



Towards better local regulation

Data Compendium

Data compendium: Business and council survey results

The New Zealand Productivity Commission

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Overview

This draft compendium forms part of the evidence base for the Productivity Commission's inquiry into the opportunities to improve regulatory performance in local government. The inquiry is being undertaken at the request of the Government as part of a wider review of the local government sector - known as *Better Local Government*. This wider review lays out eight steps for improving local government in New Zealand. The Commission's inquiry fulfils one of these steps by reviewing "the balance of functions allocated to local government and ways to improve regulatory performance in the sector".

More specifically, the Commission has been asked to:

- develop principles to guide decisions on which regulatory functions are best undertaken by local or central government, and identify functions that would benefit from a reconsideration of the balance of delivery between central and local government;
- identify opportunities for both central and local government to improve the regulatory performance of local government; and
- recommend options for regularly assessing the regulatory performance of the local government sector.

The draft compendium summarises results from two surveys undertaken by the Commission – one aimed at eliciting the views of senior regulatory officials in New Zealand's local governments and the other targeted at senior decision makers in 1,500 New Zealand businesses from a representative cross-section of industries. Results from the survey have been used to help inform the findings contained in the inquiry draft report. The report has also been informed by approximately 80 stakeholder engagement meetings, analysis of Statistics New Zealand data, and by 59 submissions received in response to the Inquiry Issues Paper published in July 2012.

Copies of the draft report and of the inquiry submissions are available on the Commission's website (www.productivity.govt.nz) or by contacting the Commission on 04 903 5150. Submissions on the draft report are invited by 6 March 2013.

1 Council survey results

1.1 Background

To help inform its inquiry, the Commission engaged the market research company Colmar Brunton to carry out a survey of New Zealand's local government authorities.

The aim of the survey was to provide insight into:

- Local government's experiences in dealing with central government on regulatory issues
- Capacity or capability constraints that may be impacting on the ability of local government to implement regulation
- The level of resources that local governments dedicate to specific regulatory functions (and the factors that influence the allocation of resources across regulatory functions)
- The level of cooperation and transfer of knowledge between councils
- The current approaches to evaluating regulatory performance and the extent to which councils benchmark against one another
- The regulatory issues that generate the greatest level of community concern

All 78 local authorities were asked to complete the survey, and responses were sought from the CEO or a senior regulatory manager. To maximise the response rate and to encourage open information sharing, the Commission received anonymised results – that is, individual councils could not be identified.

Seventy-three of the 78 councils responded to the survey – a 94% response rate. In 2007 and 2008, Colmar Brunton carried out a survey of local governments for the Local Government Commission and achieved a similar response rate of 89%.

Councils were asked about their interactions with businesses, central government and other councils on the subject of regulatory functions. The main regulatory issues they were asked about were:

- Air quality regulations
- Biodiversity and conservation management
- Building and construction consents
- Coastal management
- Control of pest plants and animals
- Dog control
- Fire control
- Food safety
- Freedom camping
- Gambling regulation
- Hazardous substances and new organism control
- Liquor licencing and alcohol control
- Litter control
- Noise regulations
- Other land management activities
- Parking and traffic control
- Planning, land use or water consents
- Prostitution regulation
- Public health
- Reserves and picnic areas
- Trade waste regulation
- Water quality and monitoring

Most of the results presented are expressed as percentages rather than frequencies. For some questions, a small number of respondents did not answer the question or gave a response of “Don’t know”. These responses are generally excluded from the percentage calculations. In some cases, questions were only asked of those who responded in a certain way in a previous question (for example, only those who said that they were aware of Local Government New Zealand’s (LGNZ) model bylaws were asked if they had ever used these model bylaws). Responses were received from 46 district councils, 10 city councils, 11 regional councils and 6 unitary councils.

1.2 Descriptive statistics

Figure 1-1 Council type

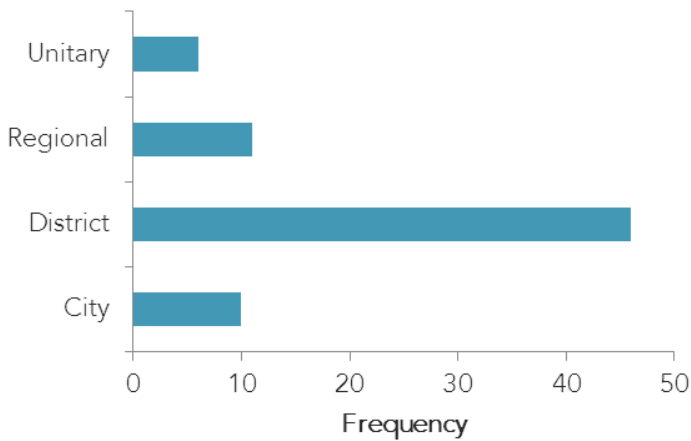
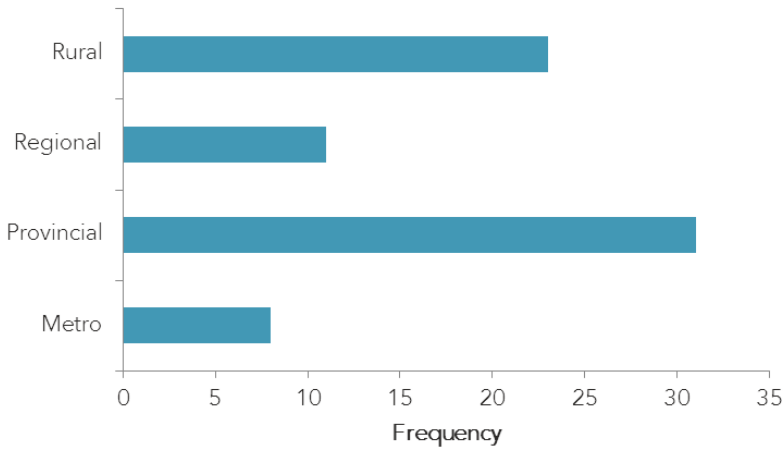


Table 1-1 Response rate by council type

	Number of respondents	Total number of councils	Response rate
Unitary councils	6	7	86%
Regional councils	11	11	100%
District councils	46	50	92%
City councils	10	10	100%

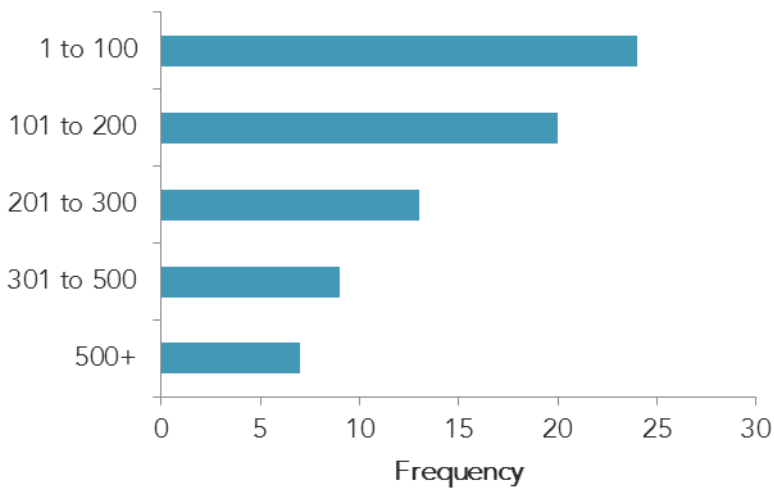
There was a 100% response rate for regional and city councils, an 86% rate for unitary councils and a 92% response rate for district councils.

Figure 1-2 LGNZ classification



The most common LGNZ classification is provincial councils with 31, representing 42% of respondents. Regional and metro councils have the next largest representation with 11 and 8 councils respectively.

Figure 1-3 Number of full time employees



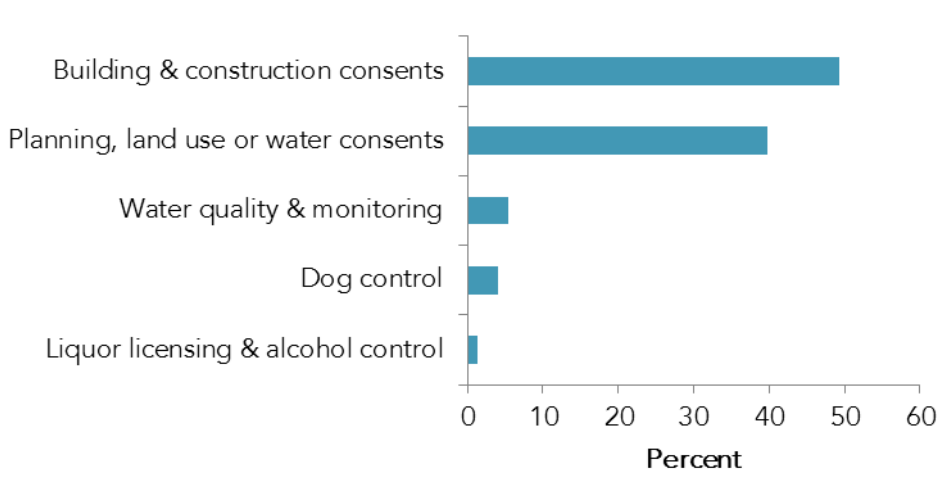
Responses were received from 24 councils with 1 to 100 employees, representing 33% of councils surveyed. There are 7 councils in the sample with more than 500 employees, representing 10% of the sample.

1.3 Resources dedicated to specific regulatory functions

Respondents were asked which five regulatory activities took up the most staff time and resources over the last three years.

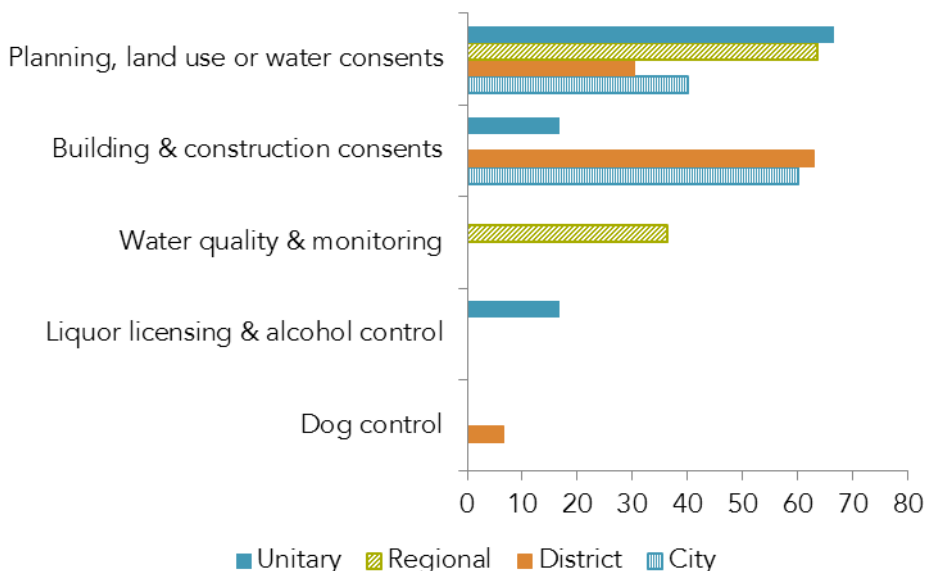
1.3.1 Top ranked regulatory function

Figure 1-4 Top ranked regulatory function



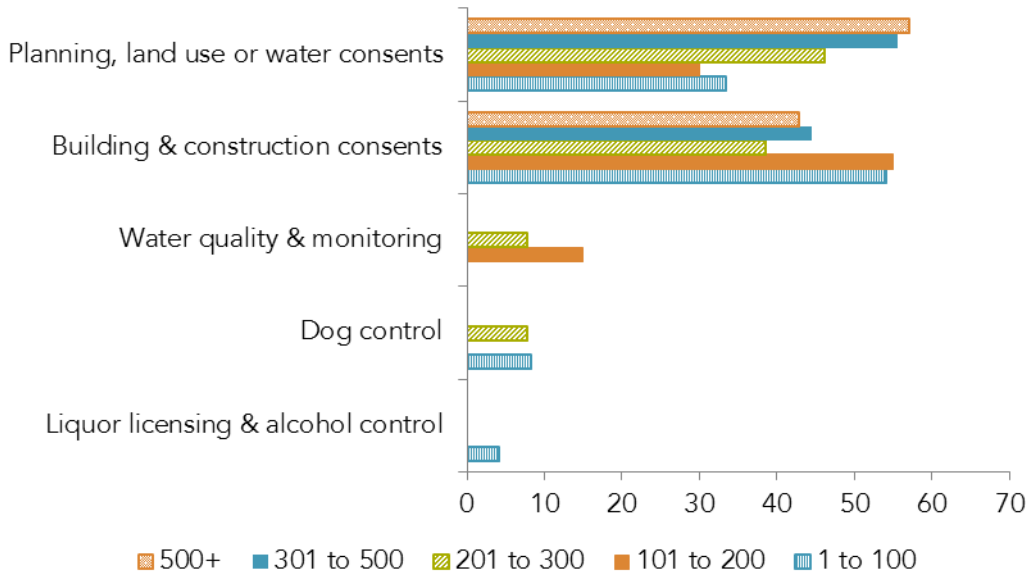
Almost half of the councils identified building and construction consents as the key regulatory function that took up the most staff time and effort (49%). Planning, land use or water consents were identified by 40% of councils. The remaining 11% of councils chose water quality monitoring and control, dog control, or liquor licencing and alcohol.

Figure 1-5 Top ranked regulatory function - by council type



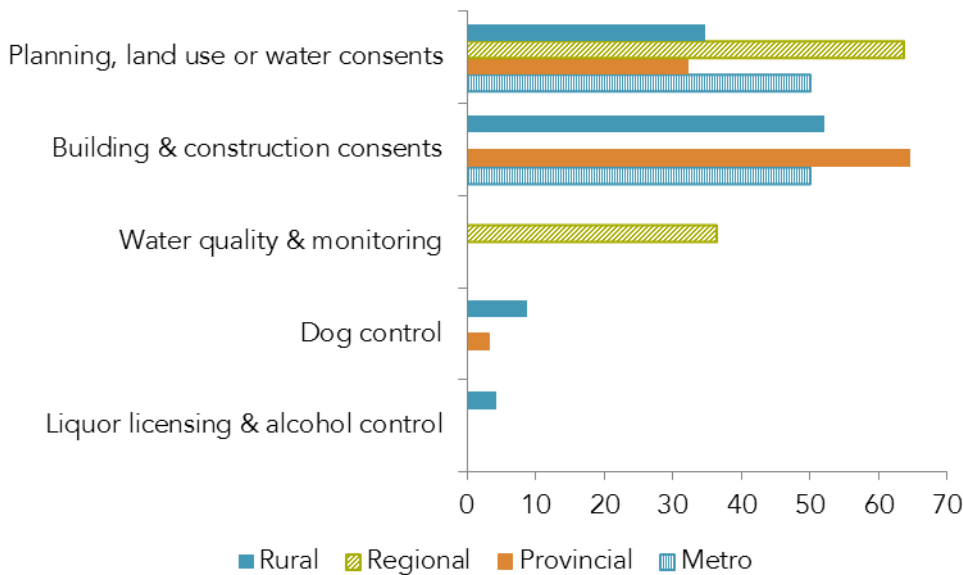
The differences between unitary and regional councils and territorial authorities are in line with the differing nature of their regulatory functions. About two-thirds of unitary and regional councils said that planning, land use or water consents took up the most staff time and effort. The majority of district and city councils said that building consents took up the most staff time and effort (60% and 63% respectively).

Figure 1-6 Top ranked regulatory function - by number of employees



Regardless of the size of the councils, building and construction consents, and planning, land use or water consents, were identified as taking up the most staff time and resources. In fact, all large councils (301+) ranked one of these two functions first in terms of staff time and resources. A few smaller councils ranked water quality and monitoring, dog control or liquor licencing and alcohol control as taking up the most staff time and resources.

Figure 1.7 Top ranked by LGNZ classification



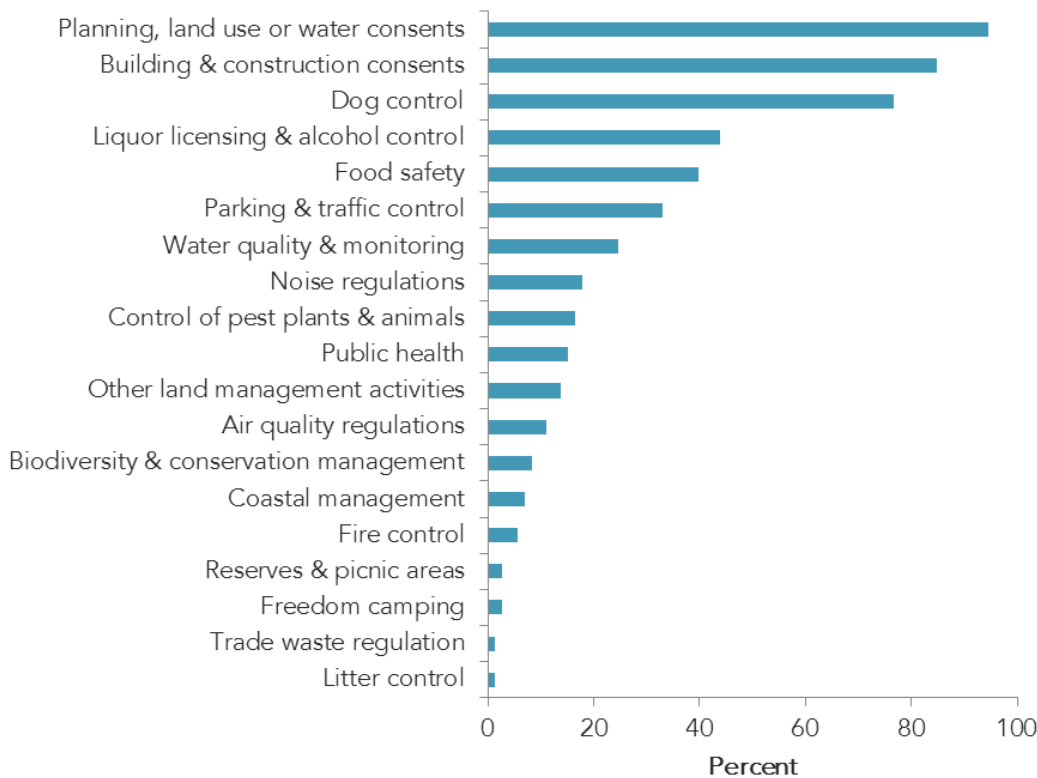
Within the regional sector, 64% of respondents stated planning, land use or water consents as the main use of resources, and none stated building and construction consents. The metro sector respondents stated only planning, land use or water consents and building and construction consents as the key use of resources, with equal frequency.

1.3.2 Top five regulatory functions

While the previous set of figures examined the top ranked regulatory function in terms of staff time and resources, the next figure looks at the top five regulatory functions. The ranking of the regulatory functions by councils is not taken into account here – the statistics are simply based on the top five regulatory

functions, with each given the same weight. That is, whether the function was ranked first or fifth is not taken into consideration.

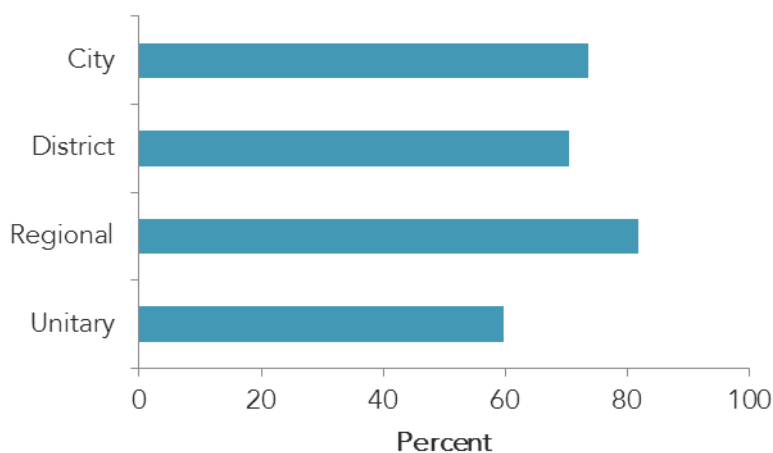
Figure 1-8 Top five ranked regulatory functions



The key regulatory function was planning, land use or water consents, with 95% of councils stating it is one of their top five ranked functions in terms of staff time and resources. This was followed by building and construction consents (85%), and dog control (77%).

