order to discern opportunities for improvements to be made.
27. Rules Reduction Taskforce members should collectively have among them experience in local regulation, possibly in a locally or centrally-elected representative capacity that involves local government.
28. To allow appropriate representation from local government, central government and interest groups, the Rules Reduction Taskforce could have up to 10 members. The actual membership is yet to be finalised. Appropriate consideration would need to be given to the diversity of its membership.

#### **Consultation**

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<sup>4</sup> High value opportunities relate to specific areas of regulation affecting property owners where the removal or amendment of the requirements could provide significant benefit to property owners without producing detriment to other stakeholders or to public policy objectives.

29. This paper was prepared by the Department of Internal Affairs. The Ministry of Business, Innovation and Employment; Ministry for the Environment; and the Treasury were consulted.
30. The Canterbury Earthquake Recovery Authority; Department of Conservation; Ministry of Health; Ministry of Justice; Ministry of Social Development; State Services Commission; Te Puni Kōkiri; New Zealand Transport Agency; Ministry of Transport; Ministry for Culture and Heritage; Land Information New Zealand; Maritime New Zealand; New Zealand Police; Ministry for Primary Industries; Ministry of Education; and the Department of the Prime Minister and Cabinet were informed.
31. Local government (including Local Government New Zealand) has not been consulted at this stage. Consultation with local government will occur once Cabinet has noted my intentions in this paper. Local government input to the Terms of Reference and the review scope will be important to ensure a joint approach with central government to the operation of the Rules Reduction Taskforce.

#### **Financial Implications**

32. Remuneration for members of the proposed Rules Reduction Taskforce would not have direct or immediate additional costs outside baselines.

#### **Human Rights**

33. There are no human rights implications arising from this paper.

#### **Legislative Implications**

34. There are no legislative implications arising from this paper.

#### **Regulatory Impact Analysis**

35. A Regulatory Impact Statement is not required.

#### **Publicity**

36. If agreed, I propose that the Prime Minister announce the Government's intention to work jointly with local government to establish the Rules Reduction Taskforce and finalise its Terms of Reference. His speech at the Local Government New Zealand National Conference on Tuesday 22 July 2014 would offer an appropriate opportunity for this.

#### **Recommendations**

37. The Minister of Local Government recommends that the Committee:
1. **note** that at the Cabinet Economic Growth and Infrastructure Committee's meeting of 25 June 2014, I was invited, in consultation with other Ministers as appropriate, to submit a further paper to EGI in July 2014 on proposals for the establishment of a joint group of central and local government representatives tasked with reviewing the regulatory requirements that affect property owners, and identifying those that are not fit-for-purpose from the perspective of individual rate payers;
  2. **agree** that the Rules Reduction Taskforce is established to advise the Minister of Local Government and other Ministers, of opportunities to address unnecessary or poor-performing local regulation that adversely affects property owners;

3. **agree** to the establishment of a dedicated website to allow property owners and the public to make submissions directly to the Rules Reduction Taskforce;
4. **note** that the establishment of the Rules Reduction Taskforce would form part of the Government response to the Productivity Commission's report *Towards Better Local Regulation* [EGL (14) 138 refers], as it responds to several of the issues and recommendations raised by the Productivity Commission;
5. **note** that the attached draft Terms of Reference for the creation of the Rules Reduction Taskforce would be finalised following discussion with local government and input from the Chair of the Taskforce upon their appointment;
6. **note** that the Local Government New Zealand National Conference on Tuesday 22 July 2014 would offer an opportunity to announce the establishment of the Rules Reduction Taskforce and the remainder of the Government's response to the Productivity Commission's Report; and
7. **note** that the Minister of Local Government has not involved Local Government New Zealand in the development of the Government's response to the Productivity Commission Report, but will inform them of the key response elements and discuss the Terms of Reference and membership of the Rules Reduction Taskforce with them once Cabinet has considered this paper.

  
Hon Paula Bennett  
Minister of Local Government

/ 2014

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## Annex One

### DRAFT Terms of Reference of the Rules Reduction Taskforce

#### Problem Statement

There are a wide range of regulations that affect property owners and those who enjoy the use of property, for example business owners and those who hold consent rights. For the purpose of this Terms of Reference they are collectively referred to as "property owners". Regulation is necessary in some circumstances to achieve outcomes that otherwise might not occur, for example to ensure public safety.