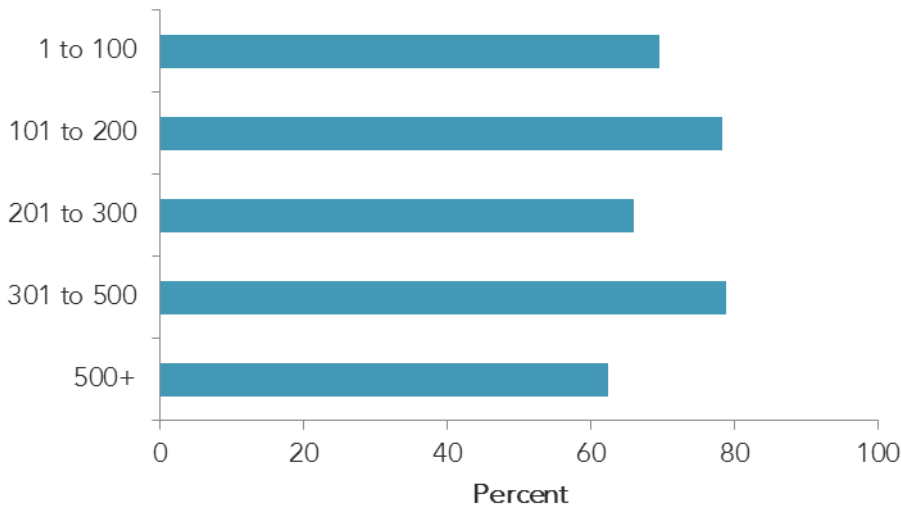
1.3.3 Proportion of regulatory services budget allocated to top five regulatory functions

Figure 1-9 Average percentage of budget allocated to the top five activities - by council type



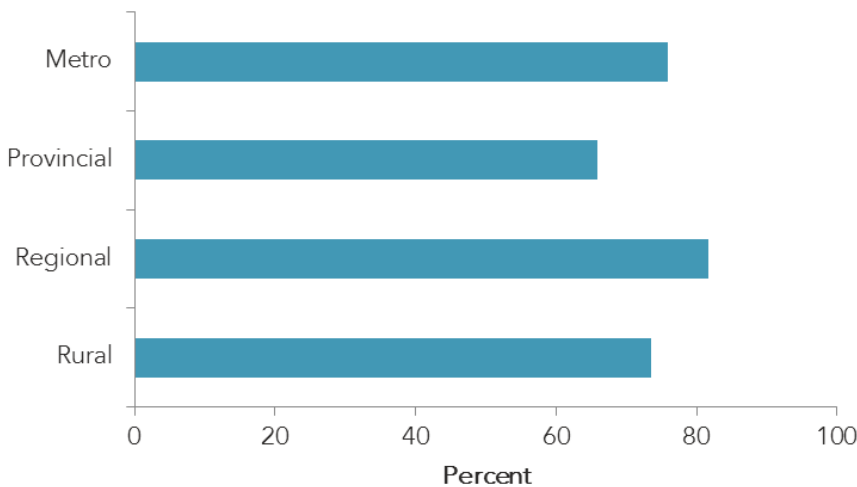
The average proportion of regulatory budgets spent on the top five ranked regulatory functions for all respondents was 71%. On average, 82% of regional, 73% of city, 71% of district and 60% of unitary councils' regulatory budgets were spent on the top five regulatory functions. This potentially indicates a broader range of regulatory functions needing council resources in the unitary councils.

Figure 1-10 Average percentage of budget allocated to the top five activities by number of full time employees



There is no discernible relationship between the size of councils and the percentage of the regulatory budget allocated to the top five activities. Those with more than 500 employees spent, on average, about 62% of their budget on the top five activities, while those with 301-500 employees spent 78%.

Figure 1-11 Average percentage of budget allocated to the top five activities by LGNZ classification

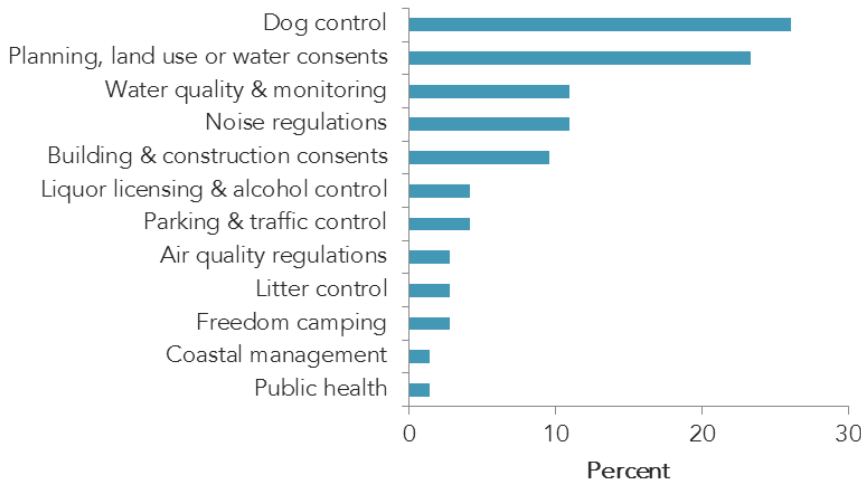


Regional respondents spent the highest average percentage (82%) of their regulatory budget on the top five ranked regulatory functions. Rural and metro had average percentages of 74% and 76% respectively, slightly higher than the average of 71%.

1.4 Understanding community concerns and preferences

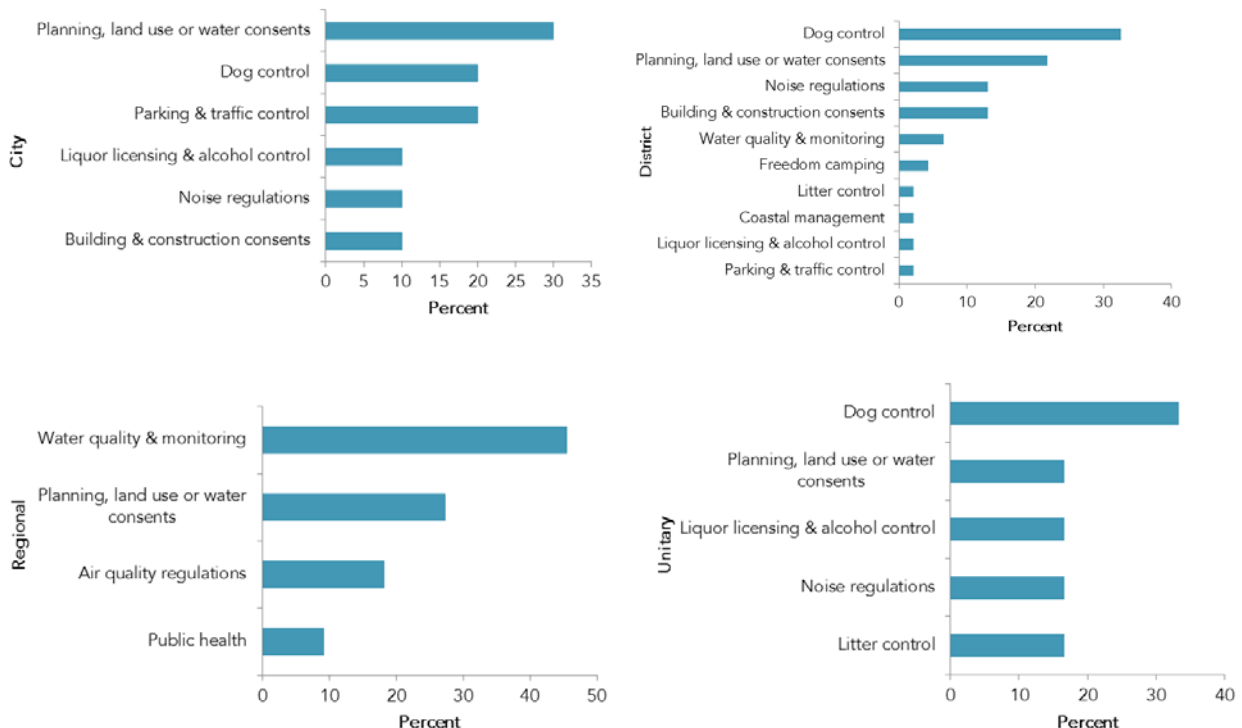
Respondents were asked which five regulatory issues they believe generated the greatest level of concern in the community. They were told that community concern could include turn-out at public meetings, letters to the local paper and amount of correspondence with or complaints to the council in the form of calls, emails and letters etc.

Figure 1-12 Top ranked regulatory function of community concern



Dog control and planning, land use or water consents were ranked top by the most councils, with 49% identifying one of these two functions as generating the greatest community concern. All five of the regulations that had the largest resource use by councils (Figure 1-4) were also identified as in the top six in terms of community concern. Noise regulation was the only regulatory function that generated a high level of community concern but was not ranked as the top function in terms of resource allocation by any council. However, noise regulation was identified in the top five functions in terms of resource allocation by 18% of councils.

Figure 1-13 Top ranked regulatory function of community concern - by council type



30% of city council respondents stated that planning, land use and water consents generated the greatest community concern, while 20% identified dog control as the source of the most concern. Parking and traffic control was also of particular concern for city councils compared with other council types, with 20% saying it generated the most concern.

Dog control was identified as the main community concern by a third of district councils, followed by planning, land use or water consents.

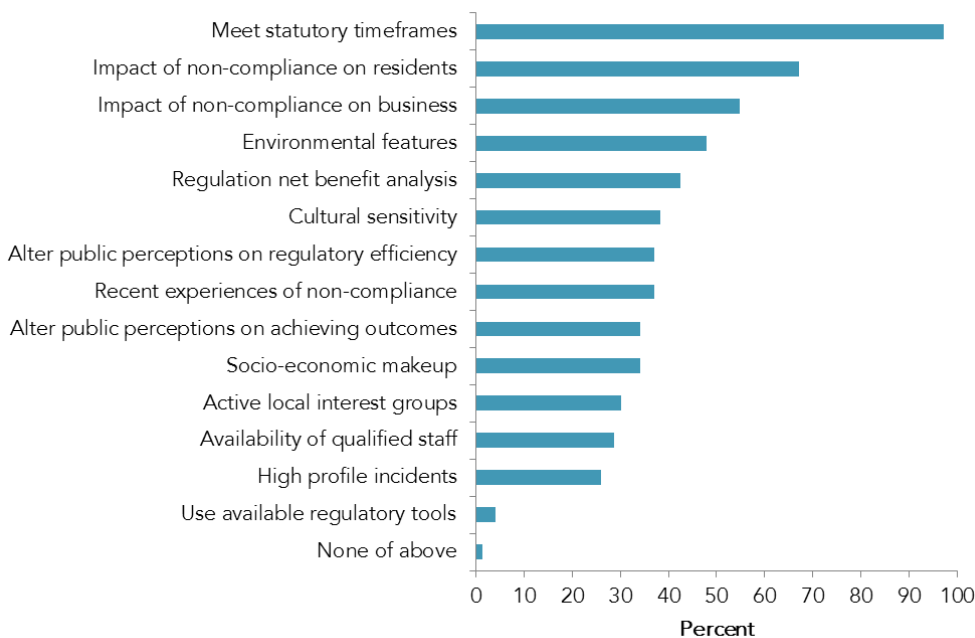
45% of regional councils perceived water quality and monitoring to be the key concern. This was the highest level of all councils; only 7% of district councils and no unitary or city councils identified water quality as the main concern.

A third of unitary council respondents said dog control generated the greatest concern. A high percentage of unitary councils identified liquor licencing and alcohol control (17%), compared with other council types.

1.4.1 Drivers of the allocation of resources to regulatory functions

Councils were asked what drives the level of resources they allocate to their regulatory functions, over their other council functions. They were asked to select which applied from a list of possible options.

Figure 1-14 Drivers of resource allocation to regulatory functions

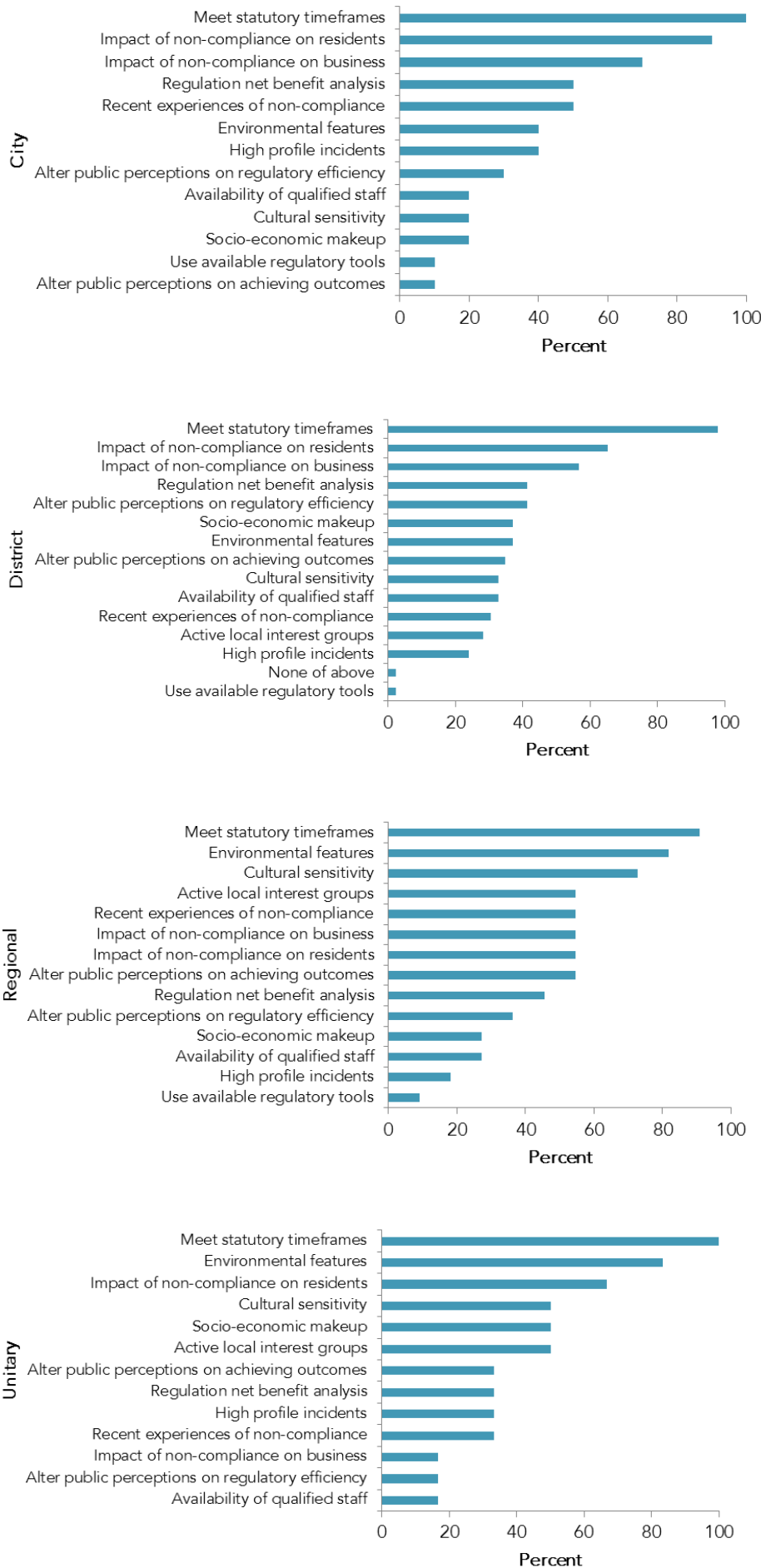


Notes:

1. Percentages add to more than 100 because councils could choose more than one option. The median number of categories chosen was six.

Almost all councils said meeting statutory timeframes was a driver of resource allocation. The effects of non-compliance were also key drivers, with 67% and 55% identifying the effect on residents and business respectively.

Figure 1-15 Drivers of resource allocation to regulatory functions - by council type



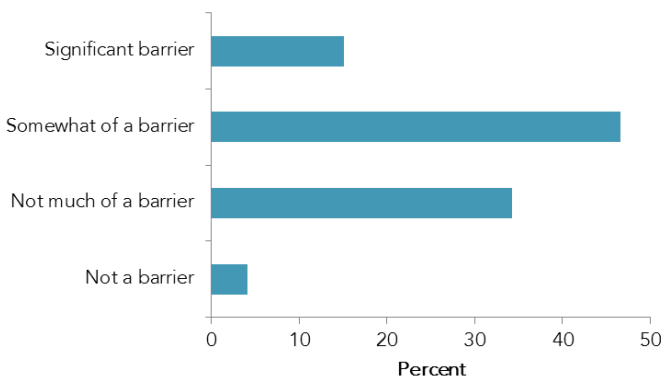
For city and district councils, the top three drivers are consistent with the population as a whole. For regional councils, behind meeting statutory timeframes, environmental features and cultural sensitivity were key drivers of resource allocation.

Respondents were also asked, other than the issues listed in the previous question, what other local issues have influenced the way they allocate resources to regulatory functions. Of the 73 respondents, 40 (53%) did not identify any other local issues. The additional issues identified by the remaining councils included: desire for efficient regulation, economic growth and views of the public.

1.4.2 Barriers to the successful implementation of regulatory functions

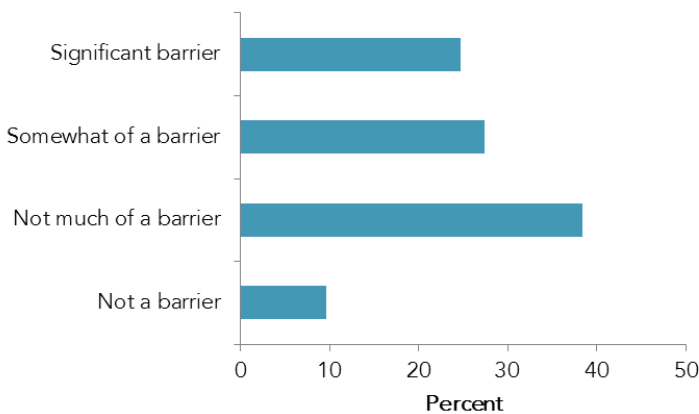
Respondents were asked to what extent different options were barriers to successfully implementing regulatory functions.

Figure 1-16 Financial cost of qualified and experienced staff

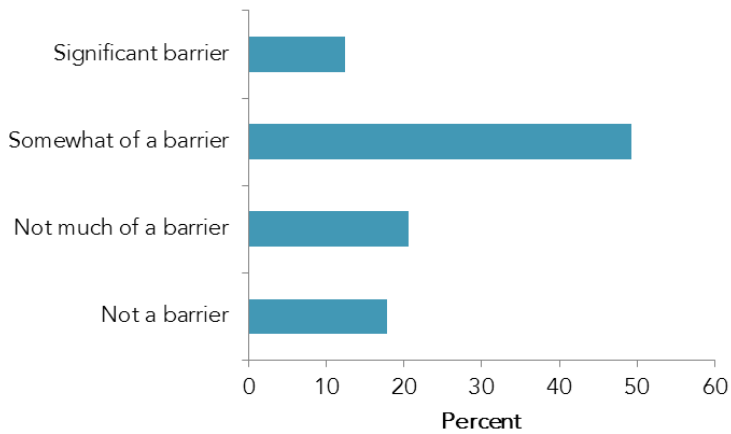


62% of respondents identified the financial cost of qualified and experienced staff as barrier to some degree, with 15% saying it was significant.

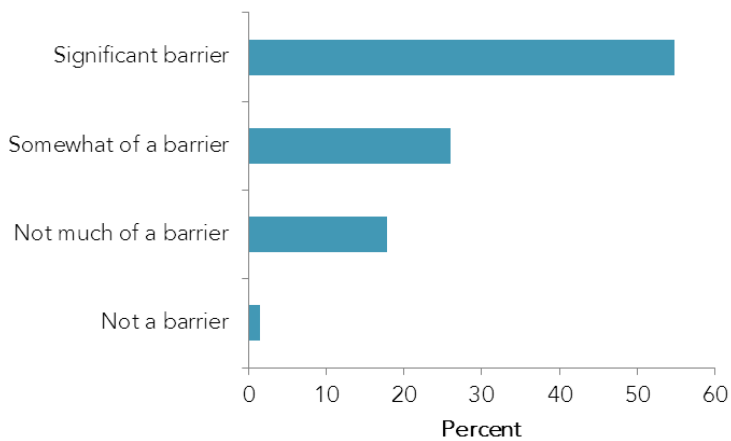
Figure 1-17 Difficulty attracting qualified staff to the area



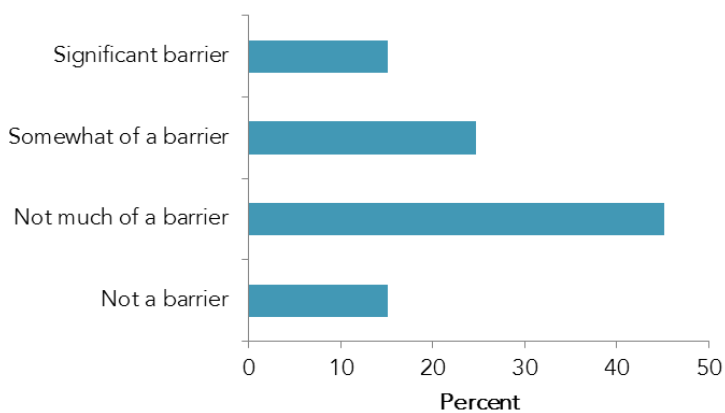
Just over half of the respondents (52%) identified attracting qualified staff as a barrier.

Figure 1-18 Amount of capital needed to successfully regulate

62% of respondents said capital requirements were a barrier, with 12% seeing it as significant.

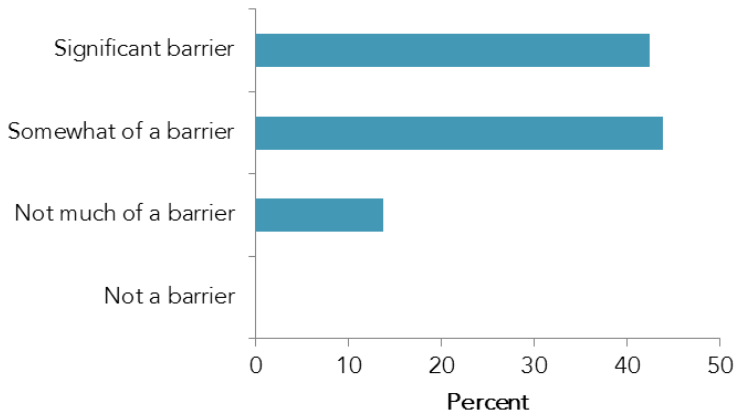
Figure 1-19 Cannot recover full costs of regulatory function administration

81% of respondents saw the inability to recover the full costs of regulatory function administration as a barrier, with over half (55%) seeing it as a significant barrier.

Figure 1-20 Reliance on talented all-rounders

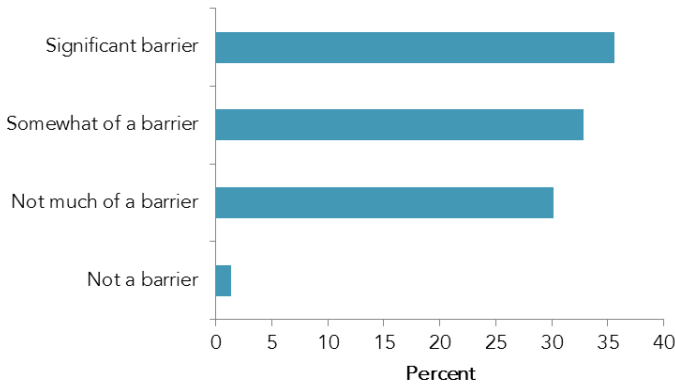
Relative to the other options, reliance on talented all-rounders was less of a barrier, with only 40% seeing it as some degree of a barrier.

Figure 1-21 Difficulty meeting central government regulatory standards



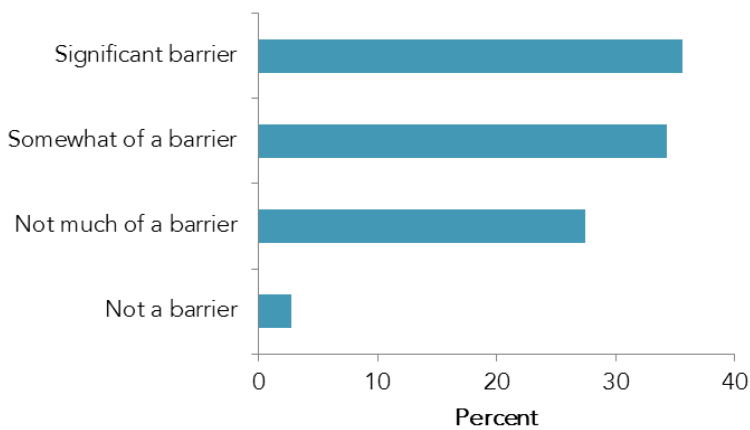
86% of councils saw meeting central government regulatory standards as a barrier, with 42% seeing it as significant.

Figure 1-22 Unclear or ambiguous provisions in legislation

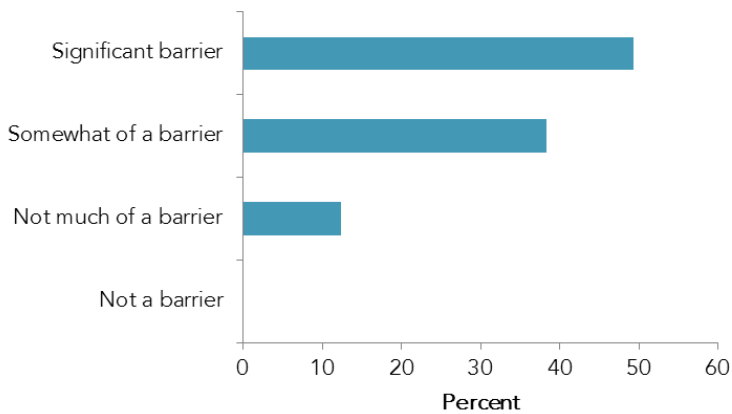


68% of councils saw ambiguity in legislation as a barrier to some degree, with 37% seeing it as significant.

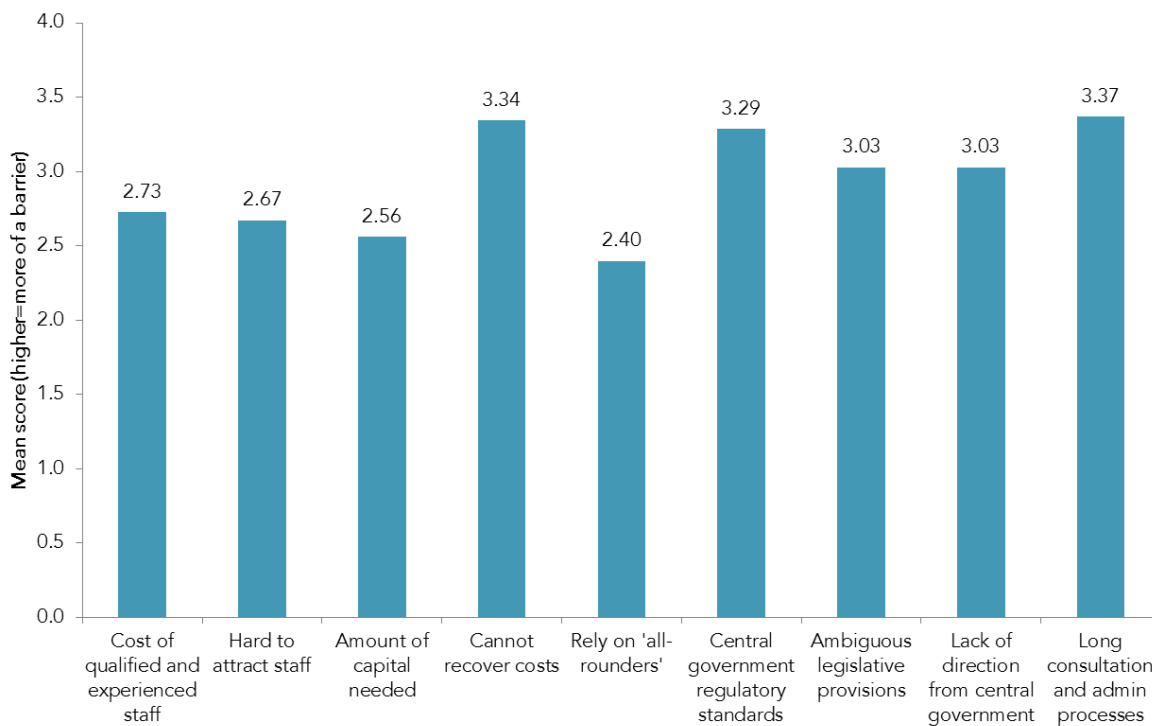
Figure 1-23 Lack of direction from central government



70% of respondents found the lack of direction from the central government a barrier to some degree, with 36% seeing it as significant.

Figure 1-24 Lengthy consultation or administrative processes

Lengthy consultation and administrative processes was a barrier for 88% of councils, with just under half (49%) seeing it as significant.

Figure 1-25 All barriers to successful implementation of regulation functions - mean score

Notes:

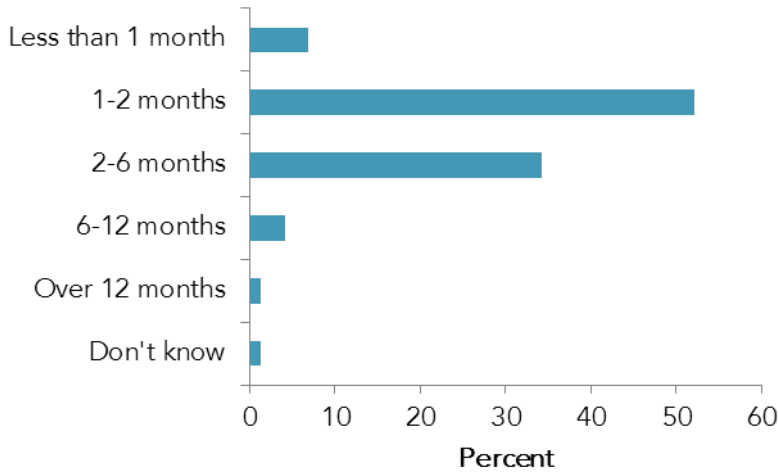
1. Mean score on a scale of 1-4. 'Not a barrier'=1; 'Not much of a barrier'=2; 'Somewhat of a barrier'=3; 'Significant barrier'=4. A higher mean score indicates a greater barrier.

The mean scores for each category allow easy comparison of the categories. The long consultation process, inability to recover costs and difficulty meeting regulatory standards were the key barriers. The reliance on all-rounders was the least restrictive barrier.

1.4.3 Length of time taken to fill positions relating to regulatory functions

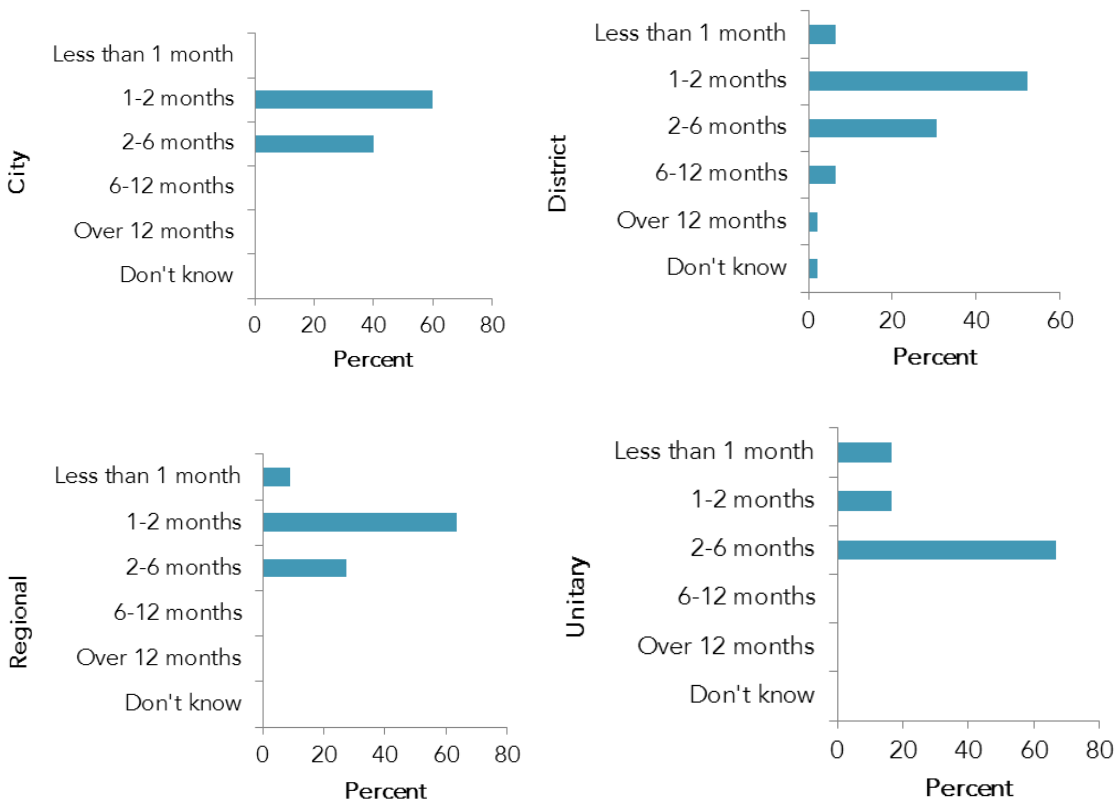
Councils were asked the average length of time regulatory function vacancies remained unfilled.

Figure 1-26 The average time taken to fill regulatory function positions

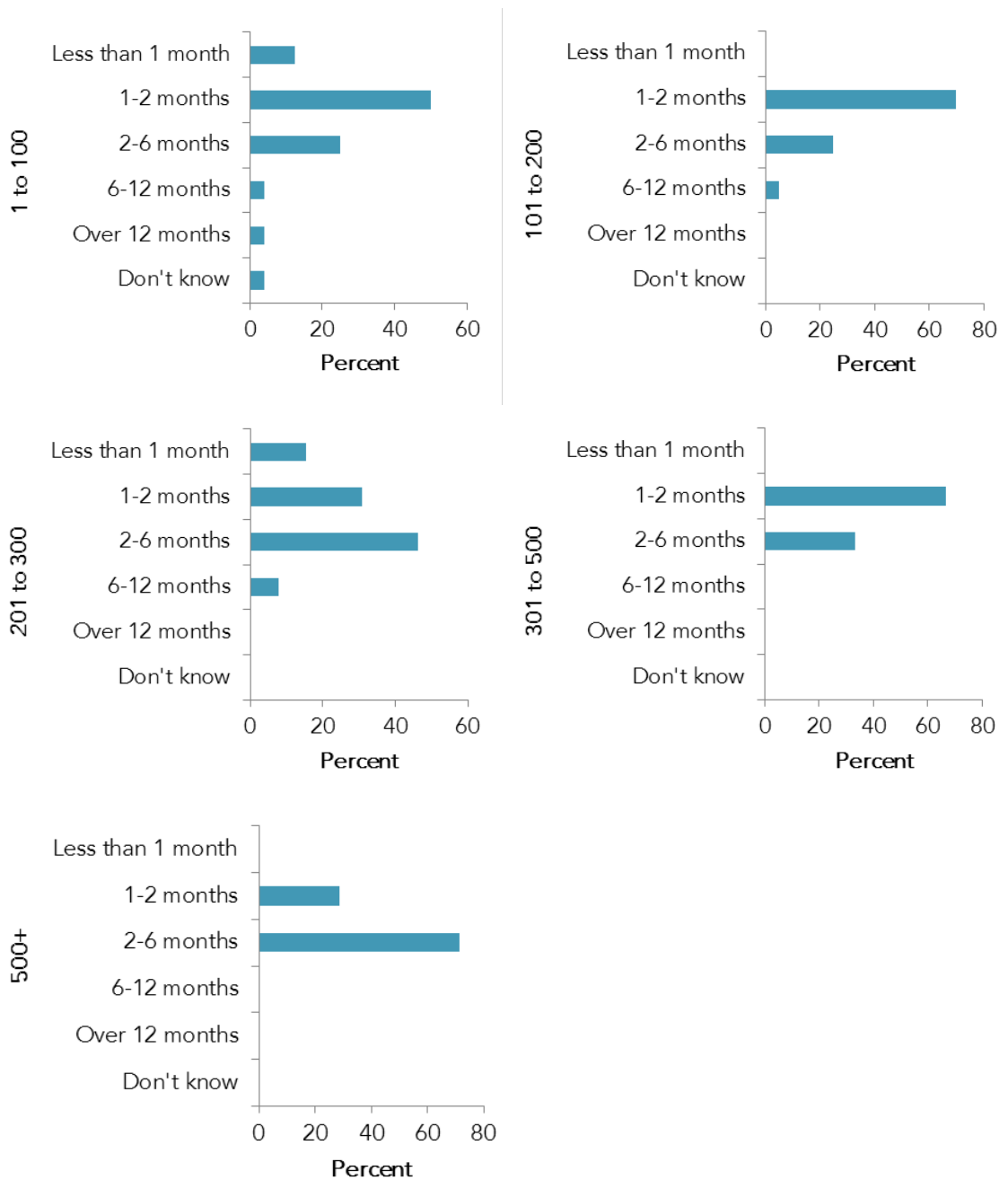


Just over half of councils stated it took one to two months to fill positions relating to regulatory functions (52%). 86% of councils found it takes one to six months to fill the positions.

Figure 1-27 Average time to fill regulatory function positions by council type



District councils were the only council type where any respondents indicated that it took longer than six months to fill regulatory function positions, although the most common length of time was one to two months, consistent with responses from other council types.

Figure 1-28 Average time to fill regulatory function positions by number of employees

Although there is not a great deal of difference between council types, with the majority indicating it takes between one and six months to fill regulatory vacancies, a few small councils said the average time to fill vacancies was greater than six months. The mode response for councils with less than 500 employees was one to two months, while it was two to six months for councils with more than 500 employees.

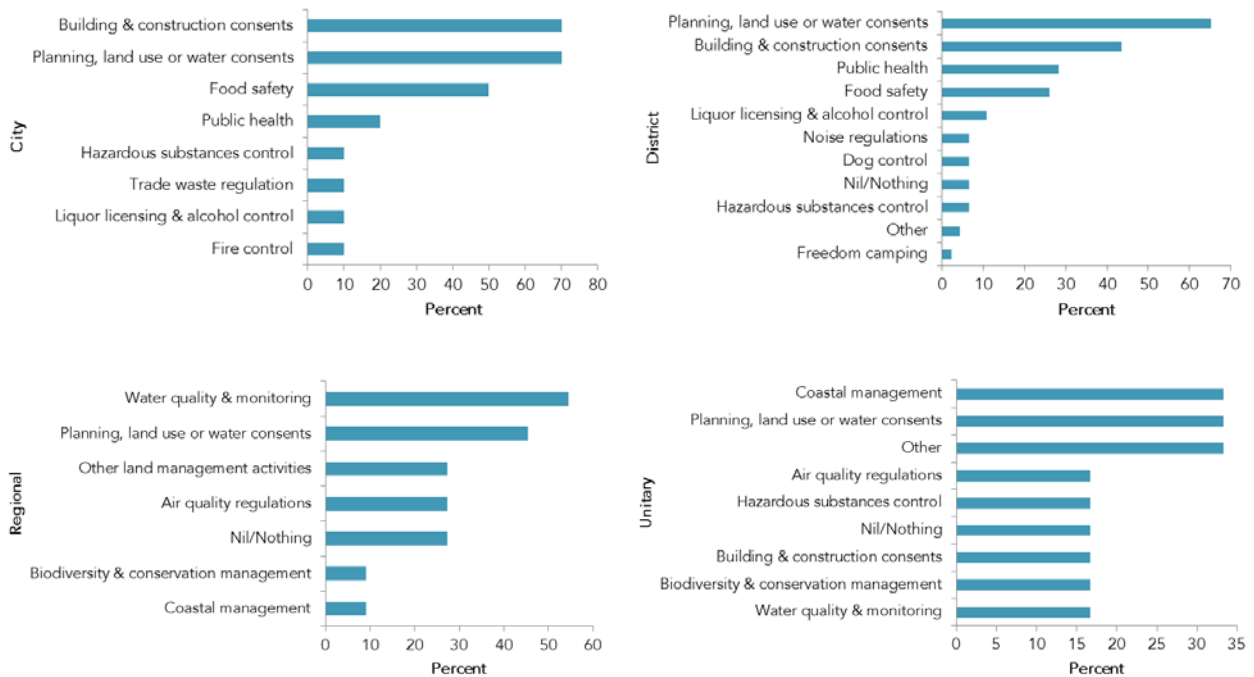
1.4.4 Areas of regulation in which it is harder to fill vacancies

Figure 1-29 Areas in which it is hardest to fill regulatory function positions



60% of councils said that planning, land use and water consents vacancies were typically the hardest to fill. This was followed by building and construction consents (38%).

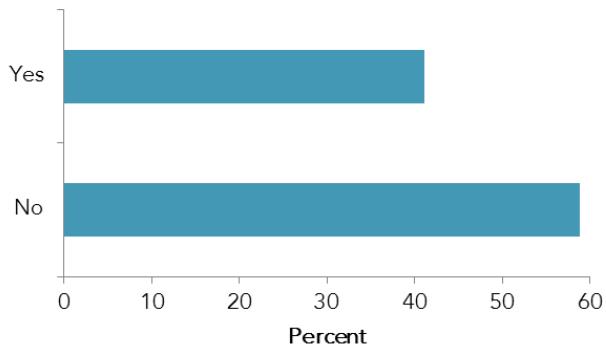
Figure 1-30 Areas in which it is hardest to fill regulatory function positions - by council type



When segregated by type of council, planning, land use or water consents, as well as building and construction consents, remain the most difficult regulatory area to fill positions. In the regional councils, water quality and monitoring was most commonly cited as the hardest area in which to fill positions. The unitary council respondents stated coastal management, planning, land use or water consents, and other areas as the hardest to fill positions.

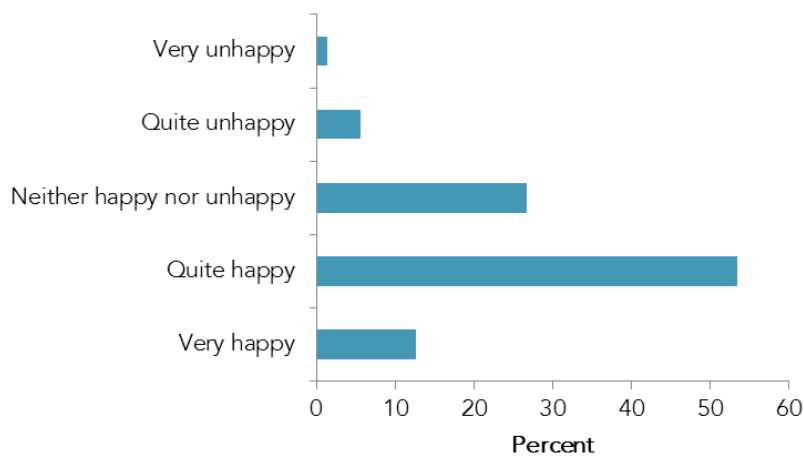
1.4.5 Current vacancies for positions relating to the performance of regulatory functions

Figure 1-31 Current vacancies for positions relating to the performance of regulatory functions



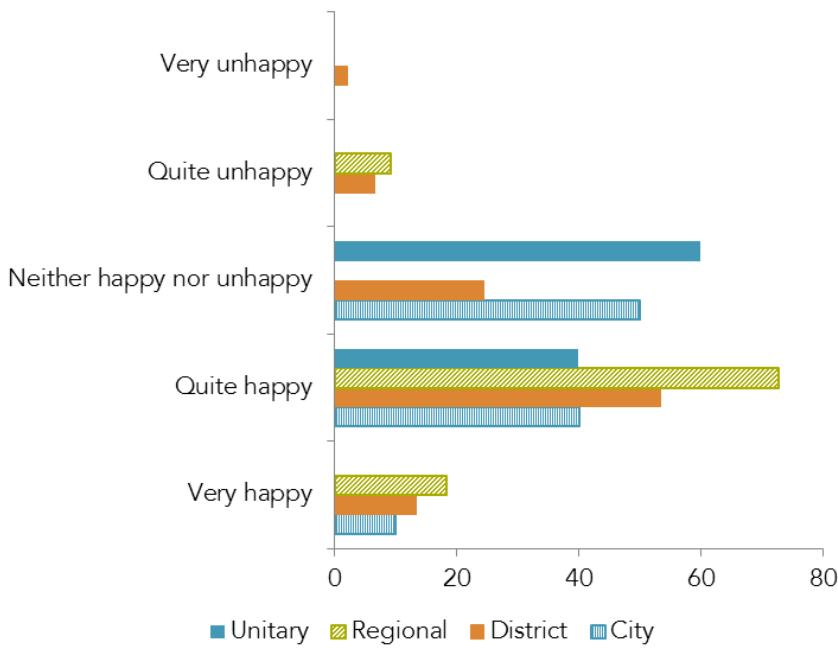
41% of councils had current vacancies for regulatory function positions.