Property owners must interact with central and local government to comply with many regulations. It is important that regulation strikes the right balance between public benefits and the compliance costs imposed. It is important that, in addition to getting this balance right, such transactions are conducted effectively and efficiently and minimise the compliance costs for property owners.

The government is aware that some property owners have concerns about the regulatory requirements that they must meet and the time and money required to complete regulatory transactions. These concerns may also include the complexity and confusing nature of some regulatory requirements, regulations, and their implementation. It is important for government to understand the basis of such concerns, in order to act on opportunities to improve regulation and address unintended consequences for property owners.

It is important that local government and central government work together on this issue, hence the proposed joint approach.

#### Purpose

The Central-Local Government regulatory review group (the Rules Reduction Taskforce) is established to provide independent advice to the Minister of Local Government about high value<sup>5</sup> opportunities for central government and local government to address regulatory requirements affecting property owners which are not fit for purpose.

These may include centrally or locally driven processes which result in sub-optimal outcomes, are inefficient or ineffective. The Rules Reduction Taskforce will provide a channel for such concerns into a constructive mechanism.

#### Review process

The review will have two elements:

1. Scanning by departmental officials to identify what is already known among central government agencies about issues with local regulation that is not fit for purpose and impacts property owners. Officials will also inform the Rules Reduction Taskforce about relevant reforms and review work already in progress; and
2. The Rules Reduction Taskforce with central and local government and other representatives will consider the departmental scan (above), listen to local concerns about local regulation that may not be fit-for-purpose, and prepare advice to the Minister of Local Government identifying high value opportunities to be addressed.

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<sup>5</sup> High value opportunities relate to specific areas of regulation affecting property owners where the removal or amendment of the requirements could provide significant benefit to property owners without producing detriment to other stakeholders or to public policy objectives.

## Scope of Work

The scope of the review focuses on the identification of high value opportunities to improve regulation/legislation which is administered by local authorities (local regulation). The focus is identifying not fit-for-purpose regulation which adversely and unnecessarily affects property owners e.g. by imposing unnecessary bureaucratic hurdles.

### The scope includes:

- Identification of what is already known by government agencies centrally about issues with local regulation<sup>6</sup>.
- Considering submissions directly from property owners and the public through a dedicated website.
- Considering local concerns about local regulation that is not fit-for-purpose or is poorly implemented, with a focus on regulation and regulatory practice which adversely and unnecessarily affects property owners.
- Identification of opportunities to address regulatory requirements affecting property owners that result in poor local outcomes, are inefficient or ineffective. In some cases such requirements may impose costs or restrictions on property owners with minimal benefit
- Identifying high value opportunities with gains that are easy to realise and which will benefit wide groups of property owners without compromising the original intent of the requirements. Such opportunities may be able to be addressed by central government (including through legislation), by local government (e.g. matters relating to district plans), through joint action between groups, or by other means.
- Use of departmental advisors, where appropriate, to assess the ease with which potential opportunities might be realised.
- Where opportunities would require implementation at a local level these should be separately identified for subsequent consideration by local government.
- Preparation of a report to the Minister of Local Government setting out the Rules Reduction Taskforce's conclusion.

### The scope excludes:

- The consideration of a full range of options to realise identified opportunities and the recommendation of a specific solution for each opportunity.
- Revisiting issues that have already been sufficiently covered through other processes, including publicly announced reforms or reforms currently underway (e.g. RMA reform consultation).

<sup>6</sup> For the purpose of this Terms of Reference 'local regulation' is regulation/legislation which is administered by local authorities. This includes locally made regulations under the Resource Management Act, including those in councils' district plans and decisions made under the Building Act.

### **Membership**

The Rules Reduction Taskforce would have up to 10 members. Members would be selected based on their ability to contribute in a practical way. There would be central and local government representatives. Industry, community, advocacy and business groups would also be represented as appropriate. Consideration will be given to the diversity of the Taskforce, in accordance with Cabinet Office circular CO (02) 16 (Government Appointments: Increasing Diversity of Board Membership).

### **Timing**

Indicative timing for the work of the Rules Reduction Taskforce is from mid-October 2014 with a report back in mid-2015.

### **Deliverables**

The Rules Reduction Taskforce will develop a project plan to organise its work into a series of tasks with identified timeframes. Within two weeks of the Rules Reduction Taskforce commencing its work, the Chair of the Taskforce will specify a date by which a copy of its project plan will be provided to the Minister of Local Government.