Figure 1-32 Level of happiness about the quality of applicants to fill regulatory vacancies



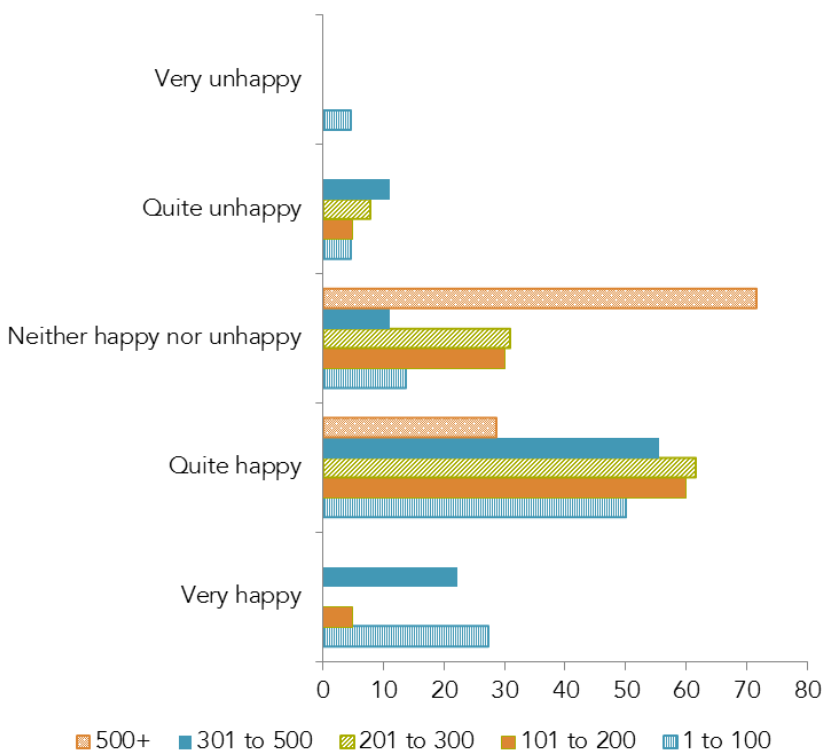
Two-thirds of councils were happy with the quality of applicants attracted to fill regulatory positions, with 13% being very happy.

Figure 1-33 Level of happiness about the quality of applicants to fill regulatory vacancies - by council type



All unitary and city councils said they were neutral or happy with the quality of applicants. Only a small number of district and regional councils said they were unhappy with the quality of applicants.

Figure 1-34 Level of happiness about the quality of applicants to fill regulatory vacancies - by number of employees



The smallest councils (1-100 employees) had the largest reported spread in their quality of applicants with 5% very unhappy and 27% very happy. The largest councils were quite neutral on the issue with nearly three-quarters (71%) indifferent on the quality of applicants. The overall trends though are similar here to the aggregate pattern.

1.5 Understanding local government's experiences in dealing with central government on regulatory issues

1.5.1 Central government assistance and engagement on regulatory issues

Councils were asked whether or not they agreed with a series of statements regarding their engagement with central government about regulatory issues.

Figure 1-35 Engagement with central government about regulatory issues is positive and constructive

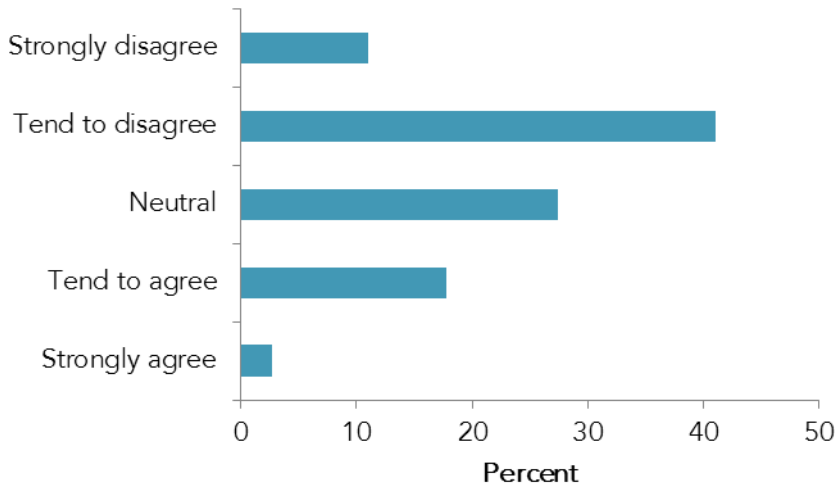


Figure 1-36 Engagement with central government about regulatory issues is based on an understanding of local conditions and challenges

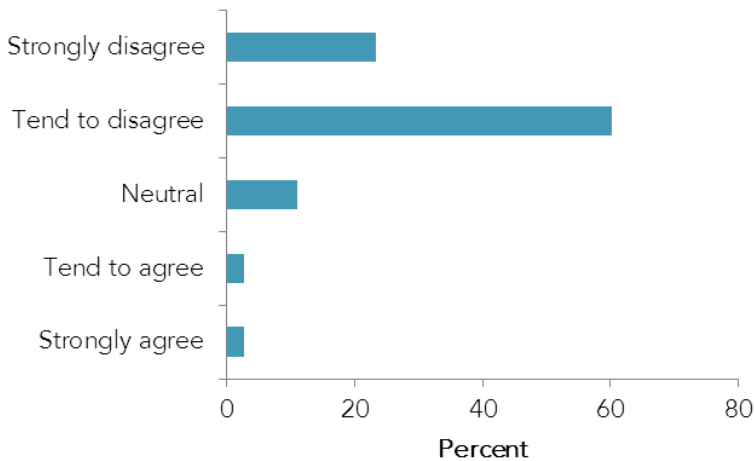


Figure 1-37 Engagement with central government about regulatory issues is viewed as having a positive impact on the quality of central government regulation

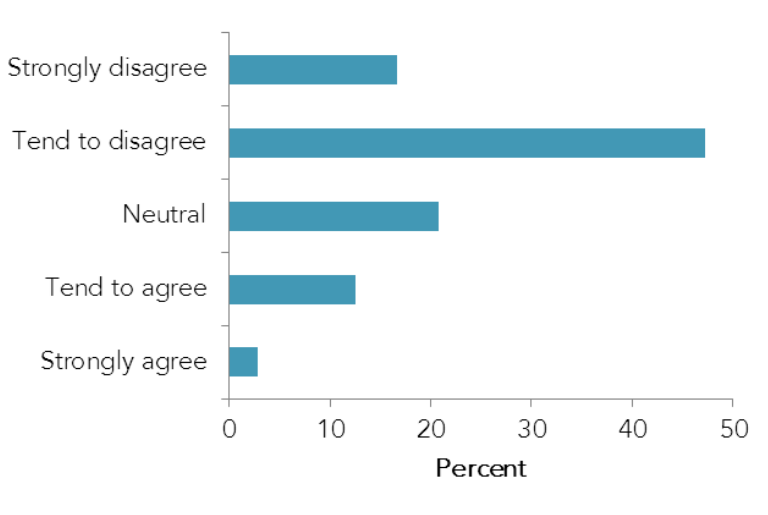


Figure 1-38 Engagement with central government about regulatory issues is based on a common view of the broad objectives of regulation

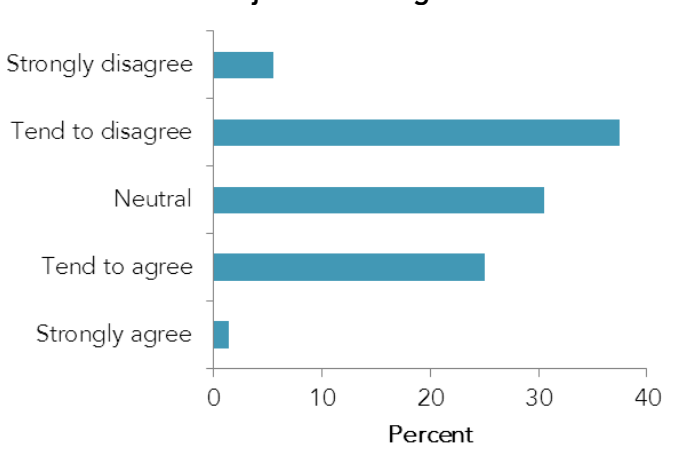


Figure 1-39 Engagement with central government about regulatory issues is seen as genuine and engendering a sense of trust

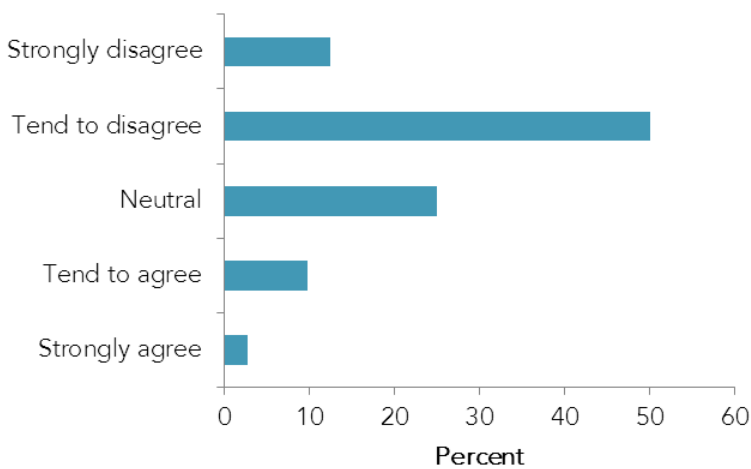


Figure 1-40 Engagement with central government about regulatory issues is of great value to a council's ability to undertake its regulatory functions

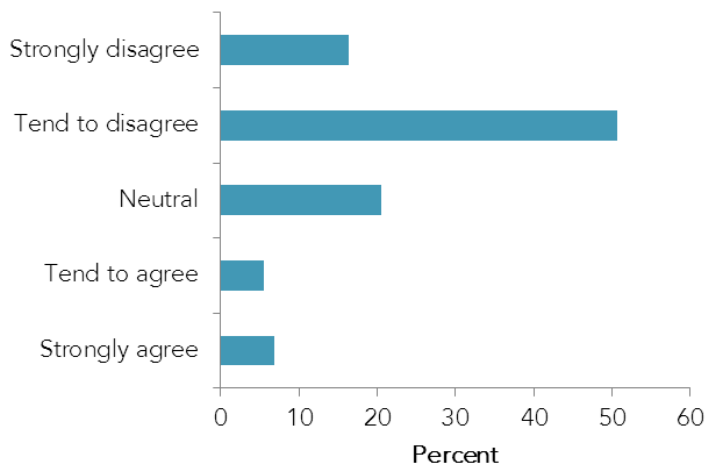


Figure 1-41 Engagement with central government about regulatory issues is based on a good understanding of local government

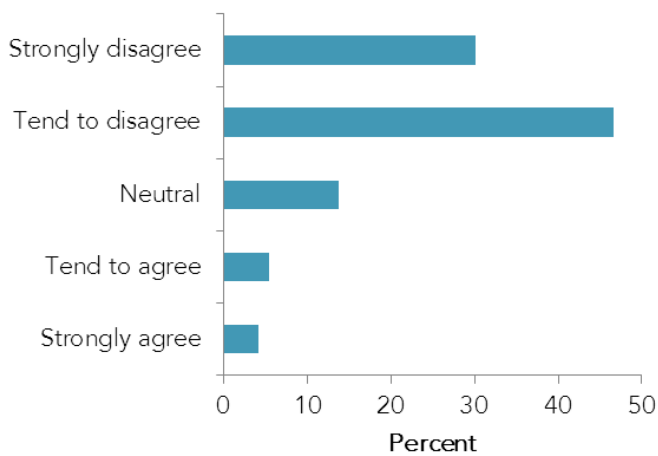
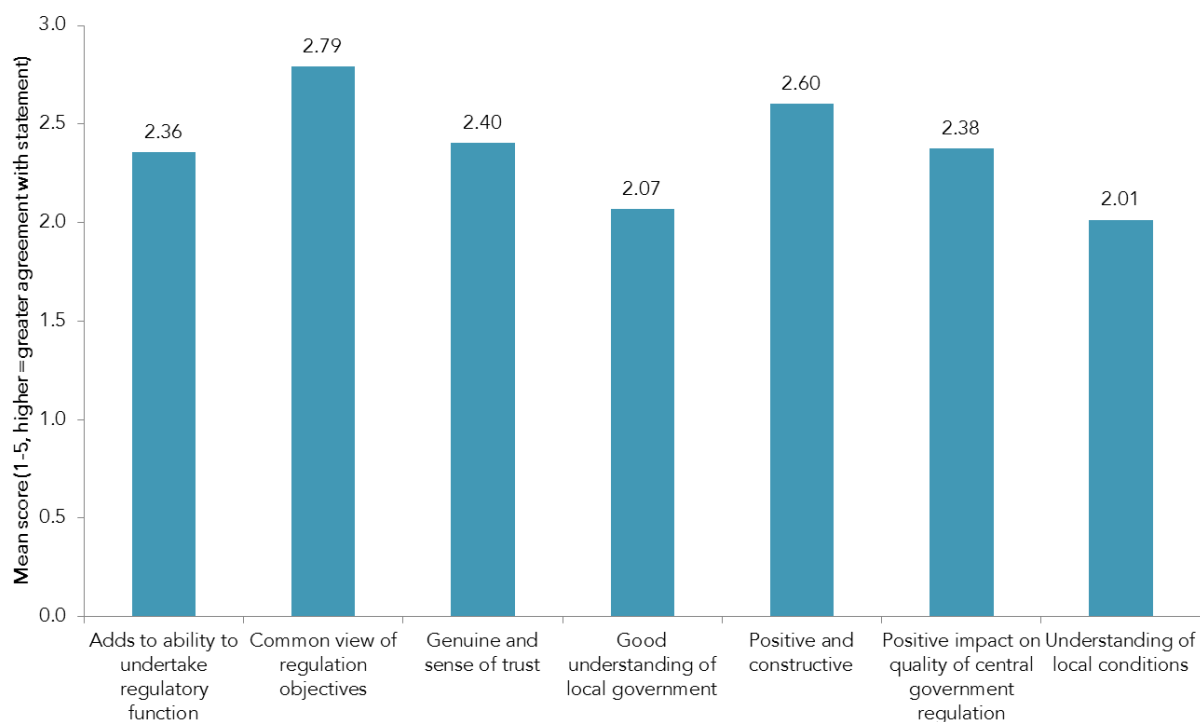
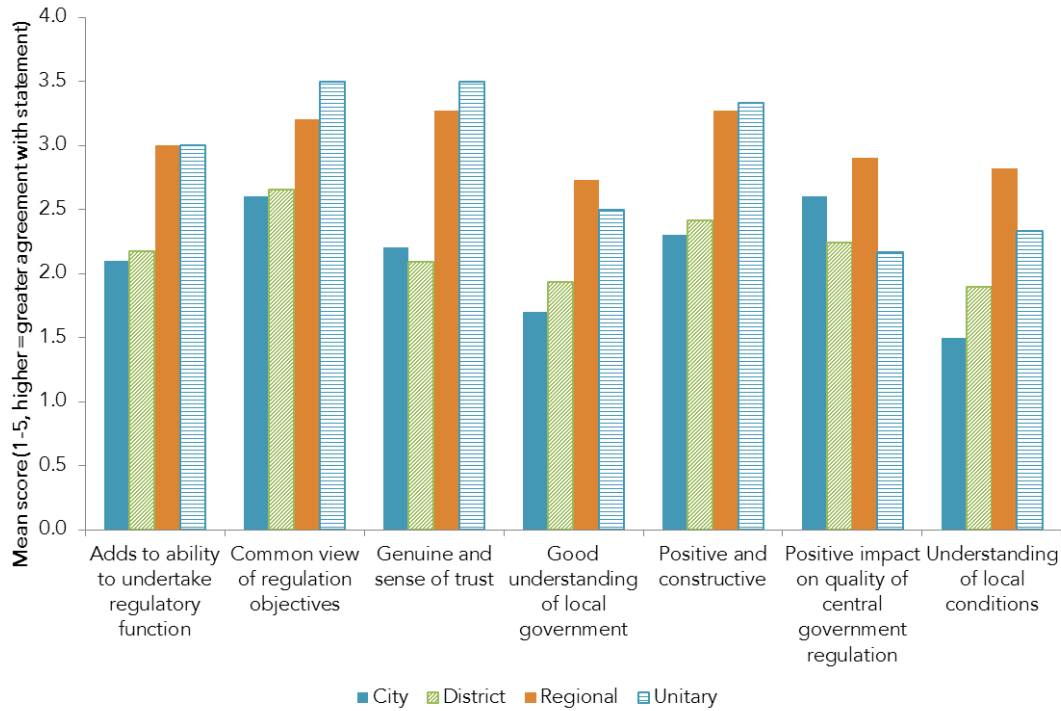


Figure 1-42 Opinion on statements about engagement with central government regulation*Notes:*

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

The mean scores for each category allow easy comparison of the categories, with higher number indicating a greater level of agreement with the statement. All mean scores were between two and three, suggesting that the average level of agreement was somewhere between 'tend to disagree' and 'neutral' for each statement. On average, councils disagreed the most with the statements that central government have a good understanding of local conditions and local government.

Figure 1-43 Opinion on statements about engagement with central government regulation - by council type

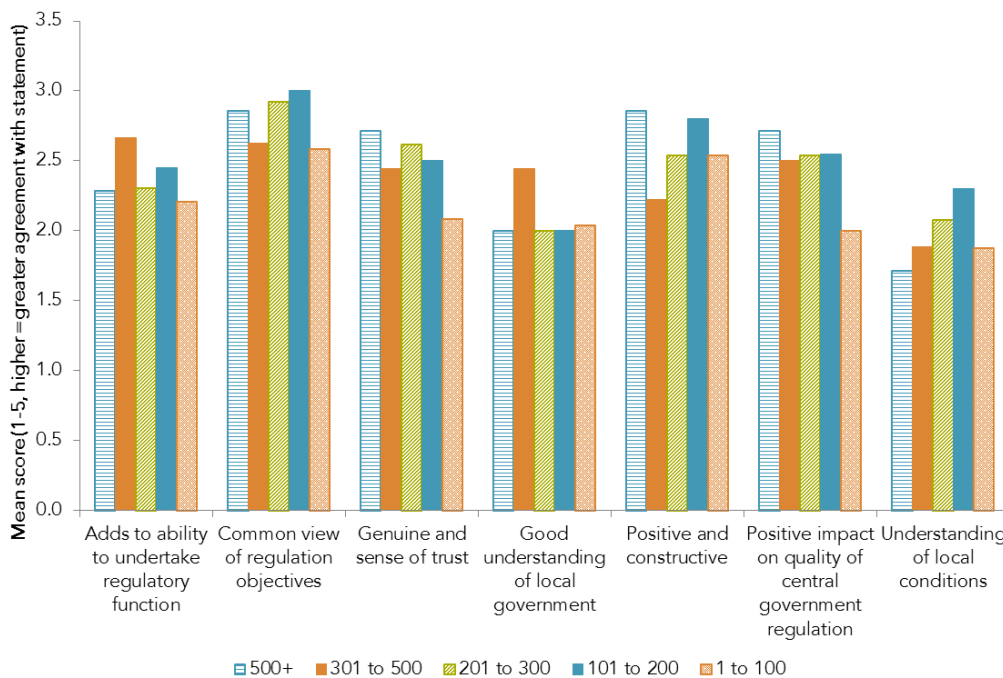


Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

Regional and unitary councils agreed more strongly than territorial authorities on every statement, indicating more constructive engagement with central government on these issues.

Figure 1-44 Opinion on statements about engagement with central government regulation - by number of employees



Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

For several statements, there is no clear pattern by council size. However, there is an increasing relationship between the size of the council and the positive effect on the quality of central government regulation. Perhaps surprisingly, there is a negative relationship between size of council and central government’s understanding of local conditions, except for the smallest councils.

1.5.2 Council interactions with central government agencies on regulatory functions

Respondents were given a series of statements regarding their interactions with central government agencies about regulatory functions, and asked to what extent they agreed.

Figure 1-45 The guidance material provided by central government agencies is helpful for implementation of regulations

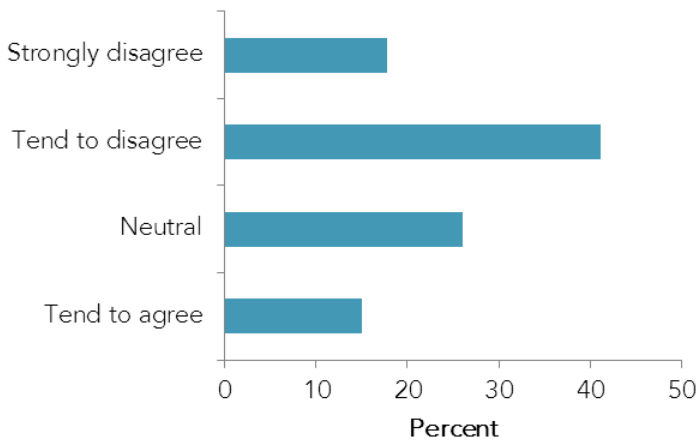


Figure 1-46 Central government agencies provide enough guidance material to allow proper performance of regulatory functions

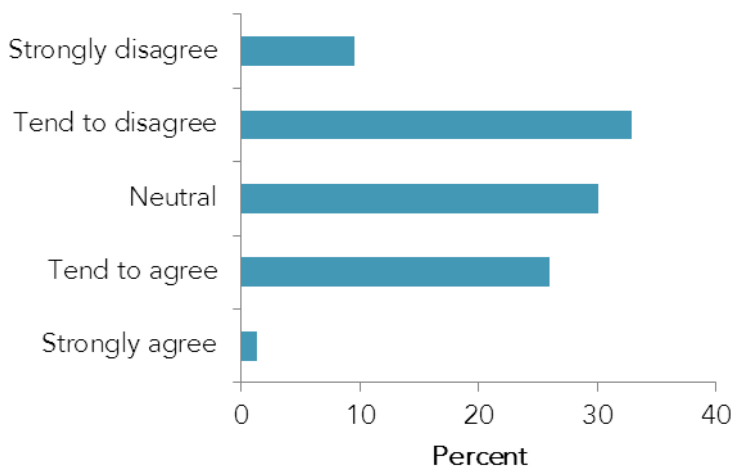


Figure 1-47 Central government agencies have a good understanding of the local costs of new regulations delegated to local government

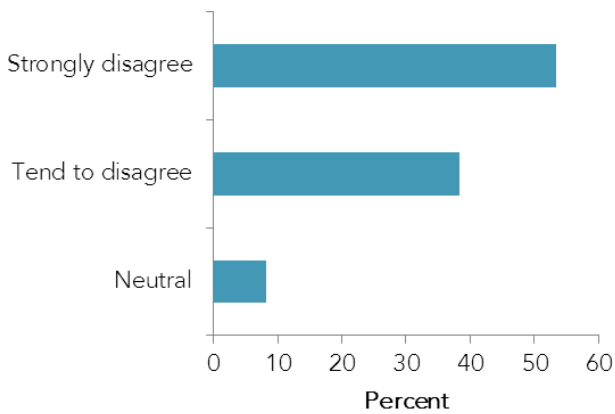


Figure 1-48 Central government agencies regularly incorporate local government feedback when drafting new regulation

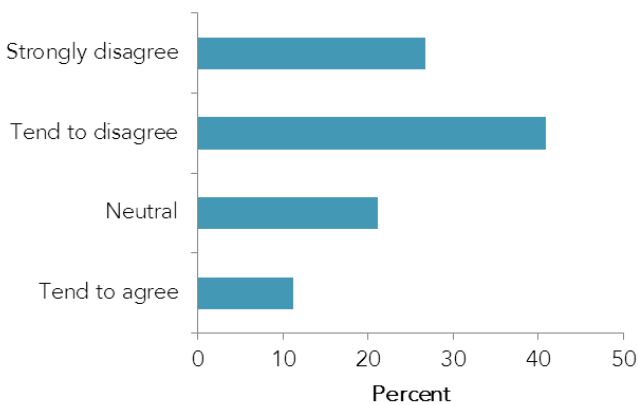
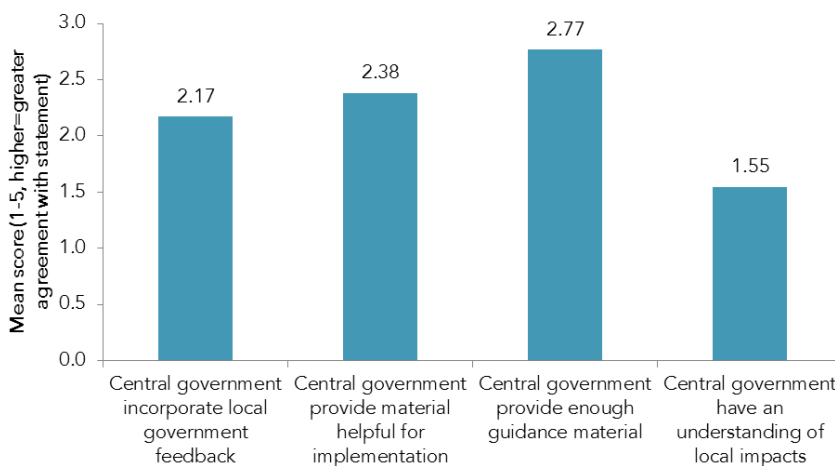


Figure 1-49 Opinion on statements regarding local council interactions with central government agencies



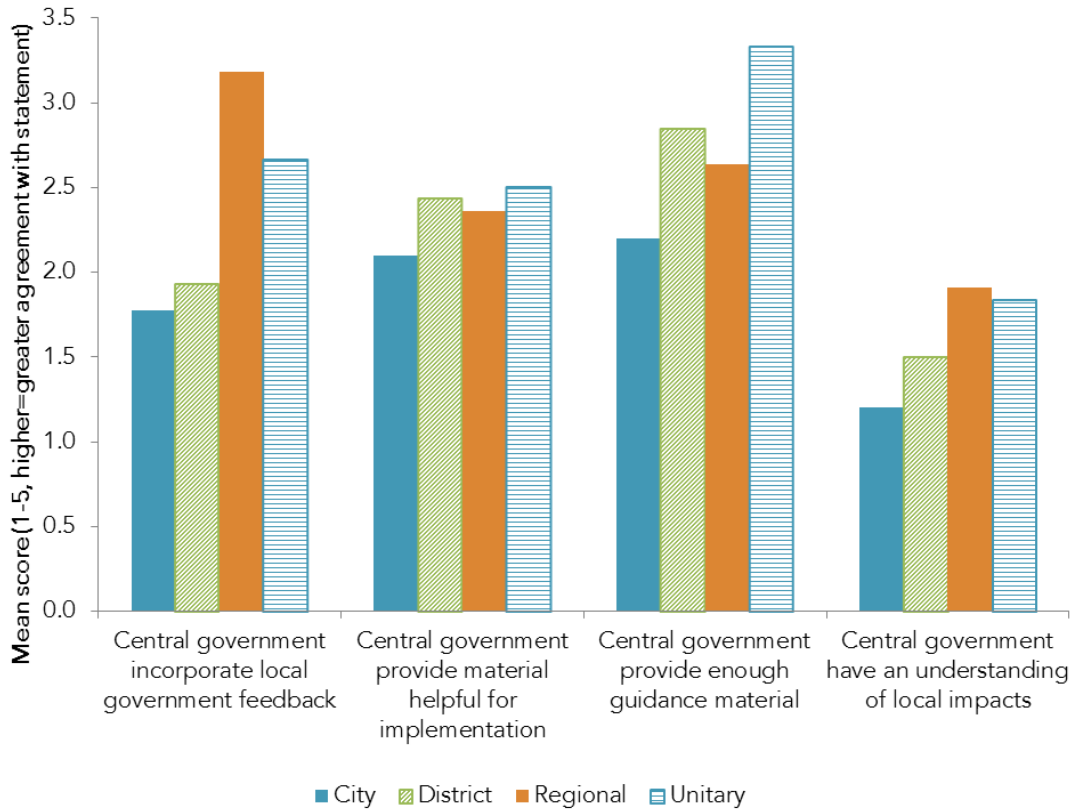
Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

Mean scores are on a scale of 1 to 5, with higher scores indicating a greater level of agreement. Councils were most agreeable with the statement that central government provides enough guidance material to

perform regulatory functions, with 42% agreeing. 92% of councils disagreed with idea that central government understood local impacts of new regulation. No council agreed with the statement.

Figure 1-50 Opinion on statements regarding local council interactions with central government agencies - by council type



Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

Unitary councils were more positive about their interactions with the central government than other types of council. On average regional councils agreed that central government incorporates their feedback more than other council types.

1.5.3 Local council relationship with LGNZ

Respondents were asked to what extent they agree with a series of statements regarding the degree to which they rely on LGNZ.

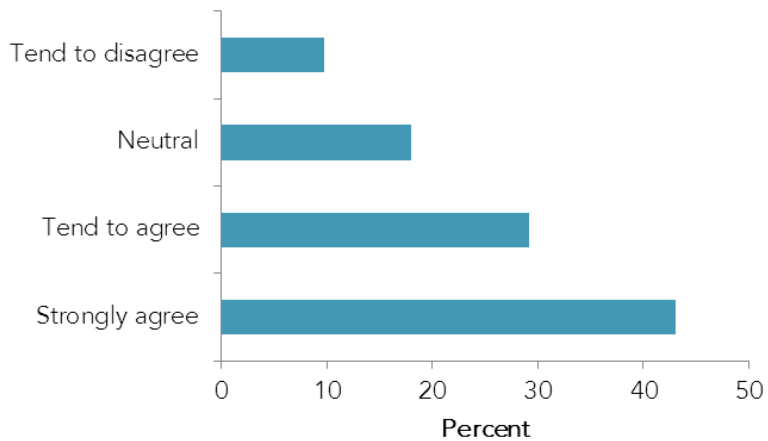
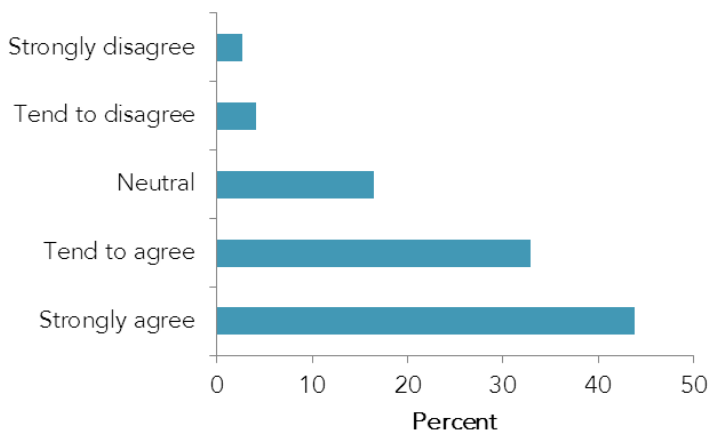
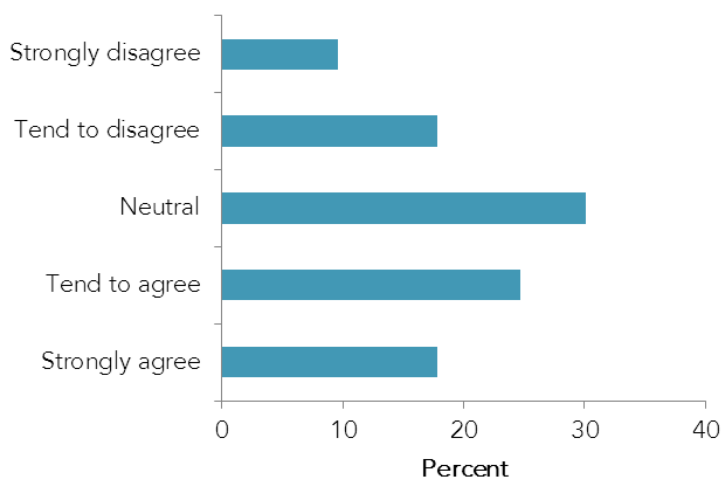
Figure 1-51 Rely on LGNZ for engaging with central government on the council's behalf**Figure 1-52 Rely on LGNZ to keep the council informed of relevant emerging central government initiatives and regulations****Figure 1-53 Rely on LGNZ to interpret its regulatory obligations under new or amended legislation**

Figure 1-54 Rely on LGNZ for organising specific training

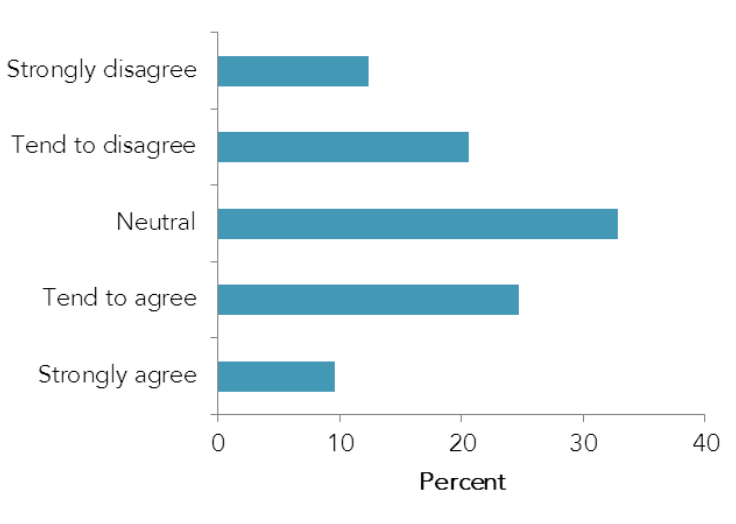


Figure 1-55 Rely on LGNZ for assisting councils to identify best practice regulation in the local government sector

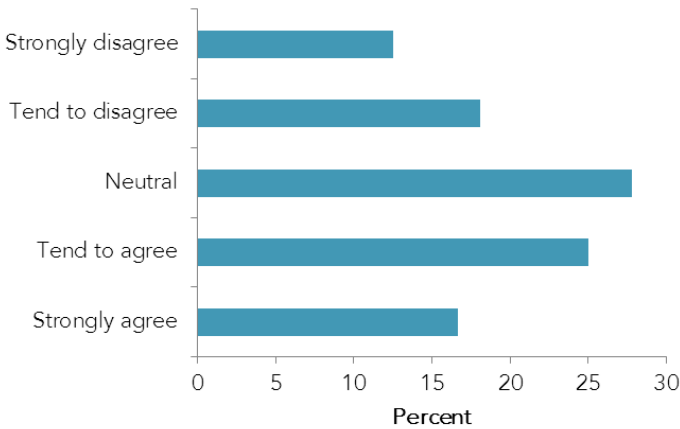


Figure 1-56 Rely on LGNZ to assist councils to implement best practice regulation in the local government sector

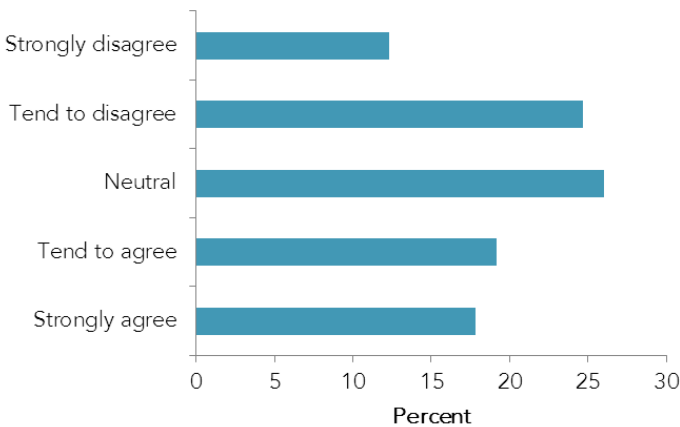
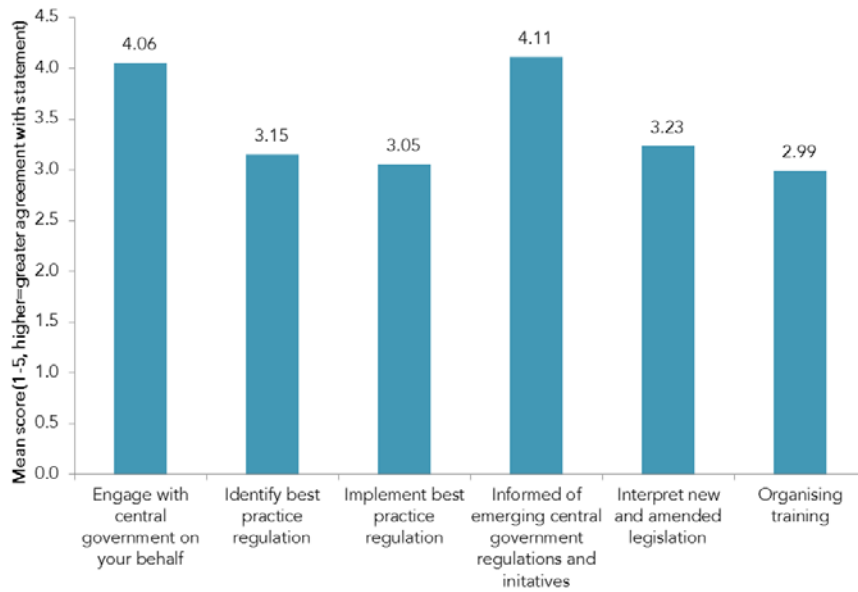


Figure 1-57 Opinion on local government interactions with LGNZ



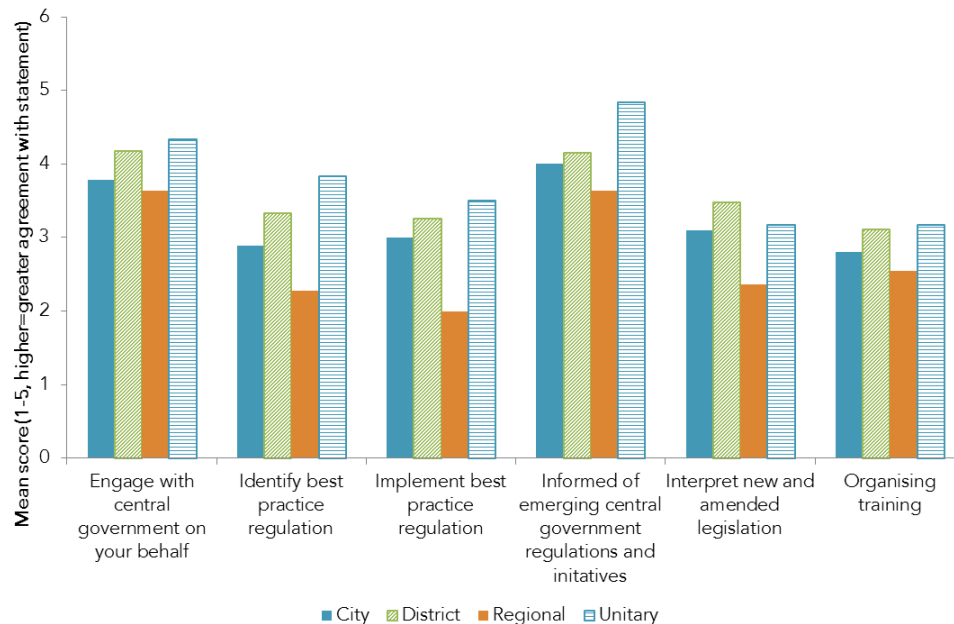
Notes:

1. Mean score on a scale of 1-5. ‘Strongly disagree’=1; ‘Tend to disagree’=2; ‘Neutral’=3; ‘Tend to agree’=4; ‘Strongly agree’=5. A higher mean score indicates a greater degree of agreement with the statement.

1.

Mean scores are on a scale of 1 to 5, with higher scores indicating a greater level of agreement. Councils tended to rely on LGNZ for engagements with the central government on their behalf and being informed on emerging legislation, more than the other functions.

Figure 1-58 Opinion on local government interactions with LGNZ - by council type

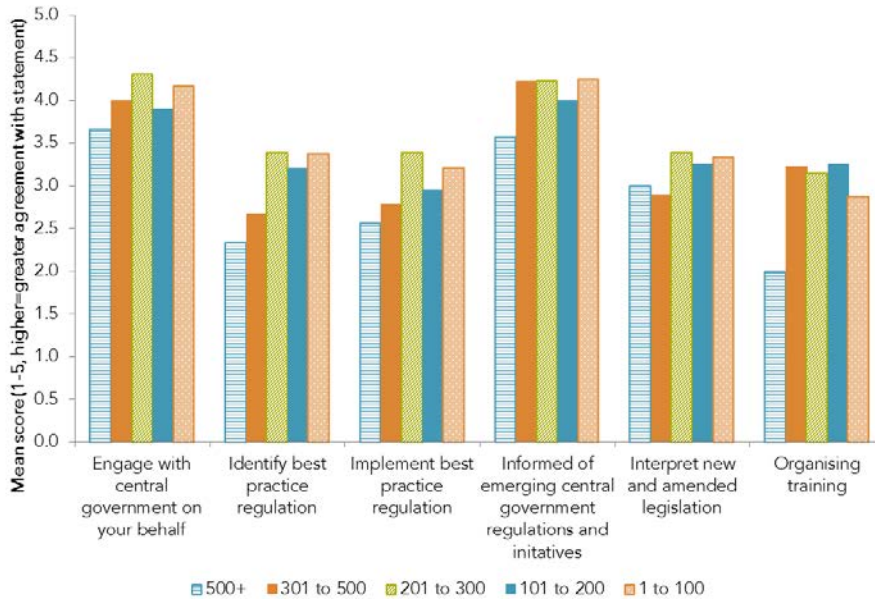


Notes:

1. Mean score on a scale of 1-5. ‘Strongly disagree’=1; ‘Tend to disagree’=2; ‘Neutral’=3; ‘Tend to agree’=4; ‘Strongly agree’=5. A higher mean score indicates a greater degree of agreement with the statement.

Unitary councils tended to rely more heavily on LGNZ to inform them of new government regulation and initiatives than other council types (mean score of 4.8 vs. 4.1). Regional councils, on the other hand, rely on LGNZ less than the average council across all listed functions, particularly in the implementation of best practice regulation (3.2 vs. 2.3).

Figure 1-59 Opinion on local government interactions with LGNZ - by number of employees



Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

The smaller councils (1 to 100 employees) tended to rely on the LGNZ more than larger councils, with higher mean scores in all statements except organising training. The largest councils (500+ employees) have a lower than average reliance on LGNZ for interactions with central government.

1.5.4 Local council relationship with the New Zealand Society of Local Government Managers (SOLGM)

Respondents were asked to what extent they agree with a series of statements regarding the degree to which they rely on SOLGM.