A scan will be provided to the Rules Reduction Taskforce by departmental officials identifying what is already known among central government agencies about issues with local regulation that impact property owners.

The key deliverable for the Rules Reduction Taskforce will be a report by mid-2015 to the Minister of Local Government identifying its findings:

- Generally
- Specifically, high value opportunities to address regulatory and any other requirements that inappropriately affect property owners. The Rules Reduction Taskforce may wish to consider organising its recommendations as:
  - opportunities for central government to address;
  - opportunities for local government to address; and
  - opportunities for local and central government to address jointly.

The report is to suggest possible reasons for identified shortcomings in local regulation. This advice will feed into further central government analysis. It is therefore not expected that the Rules Reduction Taskforce will recommend specific solutions for implementation in relation to each opportunity.

### **Support**

Policy and administrative support for the Rules Reduction Taskforce will be provided by the Department of Internal Affairs and will draw on the expertise of other agencies as required.

### **Consultation**

To help identify opportunities for regulatory change consultation will be required with organisations representing local government, such as Local Government New Zealand and the New Zealand Society of Local Government Managers, and central government agencies

including the Ministry of Business Innovation and Employment, Ministry for the Environment and the Treasury.

If the Rules Reduction Taskforce assesses legislation with a view to identifying it as a candidate for review or amendment, it should consult the department responsible for administering that legislation.

The Rules Reduction Taskforce will undertake such other consultation as it considers appropriate, for example with interest groups.

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# INTERNAL AFFAIRS



Te Tari Taiwhenua

## Local Government Briefing

**Hon Paula Bennett**  
**Minister of Local Government**

Copy to: Hon Peseta Sam Lotu-iga  
 Associate Minister of Local Government

Title: Policy briefing: Rules Reduction Taskforce – next steps and proposed approach

Date: 31 July 2014

### Key issues

We seek your direction on the next steps and the proposed approach to developing the Rules Reduction Taskforce and web interface.

### Action sought

Make decisions on the next steps and proposed approach.

### Timeframe

1 August 2014

### Contact for telephone discussion (if required)

Name	Position	Telephone		Suggested first contact
		direct line	after hours	
Damian Zelas	Principal Policy Analyst	495 9487	027 703 9738	
Kathy Perreau	Director Policy	495 7235	021 243 5690	✓

Return to: Alessandro Aduso Level 7 46 Waring Taylor  
 DMS file reference: 4083623DA PLG-1785-17  
 Ministerial database reference: LG201400486



## Purpose of briefing

1. This briefing seeks your agreement to the next steps and proposed approach to establishing the Rules Reduction Taskforce (the Taskforce), and the approach to receiving public submissions.

## Background information

2. On 21 July 2014 Cabinet agreed to the establishment of a Rules Reduction Taskforce to advise the Minister of Local Government and other Ministers of opportunities to address unnecessary or poor-performing regulation that adversely affects property owners.
3. Cabinet also agreed to establish a dedicated website to allow property owners and the public to make submissions directly to the Rules Reduction Taskforce [CAB Min (14) 24/3 refers]. In addition, the Prime Minister publicly noted that social media and crowd sourcing would be used by the Government as part of its efforts to collect public submissions.<sup>1</sup>
4. Good progress is being made, in collaboration with the Ministry of Business, Innovation and Employment and the Ministry for the Environment, in designing the website, and determining how it can best provide the Taskforce with the information it needs. In developing the web presence, we are leveraging the Department's Government Chief Information Officer role.

## Next steps and questions

5. Cabinet agreed that the work of the Taskforce will commence in mid-October. The website will be active in late August which allows a month for public submissions and a short time for initial analysis of the submissions before the Taskforce commences. Further analysis of the submissions will be possible to address questions the Taskforce may have or as part of a crowdsourcing approach.
6. Attached in **Annex one** is the proposed approach to key issues, alongside options for your consideration. The matters covered are:
  - timeframe – website 'go-live' date;
  - online interface with public, including:
    - i. social media;
    - ii. crowdsourcing;
    - iii. location of website;
    - iv. responses to individual submissions;
    - v. deadline for submissions;
  - appointments to the Taskforce – sourcing candidates;
  - local government involvement;
    - i. departmental scan of known regulatory issues;
    - ii. developing the Terms of Reference; and
  - indicative costs.

<sup>1</sup> Speech to the Local Government New Zealand (LGNZ) National Conference on 22 July 2014,

7. The general theme is to have a reasonably simple web presence up and running soon that has potential to ramp up to a more sophisticated interaction at a later date.

**Matters still to consider**

8. The primary focus of this briefing is establishing the web presence. There will be other matters which will require further consideration. These are:
  - **Costs:** Dependent on matters such as whether to use crowdsourcing and the volume of submissions there may be a need for additional funding beyond current baselines.
  - **Taskforce membership:** The selection criteria and sourcing for the Taskforce's membership need to be determined.
  - **Analysis of submissions:** Local government's involvement in analysing the submissions received is to be determined.

**Recommendation**

The recommendation is that you **respond** to the questions in **Annex One**.

Steve Waldegrave  
General Manager Policy

Hon Paula Bennett  
Minister of Local Government

/ /2014

Issues and proposed responses

Issue	Options	Recommended approach	Your preference (circle one)
<b>Timeframe for website 'go-live' date</b>			
<p><b>Website 'go-live' date</b> The quality of the website will be affected by the launch date. Irrespective of the launch date, submissions must be collected and analysed in time for the commencement of the Taskforce in mid-October. The public is already making submissions to your office and via other avenues. We are looking at mechanisms to notify the public when the website will go live, to manage expectations.</p>	<ul style="list-style-type: none"> <li><b>Website live 22 August.</b> This date is a month from the announcement date. It provides minimal time to design the website, and may affect the quality of the website and the resource to analyse submissions. If the website goes live on this date, the design must be finalised by 31 July.</li> <li><b>Website live 1 September.</b> This will provide the Department with some flexibility and time to improve the website's usability and effectiveness in capturing and categorising submitters' views. This time will allow the Department to develop an improved look and feel to the website. We can also better design the website so that it can more effectively facilitate more sophisticated analyses of submissions later on. We would still aim to have the website ready by 22 August.</li> </ul>	<p><b>Website live 1 September.</b> This will strike a good balance between timeliness and quality.</p>	<p><b>When will the website be launched?</b></p> <p>22 August</p> <p>OR</p> <p>1 September (recommended)</p>

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Issue	Options	Recommended approach	Your preference (circle one)
<p><b>Online interface with public</b></p> <p><b>Online social media presence</b> The Prime Minister announced that social media would form part of the online engagement. The Department would need an external contractor to engage in social media as it does not have this capacity in-house.</p> <p>Depending on the period of consultation, the indicative cost of a social media consultant is up to \$160 per hour – this equals \$6,400 per week of the social media presence. These costs are associated with organising, for example, a Facebook and Twitter presence and monitoring submissions on those online channels.</p>	<p><b>Full online social media presence.</b> This would be consistent with the Prime Minister's announcement and it would provide several online channels for the public to provide their views.</p> <ul style="list-style-type: none"> <li><b>Initially have a low-level social media online presence.</b> This would include a basic social media presence that would act more like a marketing mechanism that would direct people to the central Taskforce website to make a submission. This would reduce the risk of receiving, and having to analyse a large number of free-form text submissions. Our approach would enable us to ramp up the social media presence if it is desired (for example, following the commencement of the Taskforce).</li> <li><b>Exclude a social media online presence.</b> This would save costs but be inconsistent with the Prime Minister's announcement.</li> </ul>	<p><b>Initially have a low-level social media presence, with the option of increasing this at a later date, if desired.</b></p>	<p><b>What level of social media presence should there be?</b></p> <p>Full presence</p> <p>OR</p> <p>Initially have a low-level presence (recommended)</p> <p>OR</p> <p>No presence</p>