Figure 1-60 Rely on SOLGM for engaging with central government on the council's behalf

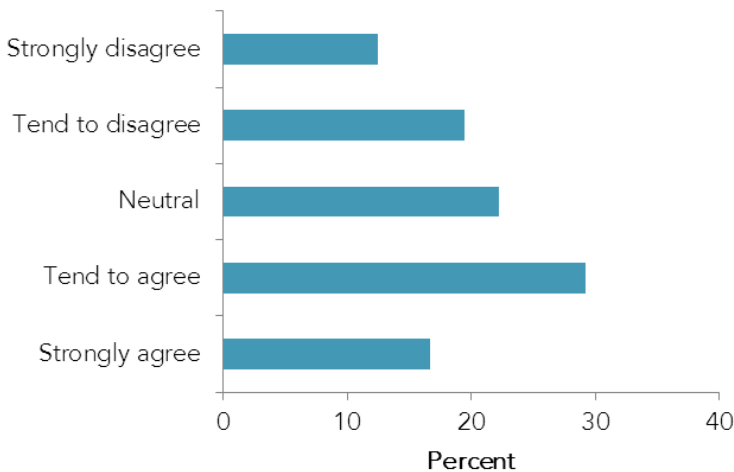


Figure 1-61 Rely on SOLGM to keep the council informed of relevant emerging central government initiatives and regulations

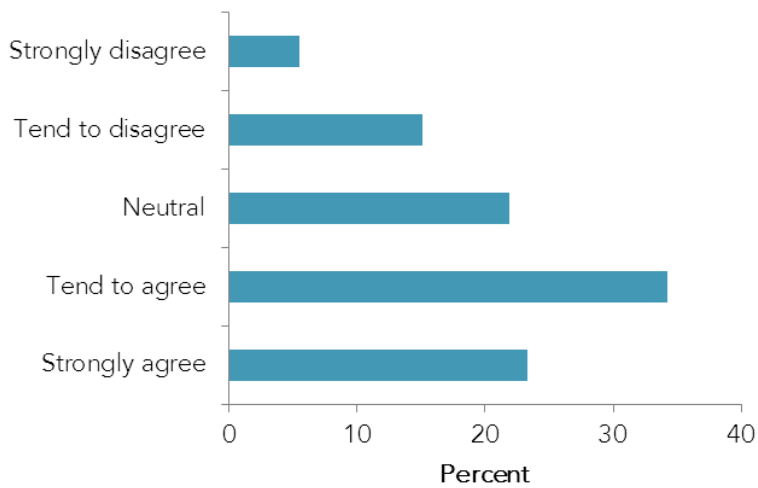


Figure 1-62 Rely on SOLGM to interpret its regulatory obligations under new or amended legislation

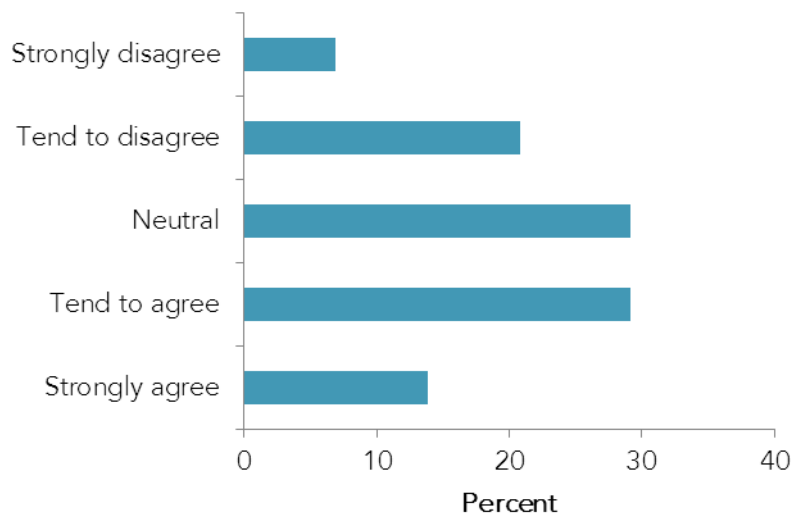


Figure 1-63 Rely on SOLGM for organising specific training

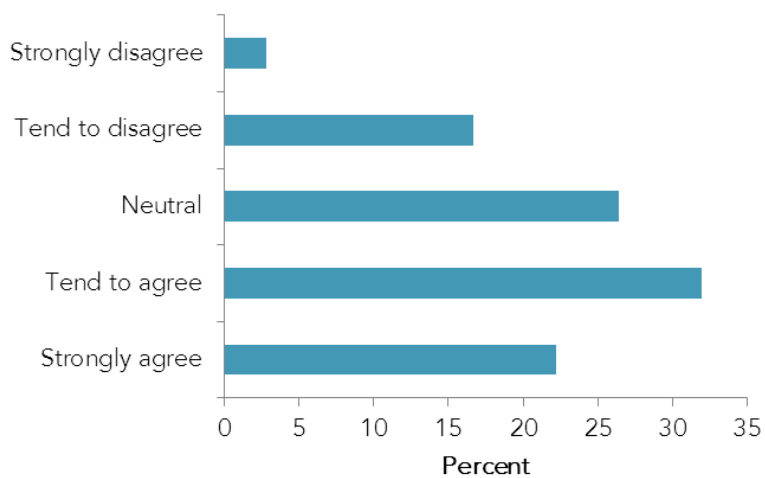


Figure 1-64 Rely on SOLGM for assisting councils to identify best practice regulation in the local government sector

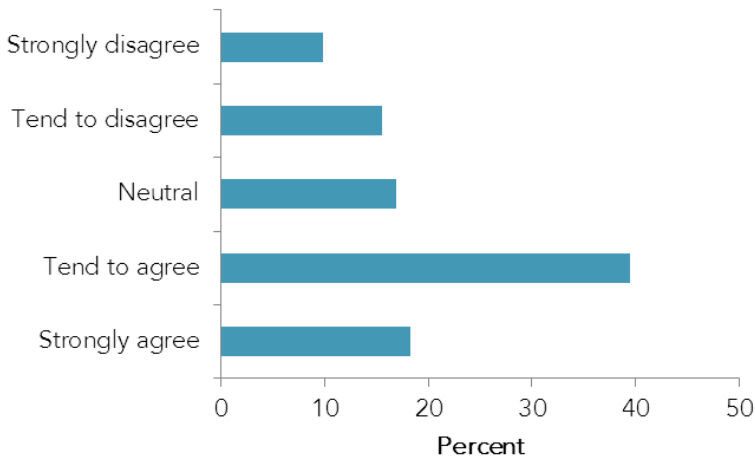


Figure 1-65 Rely on SOLGM to assist councils to implement best practice regulation in the local government sector

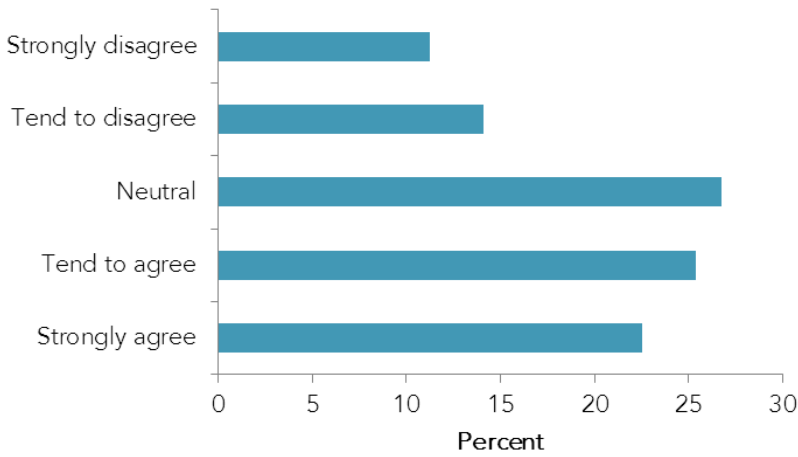
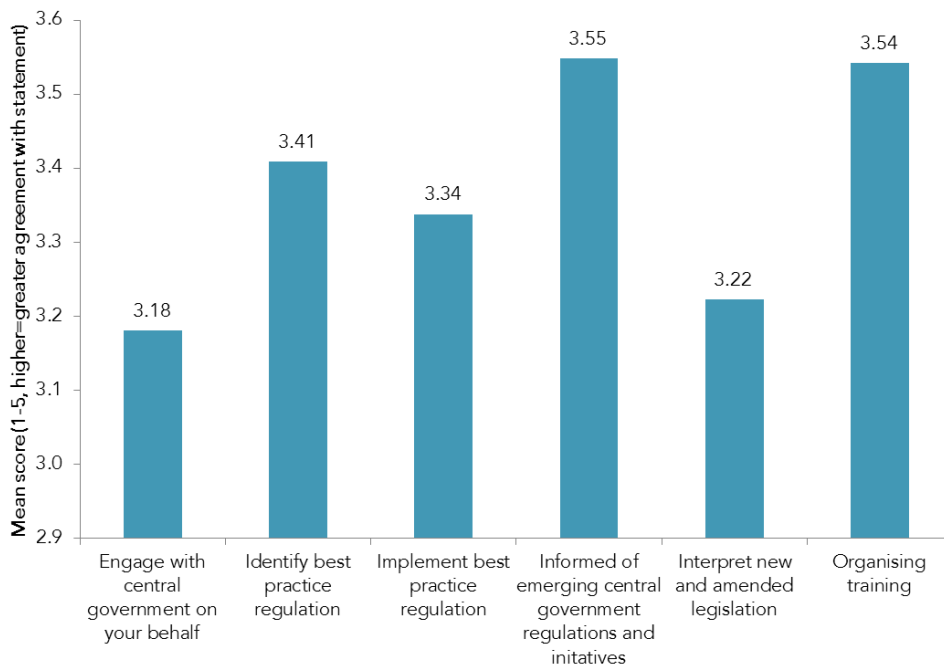


Figure 1-66 Opinion on local government interactions with SOLGM

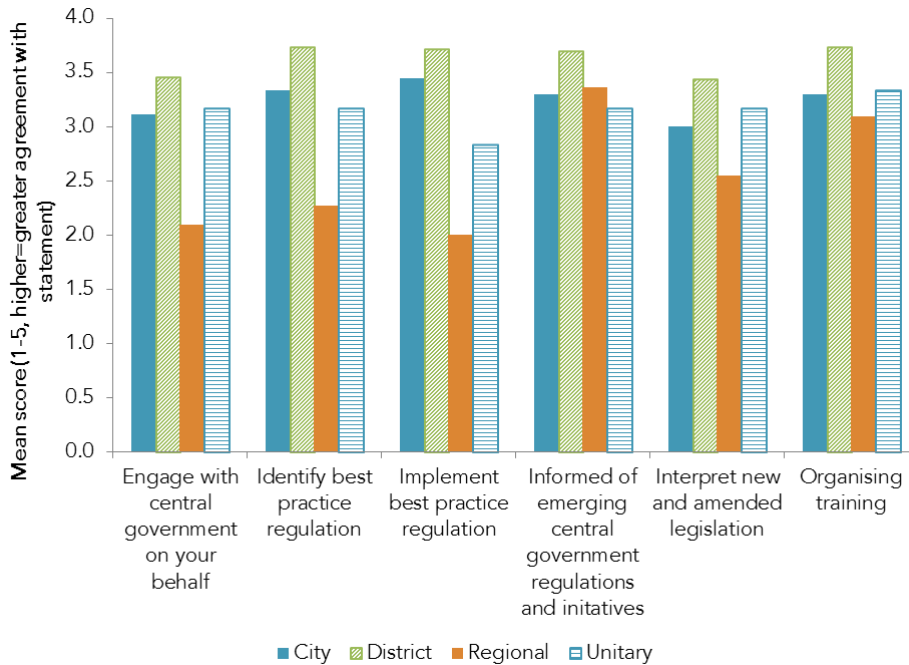


Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

Councils on average relied on SOLGM to inform them of new regulation and organise training. They have a lower reliance on SOLGM for central government engagement and interpreting new legislation.

Figure 1-67 Opinion on local government interactions with SOLGM - by council type

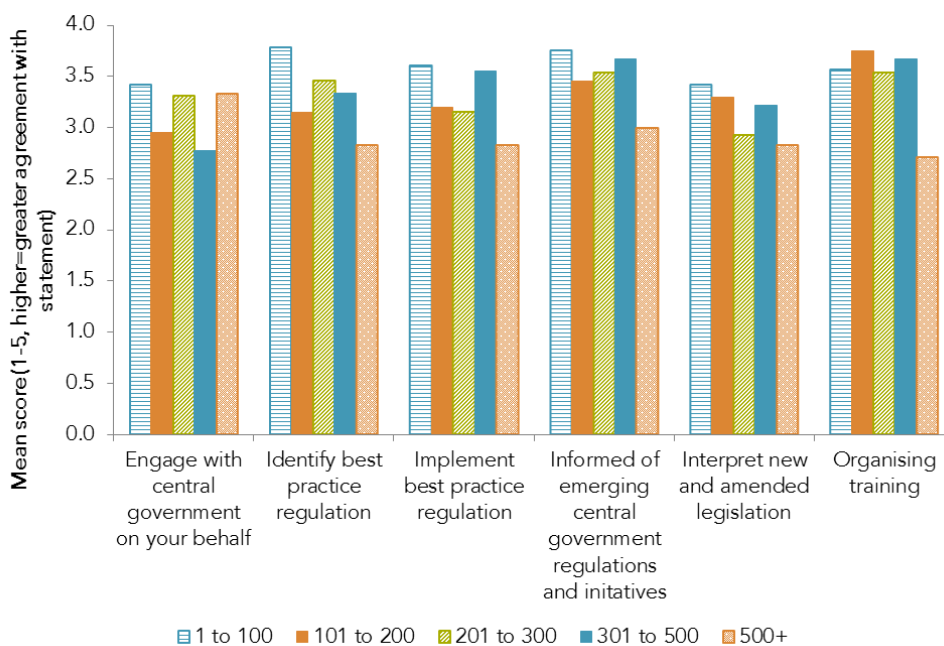


Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

District councils have a higher reliance on SOLGM than other council types for all functions in the survey, while regional councils have a lower reliance.

Figure 1-68 Opinion on local government interactions with SOLGM by number of employees

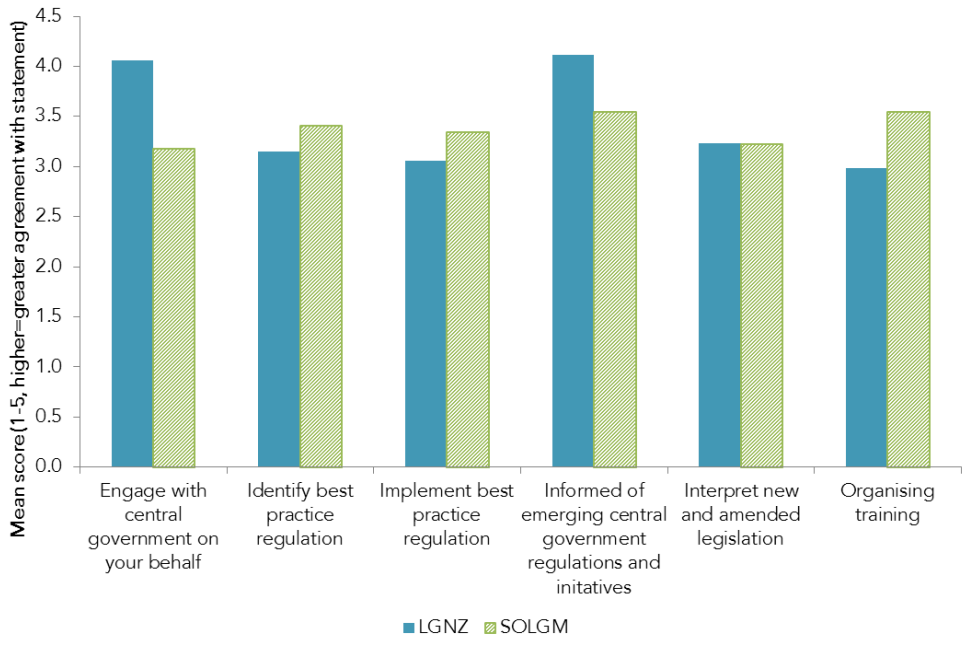


Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

The largest councils (500+ employees) rely on SOLGM less than average for all functions except engagement with central government on their behalf. The smallest councils (1 to 100 employees) rely on SOLGM more than average, particularly in the identification of best practice regulation.

Figure 1-69 Opinion on local government interactions with LGNZ and SOLGM



Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

Local councils have a near equal reliance on LGNZ and SOLGM for interpreting new and amended regulation. Councils rely more on LGNZ for engaging with central government and keeping them informed of regulation changes. On the other hand, councils rely on SOLGM more for organising training and identifying and implementing best practice regulation.

1.5.5 Council opinion on regulatory functions

Respondents were given a series of statements regarding their interactions with central government agencies about regulatory functions, and asked to what extent they agreed.

Figure 1-70 Central government passes regulatory functions to local government without considering the funding implications of councils

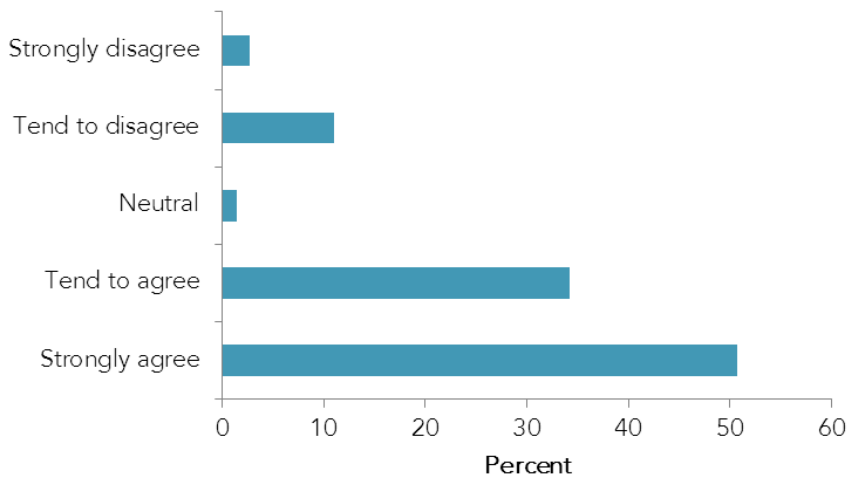


Figure 1-71 There is a robust process at central government to take account of the impact of regulations on local government

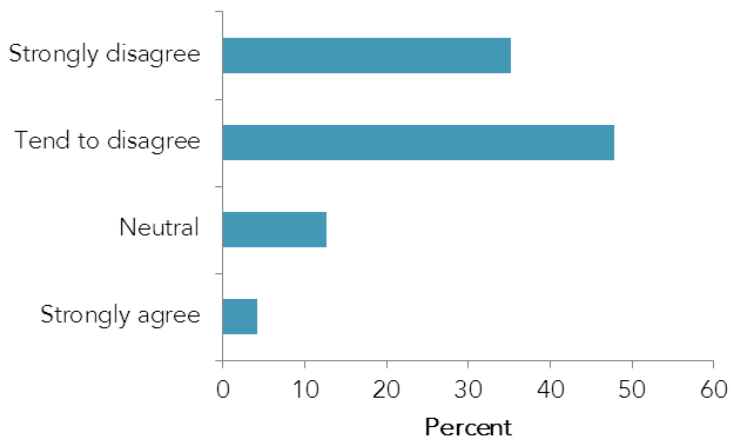


Figure 1-72 The local government sector is generally well consulted prior to being asked to implement new regulatory functions

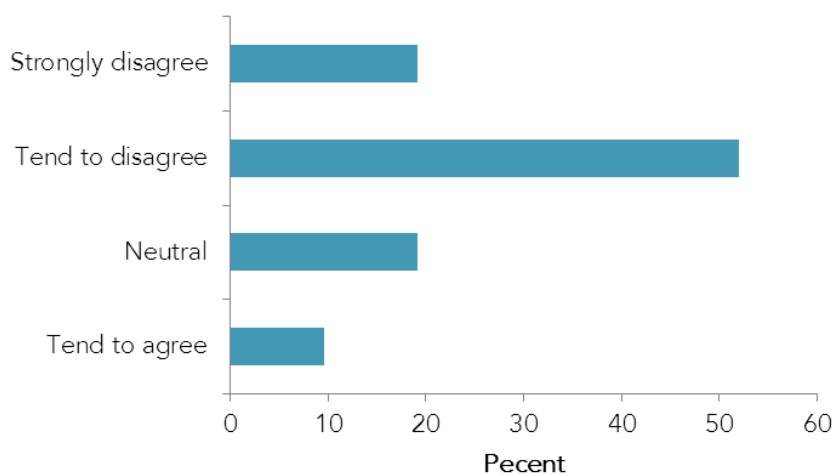


Figure 1-73 Local political pressures often conflict with the regulatory objectives of central government regulations

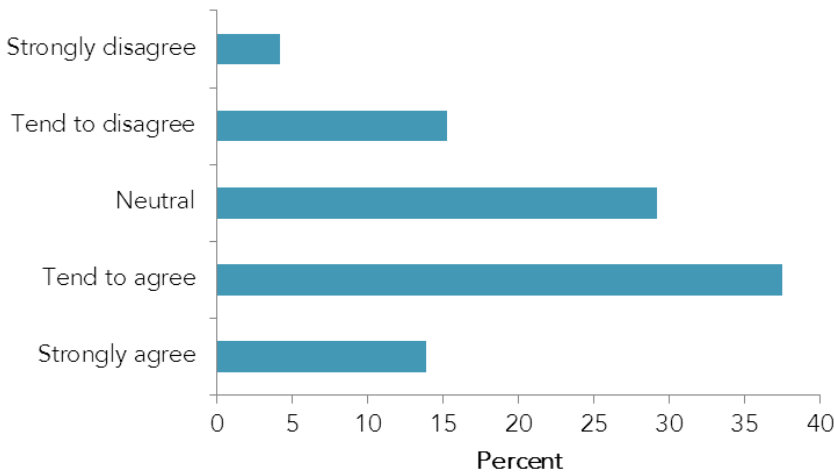


Figure 1-74 The administrative costs of new regulatory functions passed down by central government are often burdensome

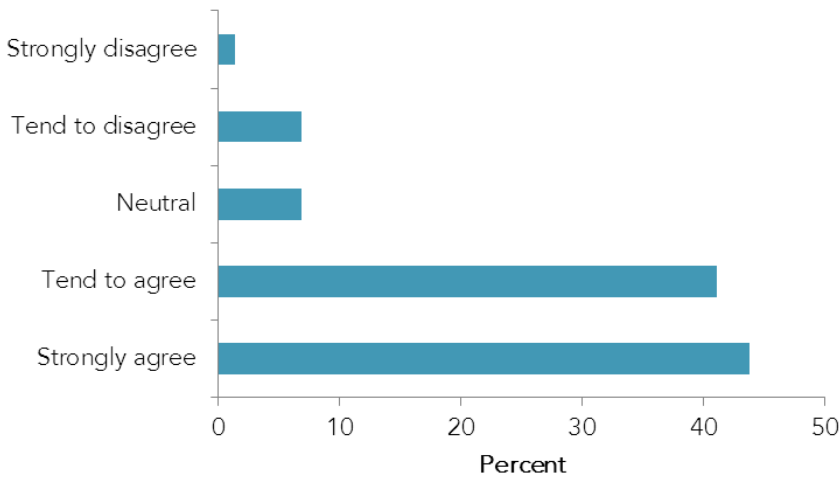


Figure 1-75 National standards are often set at a level that does not reflect the importance of the issue to the local community