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<p><b>Crowdsourcing</b> The Prime Minister announced that this would form part of the online engagement. Crowdsourcing involves a cycle of collecting information from the public and presenting the findings back to them. Crowdsourcing can involve different levels of interaction. This can be costly as it involves an iterative dialogue with the public, and can often involve feedback in the form of sophisticated infographics. The approach of crowdsourcing and related costs were not identified in the Cabinet paper. Indicative costs are between \$200,000 and \$350,000.</p>	<ul style="list-style-type: none"> <li>• <b>Crowdsourcing now.</b> There is a wide array of different approaches to crowdsourcing. At this stage, we are not ideally positioned to create an effective crowdsourcing mechanism. As the online presence of the Taskforce is established and submissions start being received, the needs of the Taskforce, and how crowdsourcing can be designed to best assist the Taskforce will become clearer.</li> <li>• <b>Identify options for crowdsourcing later.</b> Developing effective crowdsourcing techniques can take time, and create a public expectation that gathered information/analysis will be openly shared. We propose that initially we provide the public with an opportunity to make submissions using a simple feedback form. At a later date, consideration can be given to the best approach to crowdsourcing.</li> <li>• <b>Do not crowdsourcing.</b> Gather information via a short submission period and do not commit to providing the public with findings/analysis. This is a cheaper option, but is not in line with the Prime Minister's announcement, and may be perceived by the public as 'half-hearted' consultation.</li> </ul>	<p><b>Identify options for crowdsourcing later, when we better understand what type of crowdsourcing will deliver the best outcomes.</b></p>	<p><b>Should we crowdsourcing?</b></p> <p>Yes, start now</p> <p>OR</p> <p>Yes, identify options later (recommended)</p> <p>OR</p> <p>No, do not crowdsourcing</p>
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<p><b>Location of website</b> The location of the website will affect the cost, look, and public perception of the website.</p>	<ul style="list-style-type: none"> <li>• <b>Part of www.govt.nz.</b> The Taskforce website could be an extension of the www.govt.nz website (www.govt.nz/rulesreduction). It would retain the look of the .govt.nz website. Placing the Taskforce website here is the most cost-effective option. This would be consistent with government efforts to provide a one-stop shop for people seeking to use online government services. The establishment of this website was recently announced by the Prime Minister.</li> <li>• <b>'Stand-alone'</b>. The Taskforce website could be 'stand-alone' (www.rulesreduction.govt.nz). This would incur additional costs as, for example, it would need a unique and new design. This would, however, give the taskforce unique branding and allow the Taskforce to appear to be at 'arms-length' from government.</li> </ul>	<p><b>Part of www.govt.nz</b> would demonstrate to the public that government is making it easier to interact with the government online. It would also save costs.</p>	<p><b>Where should the website be located?</b></p> <p>Part of www.govt.nz (www.govt.nz/rulesreduction) <i>(recommended)</i></p> <p>Standalone (www.rulesreduction.govt.nz)</p>
<p><b>Responses to individual submissions</b> We expect to receive a large number of submissions. These could be acknowledged individually.</p>	<ul style="list-style-type: none"> <li>• <b>Respond to individual submitters.</b> Given short timeframes, and the large number of expected submissions, additional resources would be required to respond to each individual submission.</li> <li>• <b>Provide a generalised response to submitters.</b> We propose that we provide submitters with an option to hear back from the Taskforce on its progress and outcomes. This would be similar to the process undertaken by the Ministry of Social Development in responding to public submissions on the Green Paper for Vulnerable Children</li> </ul>	<p><b>Provide a generalised response to submitters.</b> The extra resource to respond to each submission is unlikely to provide corresponding benefit, and will drive costs up and may slow the analysis of submissions.</p>	<p><b>Should we respond to each submission?</b></p> <p>Yes</p> <p>OR</p> <p>No, but provide for submitters to receive a generalised response if they opt-in <i>(recommended)</i></p>

<p><b>Deadline for submissions</b> The period for receiving submissions from the public needs to be determined.</p>	<ul style="list-style-type: none"> <li>• <b>Set a deadline for submissions.</b> A decision could be made to determine the close date of the submissions now. This would be included in public messaging. It may affect whether, and what type of crowdsourcing could be used. It may also make it more difficult to pursue the option of seeking further public input at a later date, if desired.</li> <li>• <b>Leave the date open for the close of submissions.</b> This would mean a submission deadline could be determined at a later date. It would provide more options for the Taskforce to seek further public input and would allow for more crowdsourcing options.</li> </ul>	<p><b>Leave the date open.</b> There is no obvious need at this stage to specify a submission deadline date.</p>	<p><b>When should we close submissions?</b> Set a deadline now  OR  Leave the date open (recommended)</p>
<p><b>Appointments to the Taskforce</b> <b>Nominations to the Taskforce</b> Membership of the Taskforce has not been determined.</p>	<ul style="list-style-type: none"> <li>• <b>Call for nominations.</b> A formal process would mean that the Taskforce would not be able to commence its work in mid-October, as publicly announced and agreed to by Cabinet. It would, however, increase the range of candidates available for appointment and make the process more transparent.</li> <li>• <b>Do not call for nominations.</b> This will enable Taskforce members to be appointed more quickly. The actual start date may be affected by when the Government is formed, and ministerial warrants issued. Nominations would be sought from Local Government New Zealand.</li> </ul> <p>There remains a need to identify Taskforce members. We and other departments will collect potential candidate names, so that they are available for consideration after the election.</p>	<p><b>Do not call for nominations.</b> The Department will still approach LGNZ for nominations.</p>	<p><b>Should we call for nominations for appointments to the Taskforce?</b>  Yes  OR  No, but seek nominations from LGNZ (recommended)</p>

Local government involvement		Involvement in regulatory scan?	Involvement in government in regulatory scan?
<p><b>Departmental scan of known regulatory issues</b> The Department, with other agencies, will undertake a scan to identify what is already known among central agencies about issues with local regulation that is not fit for purpose. If you agree, we can consult local government in undertaking this scan.</p>	<ul style="list-style-type: none"> <li>• <b>Involve local government</b> (Local Government New Zealand and the Society of Local Government Managers). This would show goodwill and improve the central-local government relationship. Local government may help identify and clarify additional regulatory problems. Involving local government now may create an expectation that they will be involved throughout the process. There is a chance that it could also slow down the process if there are disagreements about what issues exist.</li> <li>• <b>Exclude local government.</b> This would allow for a faster, more streamlined process as there would be fewer views to consider. However, the exclusion of local government risks the scan not identifying issues that are of concern to some property owners.</li> </ul>	<p><b>Involve local government.</b> The benefits of involving local government (relationship, valuable input) outweigh the risks (expectation of continued involvement, slowing of process).</p>	<p>Yes (recommended) OR No</p>
<p><b>Developing the Terms of Reference</b> Cabinet noted that the Terms of Reference (ToR) for the Taskforce would be finalised following discussion with local government. We could involve Local Government New Zealand (LGNZ) now, or wait until a later time.  (The Terms of Reference (ToR) would still be finalised in consultation with the Taskforce chair, and the relevant Ministers.)</p>	<ul style="list-style-type: none"> <li>• <b>Involve LGNZ now.</b> This will allow us to proactively develop the ToR to a near-final state, ready for Ministerial/Taskforce Chair's input, as soon as those persons are known.</li> <li>• <b>Involve LGNZ later.</b> This may slow the finalisation of the ToR, as LGNZ's views would not be received and considered until close to the establishment of the Taskforce.</li> </ul>	<p><b>Involve LGNZ now.</b></p>	<p><b>Should we involve LGNZ in developing the ToR now or later?</b>  Involve LGNZ now (recommended) OR Involve LGNZ later</p>



Indicative costs	Costs are to be determined Additional funding may be required, beyond current baselines.	There are costs associated with the web presence and the Taskforce, including:	We will keep you informed of the costs.	Note that funding may be required beyond current baselines, depending on the approach taken and number of public submissions requiring analysis.
	<ul style="list-style-type: none"> <li>• Indicative web presence costs:                             <ul style="list-style-type: none"> <li>○ Basic website – \$80,000</li> <li>○ Crowdsourcing – \$200,000-\$350,000 (only if required)</li> <li>○ Social media presence (3-12 weeks) – \$19,200-\$76,800 (only if required)</li> </ul> </li> <li>• Taskforce                             <ul style="list-style-type: none"> <li>○ Secretariat support</li> <li>○ Analysis of submissions</li> <li>○ Travel</li> <li>○ Remuneration</li> <li>○ Other, to be determined costs</li> </ul> </li> </ul>			

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# Local Government briefing

**Hon Paula Bennett**  
**Minister of Local Government**

Copy to: Hon Peseta Sam Lotu-liga  
 Associate Minister of Local Government

<b>Title</b>	Rules Reduction Taskforce – Progress Update and Talking Points
<b>Date</b>	7 August 2014

## Key issues

Work to progress the establishment of the Taskforce is progressing well against a tight timeframe. The additional cost of establishing an online presence for the Taskforce cannot all be absorbed within the Department's appropriation and we are preparing a Cabinet paper for you to consider. Media interest in the Taskforce is likely to increase as the commencement of its online presence nears. We have developed talking points to assist you as required.