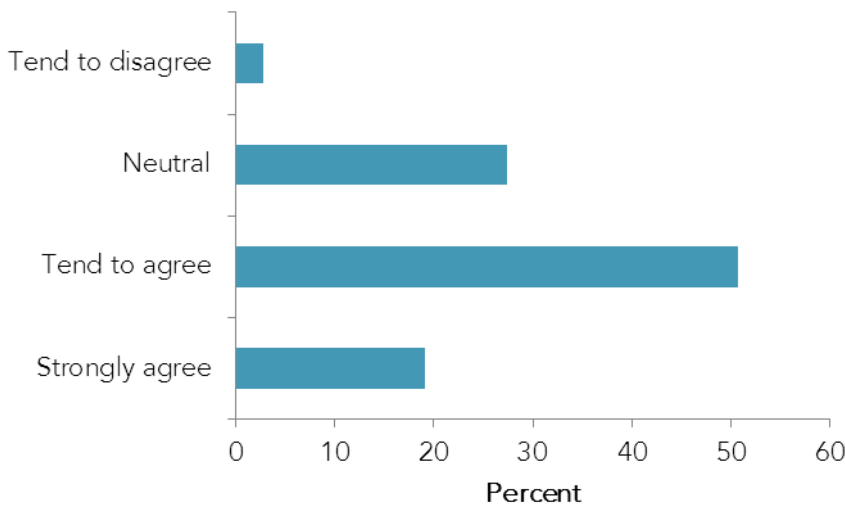


Figure 1-76 The respective regulatory responsibilities of regional councils and territorial authorities are clearly defined and understood

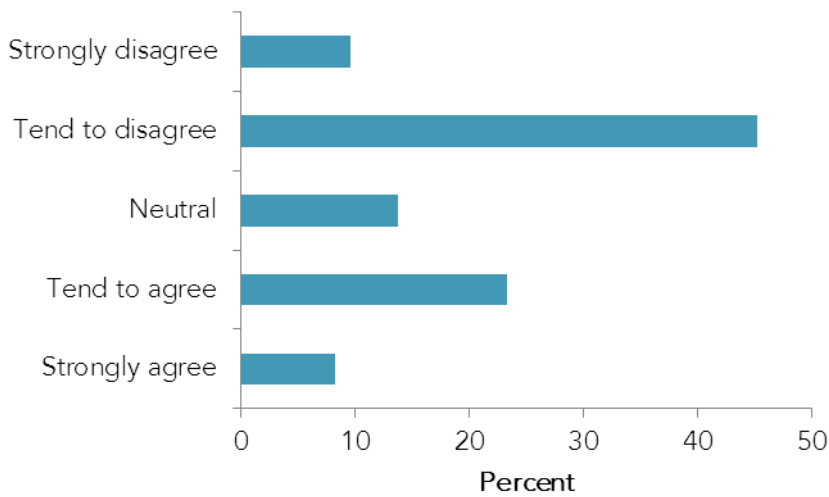


Figure 1-77 Central government generally provides adequate guidance when a new regulation is devolved to local government

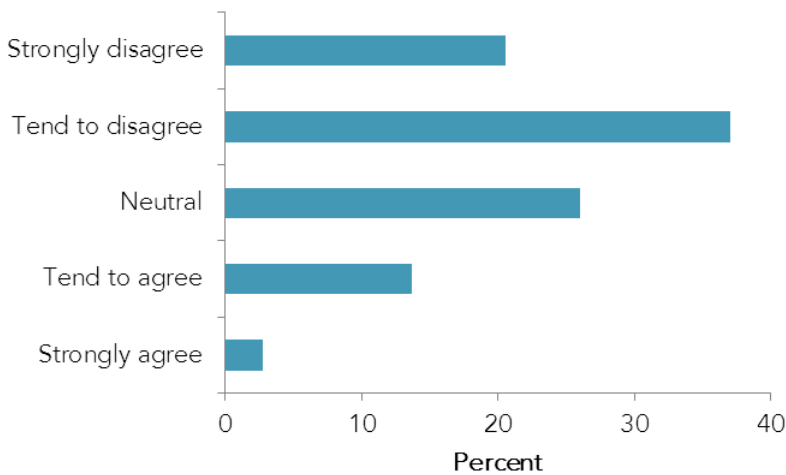
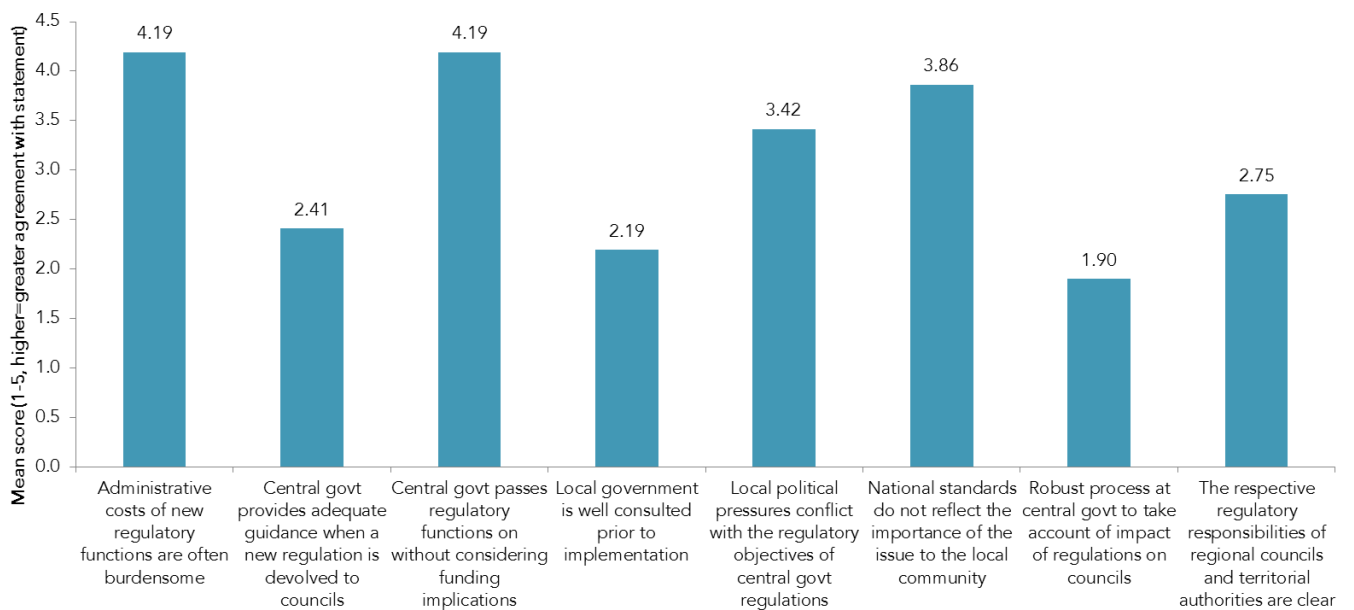


Figure 1-78 Council opinion on regulatory functions



Notes:

1. Mean score on a scale of 1-5. 'Strongly disagree'=1; 'Tend to disagree'=2; 'Neutral'=3; 'Tend to agree'=4; 'Strongly agree'=5. A higher mean score indicates a greater degree of agreement with the statement.

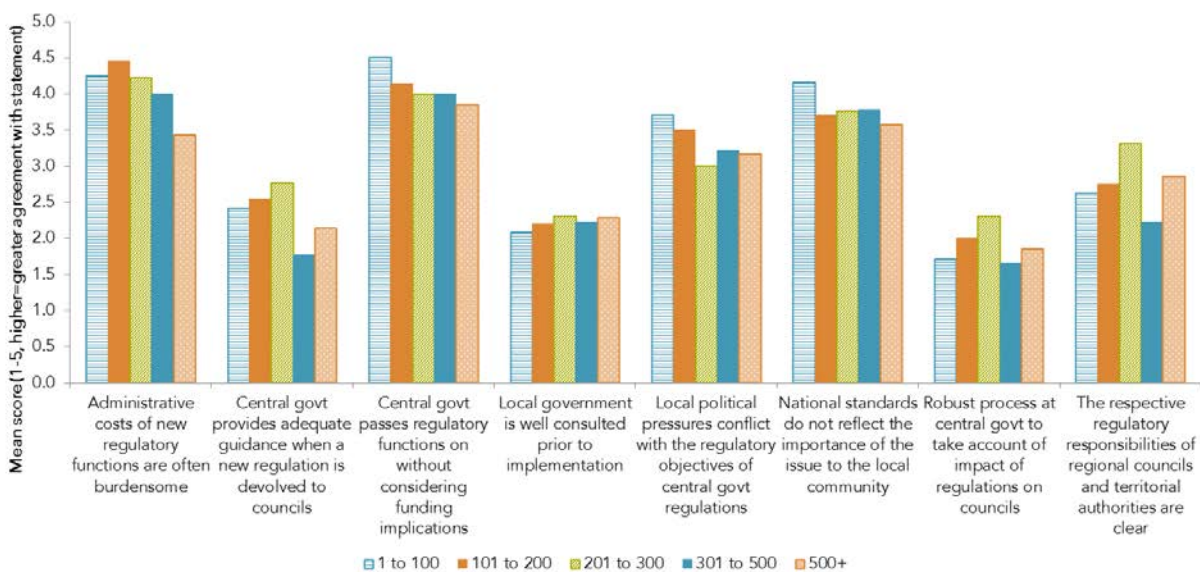
85% of respondents agreed that administrative costs are often burdensome and that central government does not consider funding implications when passing regulatory functions. 83% of respondents disagree that the central government has a robust process to take account of the impact of regulations on local government. And 71% disagreed that local government is well consulted prior to implementation of new regulations.

Figure 1-79 Council opinion on regulatory functions - by council type



Unitary councils tend to agree more than the average that central government provide adequate guidance when new regulation is devolved, and that they are well consulted prior to this. City councils tend to disagree more with the same two statements.

Figure 1-80 Council opinion on regulatory functions - by number of employees



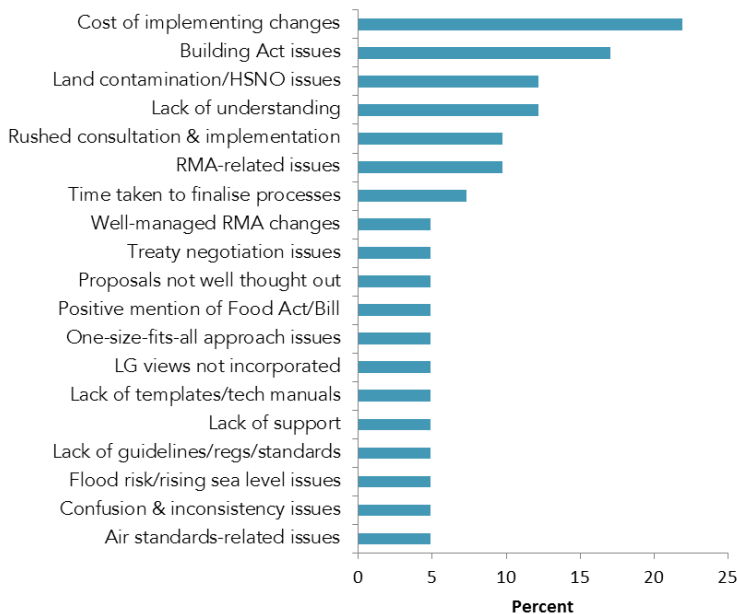
A greater proportion of smaller councils tend to agree that the central government passes regulatory functions on without considering funding implications, that local pressures conflict with the regulatory

objectives of central government regulation and that administrative costs of new regulatory functions are often burdensome.

1.5.6 Specific issues of central government interaction on regulatory issues

Councils were asked to list any specific regulatory issues they had with the central government in addition to anything already mentioned. This was an open ended question, with the majority of responses would grouped into a number of broad categories.

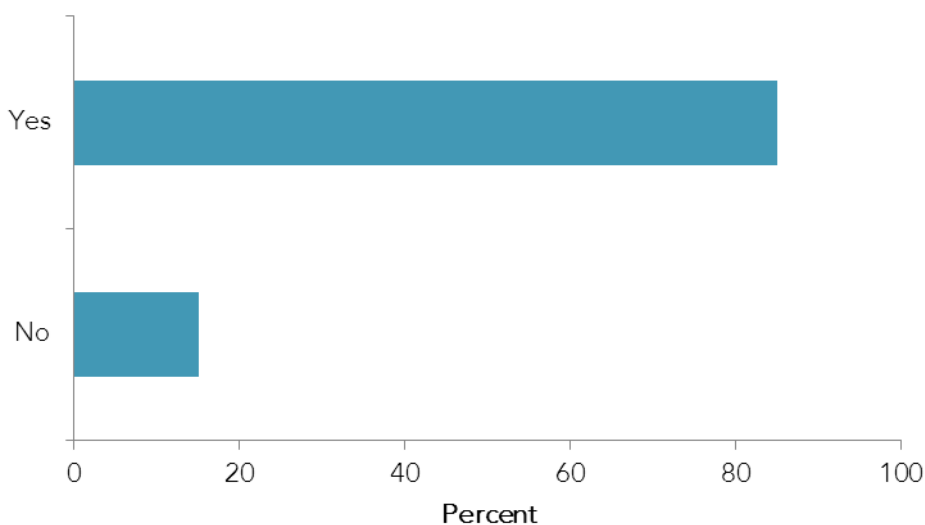
Figure 1-81 Additional specific regulatory issues - % of councils with extra issues



32 councils did not identify any additional issues. Of the 41 who had other issues, 22% stated cost of implementation changes as an issue. The statements related to several regulations, for example, some identified the liquor reforms and the resulting extra costs of implementation borne by ratepayers. 17% stated Building Act issues – for example, one council said "...the consultation and roll out were rushed and there was not enough time to introduce the changes".

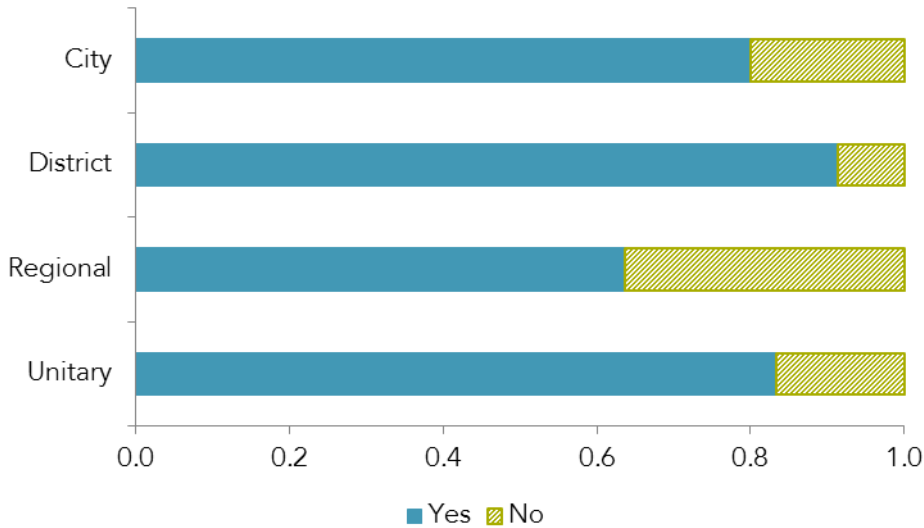
1.5.7 Model bylaws provided by Standards New Zealand

Figure 1-82 Awareness of model bylaws provided by Standards New Zealand



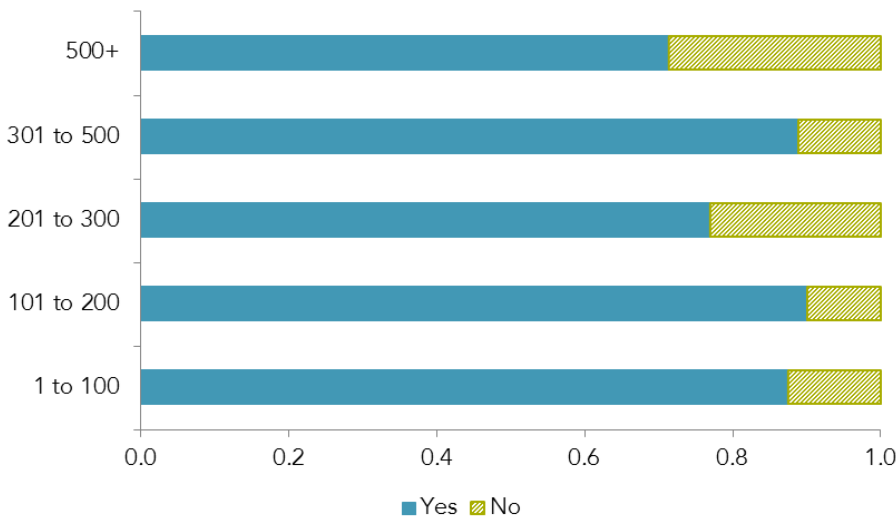
85% of councils were aware of model bylaws provided by Standards New Zealand.

Figure 1-83 Awareness of model bylaws provided by Standards New Zealand - by council type

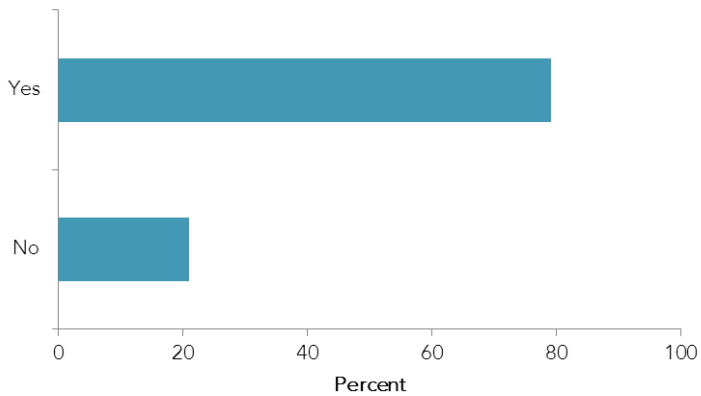


Regional councils were the least aware with only 64% aware of the model bylaws. This is unsurprising since regional councils have very limited bylaw-making powers. District councils were the most aware of the model bylaws (91%).

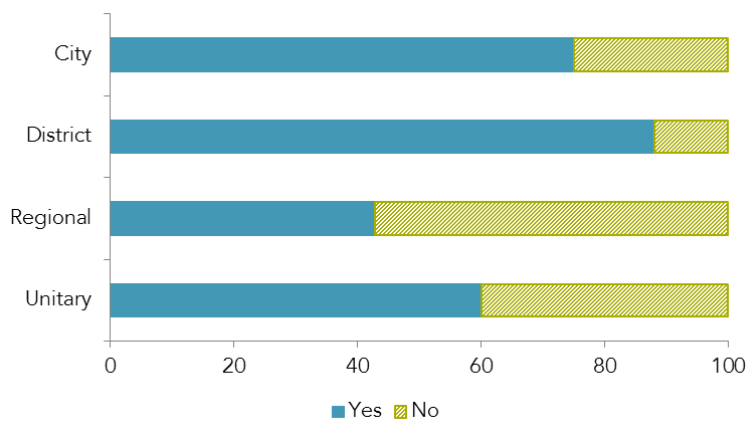
Figure 1-84 Awareness of model bylaws provided by Standards New Zealand - by number of employees



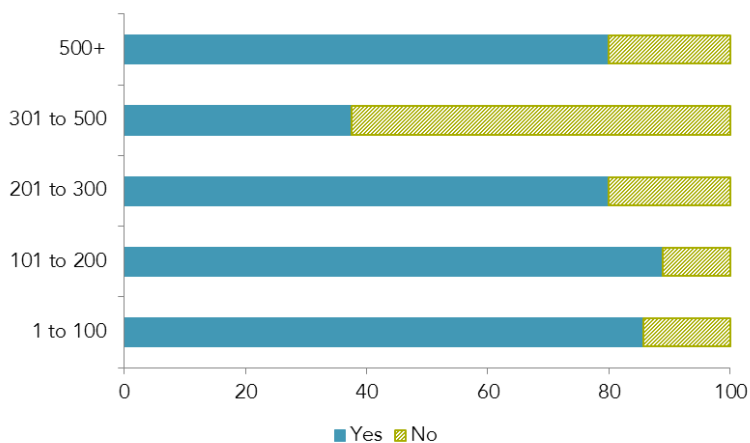
The largest councils (500+ employees) were the least aware with 74% and 101-200 employees the most with 90%.

Figure 1-85 Utilised the model bylaws

The 62 respondents who were aware of model bylaws were asked if they ever utilised any of them. 79% of those who were aware of the model bylaws had used them.

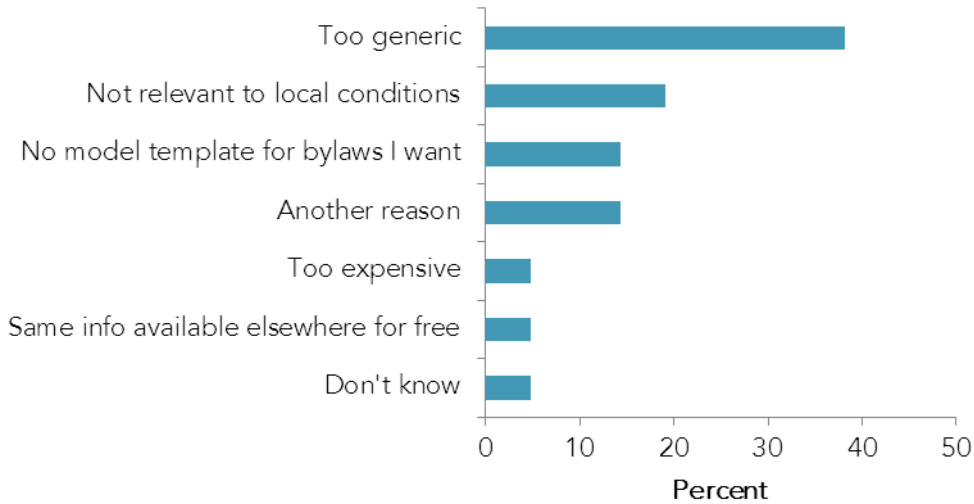
Figure 1-86 Utilised the model bylaws - by council type

Regional councils utilised the model bylaws the least (43% of the 7 councils aware of the model bylaws). This is likely to reflect the limited bylaw-making role of regional councils. District councils were not only the most aware of the model bylaws (Figure 1-83), but also used them the most (88%), which is also consistent with.