Action sought	Timeframe
<p>Confirm your preference that the public will make submissions using a simple feedback form initially, with options for crowdsourcing to be identified later.</p> <p>Confirm that potential candidates for appointment as Taskforce members be sourced by the Department from other departments, through your office and from LGNZ, without a nomination call.</p> <p>Note the attached Talking Points and Back Pocket Q&amp;As for your use as required.</p> <p>Note that we will prepare a Cabinet paper seeking funding to develop the Taskforce and its web interface.</p>	11 August 2014

## Contact for telephone discussions (if required)

Name	Position	Direct phone line	After hours phone	Suggested 1 <sup>st</sup> contact
Damian Zelas	Principal Policy Analyst	495 9487	027 703 9738	
Kathy Perreau	Director Policy	495 7235	021 243 5690	✓

Return to	Damian Zelas, Level 6, 46 Waring Taylor St	
DMS references	PLG-6400-01	PLG-6400-01
Ministerial database reference	LG201400515	

## Purpose

1. This briefing:
  - provides a Rules Reduction Taskforce (the Taskforce) establishment update;
  - seeks further clarity from you about your preferences for crowdsourcing ideas and membership of the Taskforce; and
  - attaches Talking Points and back pocket Q & A's for your use as required.
2. This briefing also notes that we are working to clarify Taskforce costs and provide you with a paper on funding for consideration by Cabinet.

## Taskforce establishment update

3. You responded to a number of questions about the establishment of the Taskforce. Your responses have been incorporated into our Taskforce establishment approach. This briefing seeks further clarity from you about crowdsourcing ideas and membership of the Taskforce.
4. Work to progress the establishment of the Taskforce is progressing well against a tight timeframe. Developments in the following areas are discussed below:
  - establishing the online interface with the public;
  - appointing members to the taskforce;
  - involvement of other agencies in the Taskforce;
  - involvement of Local Government New Zealand in the Taskforce; and
  - managing communications.

## *Establishing the online interface with the public (including webform, email and social media)*

5. You have indicated your preference [briefing LG201400486 refers] for:
  - **The website to go live by the end of August at the latest.** We are on track to achieve this. Submissions will be made by the public through a "webform"<sup>1</sup> which is part of the [www.govt.nz](http://www.govt.nz) website. The Taskforce webform will be promoted on the Govt.nz homepage, helping to make it easy to find.
  - **A full online social media presence.** We are looking at potential vendors for a procured social media strategy and its implementation
  - **The date for the close of submissions to be left open.** This will provide options for the Taskforce to seek further public input and would allow for more crowdsourcing options later.
6. **Regarding feedback to submitters**, we understand from your office that you support our recommendation that the public make submissions using a simple feedback form initially, with options for crowdsourcing to be identified later. This should help manage publicity risks in the pre-election period and will provide the Taskforce with the opportunity to consider its engagement strategy once it commences. Confirmation of your support for this approach to crowdsourcing is sought.

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<sup>1</sup> A webform is a page on a website where people can submit their views in an easy way, using a combination of dropdown menus, tickboxes and open fields.

7. You asked **whether the current website is easy to use**. The Govt.nz website is designed to make information easy to find and easy to use. One of the ways it does this is by only using plain English to describe government services. It has been developed with an iterative, user-centred approach.
8. The webform being developed for the Rules Reduction Taskforce is being built by the same team that built and delivered the [www.govt.nz](http://www.govt.nz) website. Due to the short delivery timeframe there will be limited testing of the webform by users before it is launched. Instead the team will rely on their considerable experience in delivering the successful Govt.nz website.

#### ***Appointing members to the Taskforce***

9. You have indicated that you are considering various options for the size and composition of the Taskforce. We recommend a single group of between 3 and 10 members. A smaller size will tend to increase the speed of decision making, but should be balanced against the need to include members representing local government and the trades. It is possible for a Taskforce of 6 or 8 members to break into two smaller groups to hear submissions in different areas simultaneously.
10. **We recommend that you do not call for nominations.** Our proposed approach to sourcing Taskforce candidates in the time available, is for us to collect potential candidate names from other departments, through your office and from LGNZ. The appointment of members to the Taskforce will be made by the Minister of Local Government following the election. To support this we will provide advice on candidate suitability against agreed criteria and conduct conflict of interest and probity checks for preferred appointees.

#### ***Involvement of other agencies in the Taskforce***

11. The key agencies are the Ministries of Business, Innovation and Employment; Environment; and Health. Input from these agencies will be sought:
  - to scan for known regulatory issues affecting property owners (a compilation of these issues will be provided as background information for the Taskforce);
  - to identify names of potential taskforce members; and
  - for resources to support the Taskforce (funding and staff time).

#### ***Involvement of Local Government New Zealand in the Taskforce***

12. We are engaging with Local Government New Zealand (LGNZ) to clarify its interest and level of involvement in the three areas that you have agreed:
  - providing nominees for two Taskforce member positions. We recommend that you retain the final appointment decision rights. This would help manage the low risk that a nominee is unsuitable, eg for conflict of interest or probity reasons;
  - contributing to the scan of known regulatory issues affecting property owners; and
  - being consulted on the Terms of Reference, enabling it to be developed to near-final state, for completion following input from the Taskforce chair once appointed.

#### ***Managing communications***

13. We are developing a communications strategy for the work to establish the Taskforce. This includes communication with other agencies and supporting you with any media

engagements. Appendix A to this briefing provides Talking Points and back pocket Q&As, for your use in conversations with your Ministerial colleagues and the media.

### Funding

14. In response to our briefing dated 31 July 2014 you indicated that you would consider making a request for additional funding to Cabinet for costs associated with developing the Taskforce and its web interface [briefing LG201400486 refers].
15. We are still collating the cost information required and talking to other agencies about their role and contribution. In addition to the immediate costs of establishing a web presence for the Taskforce there will be ongoing costs associated with the operation of the Taskforce and the analysis of submissions. Some costs will not be known until the Taskforce members have been appointed and its plans to hear submissions are known. We expect to be able to provide you with a Cabinet paper by 18 August 2014.

### Recommendations

16. It is recommended that you:
  - a) **confirm** your preference that the public will make submissions using a simple feedback form initially, with options for crowdsourcing to be identified later [briefing LG201400486 refers]; Yes / No
  - b) **confirm** that potential candidates for appointment as Taskforce members be sourced by the Department from other departments, through your office and from LGNZ, without a nomination call; Yes / No
  - c) **note** the attached Talking Points and Back Pocket Q&As for your use as required; and Yes / No
  - d) **note** that we will prepare a Cabinet paper seeking funding to develop the Taskforce and its web interface. Yes / No

Kathy Perreau  
Director Policy

**Hon Paula Bennett**  
**Minister of Local Government**

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## Appendix A: Talking Points and Q & A

### Talking Points:

#### General

The Government is establishing a Rules Reduction Taskforce to weed out pedantic and unnecessary rules that frustrate property owners and councils.

The aim is to find rules and regulations which, while well intentioned, are confusing, onerous and overly costly while failing to deliver any real benefit for the property owner or the wider public.

From late August there will be a web page on the [www.govt.nz](http://www.govt.nz) website where people can tell us about problematic rules. There will also be a Taskforce to hear submissions from the public. We are also going to use social media to gather ideas and suggestions.

We are doing this with local government. We are working with LGNZ and there will be local government experts on the Taskforce.

The project is being supported by several government departments. The Department of Internal Affairs will lead. Because of the subject matter the Ministry of Business, Innovation and Employment and the Ministry for the Environment will also provide support and advice.

#### The Taskforce

The Taskforce will assess the rules and regulations brought to its attention. It will weigh up the benefits of the rules against the concerns raised.

The Taskforce will include experts in both central and local government as well as specialists from the building and trades sector.

The Taskforce will want to hear from anyone who has a suggestion, but in particular from property owners, builders, tradespeople and businesses.

The Taskforce will be up and running in October and we expect their report will be with the Minister of Local Government in mid-2015.

#### Back pocket Q&A

***In your media release you mentioned rules around signage over cake stalls and where your shower curtains need to be positioned. What by-laws were you referring to?***

The examples of property owners experience of local regulation used in the press release were sourced from newspaper articles and personal anecdotes conveyed to the Minister.

***Aren't you risking getting rid of rules that actually serve a purpose?***

Obviously rules and regulations were imposed to meet a perceived need. The objective here is to identify if that was a real need, if it still exists and if the regulation imposed actually solves the problem it was intended to solve.

***Will the Taskforce respond to individuals' problems?***

The Taskforce will not attempt to respond to individual problems directly. It is expected that the Taskforce will receive many submissions. The Taskforce will need to look at themes and groups of issues.