Figure 1-87 Utilised the model bylaws - by number of employees

Councils with 301 to 500 employees used the model bylaws the least (37.5%). Councils with 101 to 200 employees used the model bylaws the most (89%).

Figure 1-88 Reasons for not utilising the model bylaws



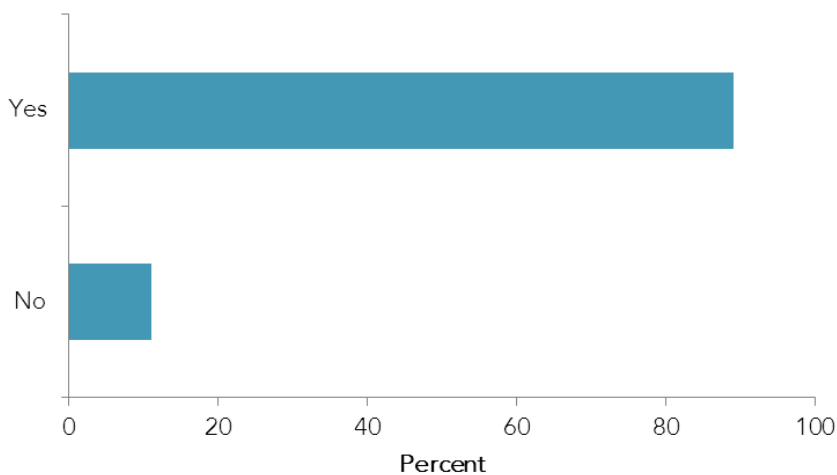
The 13 councils who were aware of the model bylaws but had not used them were asked why. 62% stated that the key reason for not utilising the model bylaws was that they were too generic, and 31% said they were not relevant to local conditions.

1.6 Understanding the level of cooperation and transfer of knowledge between councils

1.6.1 Level of coordination, collaboration and transfer of knowledge between councils

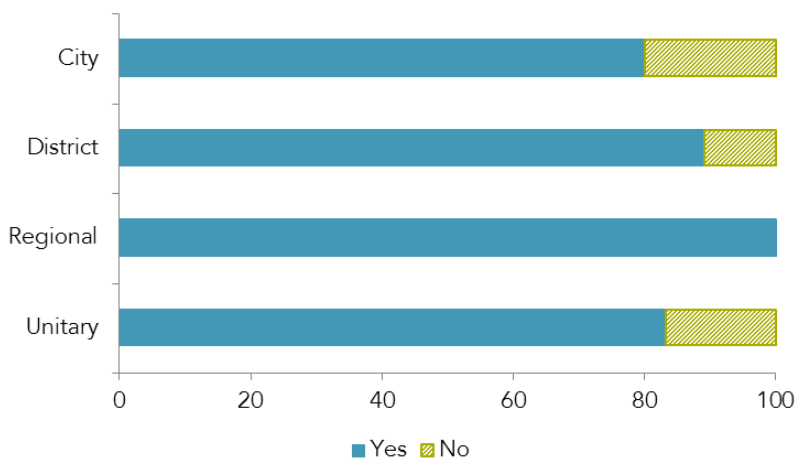
Councils were asked if they had coordinated and collaborated with other councils with respect to regulatory functions. The question specified that interactions were in formal or established agreements, rather than informal or ad hoc discussions when the need arose.

Figure 1-89 Any coordination, collaboration or transfer of knowledge with other councils



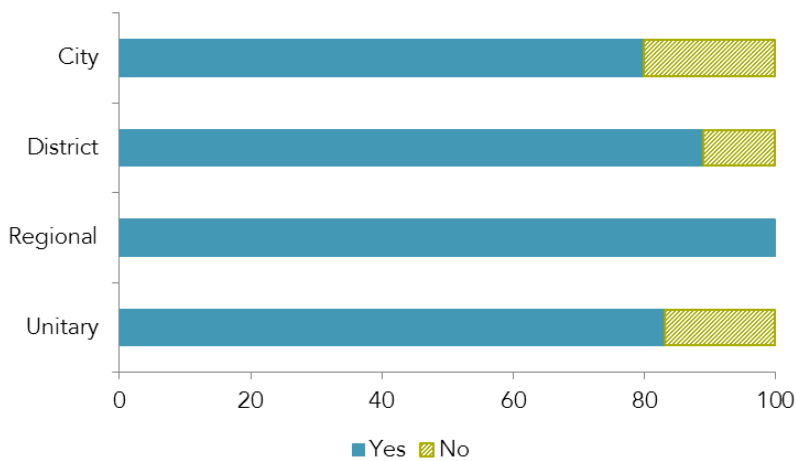
89% of respondents stated they coordinated or collaborated with another council.

Figure 1-90 Any coordination, collaboration or transfer of knowledge with other councils - by council type



All of the regional councils had some form or coordination of collaboration with another council. The city councils had the least with only 80% of respondents stating they collaborated with other councils.

Figure 1-91 Any coordination, collaboration or transfer of knowledge with other councils - by number of employees



All of the councils with 101 to 200 employees engaged in some form or coordination or collaboration. Councils with 301 to 500 employees had the lowest levels of coordination/collaboration (80%).

1.6.2 Specific regulation involved in coordination or collaboration

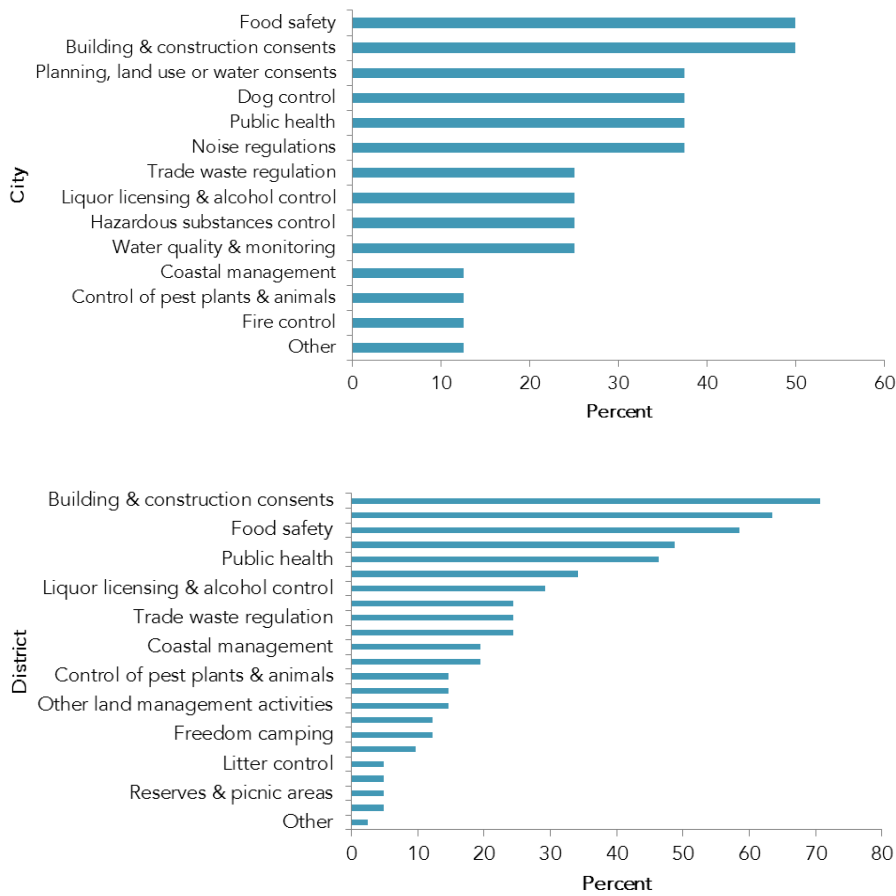
The 65 respondents who said they coordinated or collaborated with other councils through formal or established agreements were asked which specific regulations they coordinated or collaborated on with other councils, from a pre-set list.

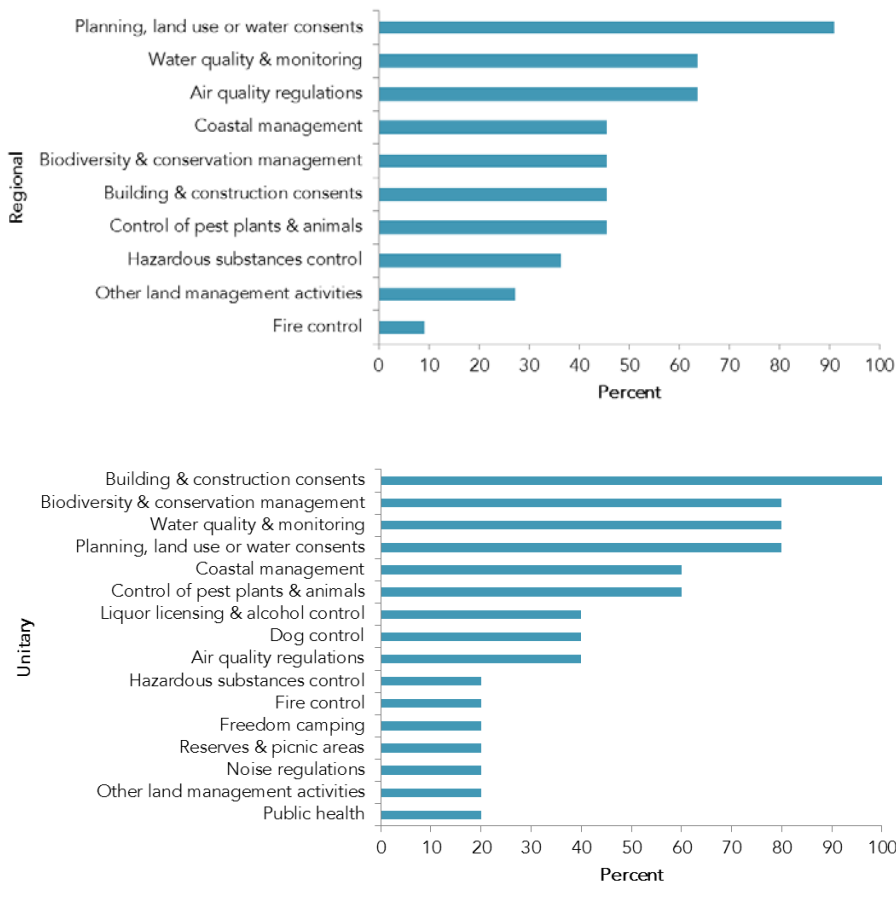
Figure 1-92 Regulations that were the subject of coordination and collaboration



The two most common regulations to collaborate on were building and construction consents and planning, land use or water consents (both 59% of the 65 councils who coordinated/collaborated with others).

Figure 1-93 Regulations that were the subject of coordination and collaboration - by council type

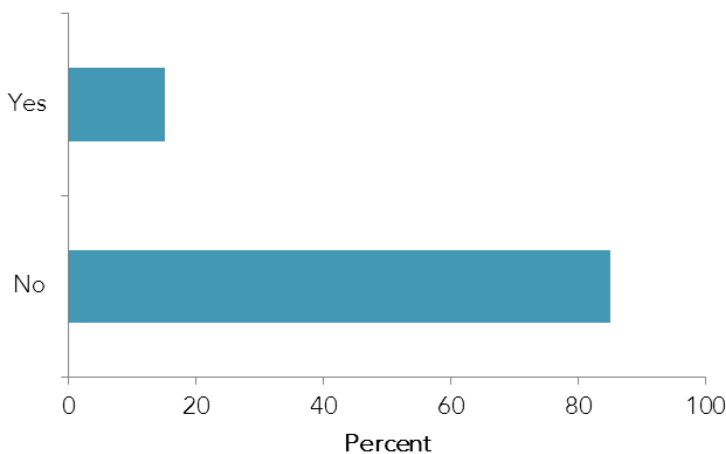




The highest percentages of city and district council coordination and collaboration are in building and construction consents, and food safety. More unitary councils collaborate on building and construction consents, and biodiversity and conversation management, than other areas. Perhaps unsurprisingly, due to their different regulatory functions, regional councils' patterns of collaboration with other councils are different from other council types, with planning, land use or water consents, and water quality and monitoring, the top subjects of coordination and collaboration.

1.6.3 Areas of regulation where councils would not coordinate, collaborate and transfer knowledge

Figure 1-94 Are there areas of regulation where councils would not coordinate, collaborate and transfer knowledge



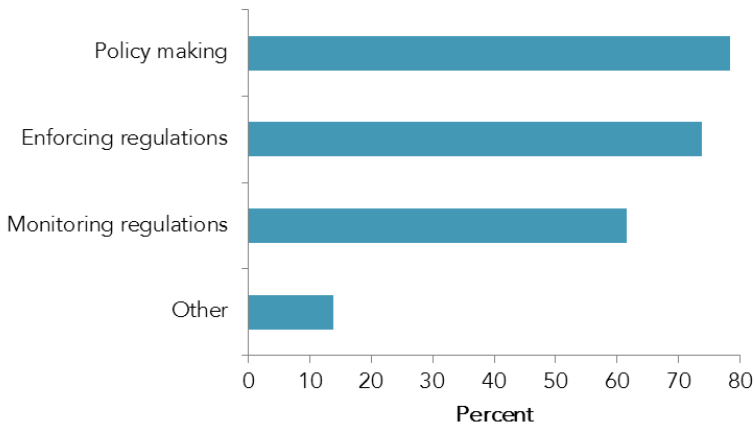
All respondents were asked if there were areas of regulation that they would not coordinate or collaborate on – 62 councils (85%) said there were no such areas.

Figure 1-95 Specific areas of regulation that councils would not coordinate, collaborate and transfer knowledge on



Of the 11 councils that would not collaborate on some areas, 55% said the key area they would not collaborate on was parking and traffic control.

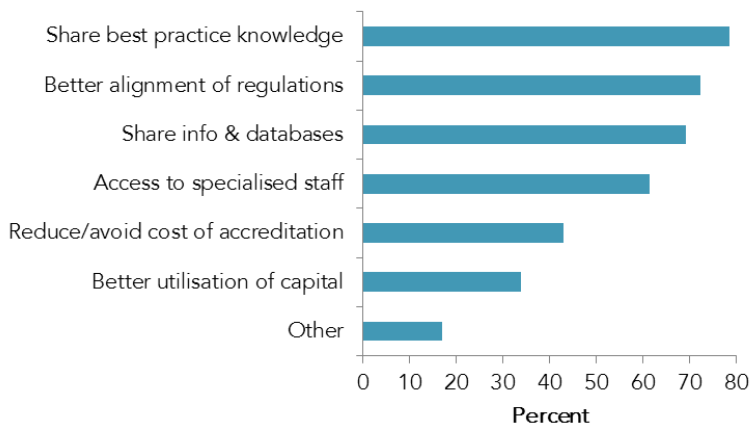
Figure 1-96 Regulatory activities that councils coordinate and collaborate on



Respondents who said they coordinated or collaborated with other councils were asked which broad regulatory activities they work with others on. Policy making and enforcing regulation are the two key regulatory activities that councils coordinate on, with 78% and 74% of collaborating councils working with others on these activities.

1.6.4 Main reasons for coordination and collaboration between councils

Figure 1-97 Main reasons for coordination and collaboration



Of the 65 respondents who said they coordinate or collaborate, 78% said that one of the reasons was to share best practice knowledge, 72% said better alignment of regulations and 69% said sharing of information and databases.

1.6.5 Form of coordination, collaboration and transfer of knowledge

Figure 1-98 Forms of coordination, collaboration and transfer of knowledge

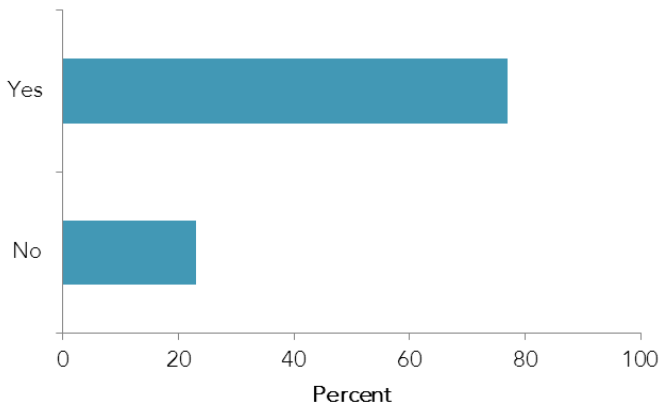


Of the 65 respondents who coordinated or collaborated with other councils, over half cooperated on joint procurement of professional services, contracted regulatory services to another council and shared or rotated staff.

1.6.6 Informal and ad hoc coordination, collaboration and transfer of ideas between councils

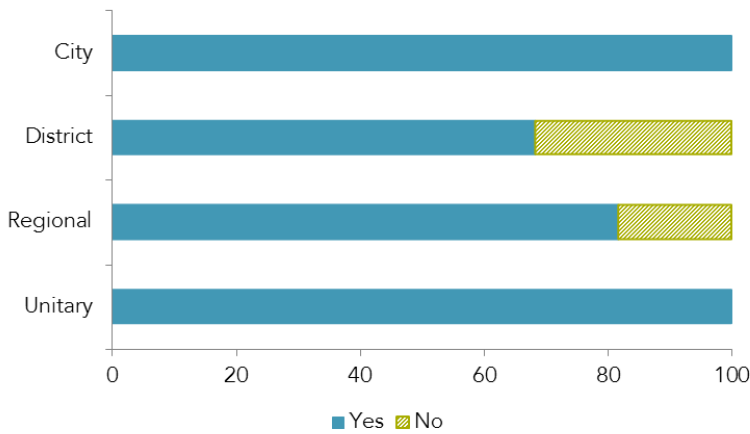
As well as being asked about formal or established agreements for coordination and collaboration, council respondents were also asked about informal or ad hoc interactions.

Figure 1-99 Any informal or ad hoc coordination, collaboration and transfer of ideas between councils



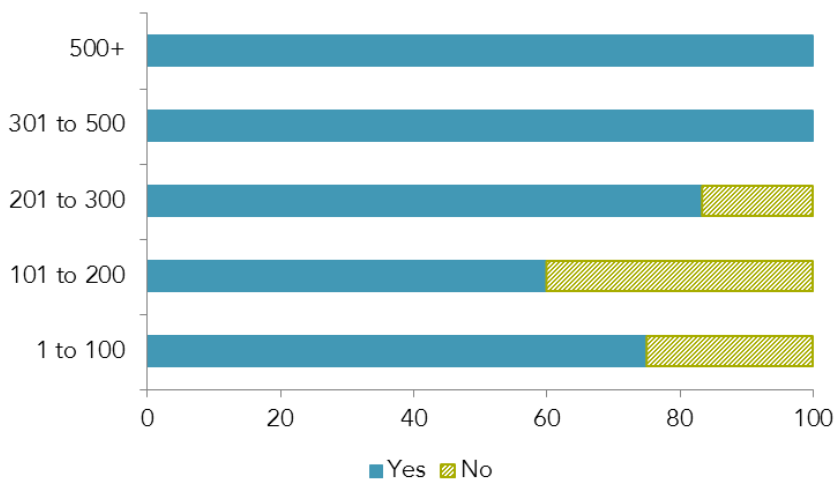
77% of councils engage in some form of informal and ad hoc coordination.

Figure 1-100 Any informal or ad hoc coordination, collaboration and transfer of ideas between councils - by council type



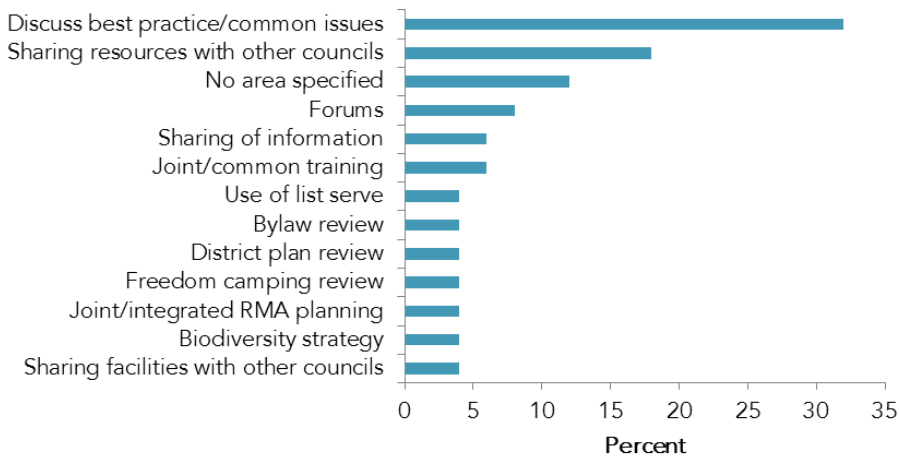
All of the city and unitary council respondents were involved in some informal coordination or collaboration. Only 68% of district council engage in some ad hoc collaboration. This is a reversal of Figure 1-90 indicating council types that are involved in more formal coordination are less involved in ad hoc forms of coordination.

Figure 1-101 Any informal or ad hoc coordination, collaboration and transfer of ideas between councils -by number of employees



All respondents of the largest councils (301+ employees) state they are involved in informal coordination. There is a similar reversal of the formal coordination seen in Figure 1-91. Councils with 101 to 200 employees were less likely to be involved in informal collaboration (60%) but had the highest rate of formal collaboration (100%).

Figure 1-102 Examples of less formal coordination and collaboration

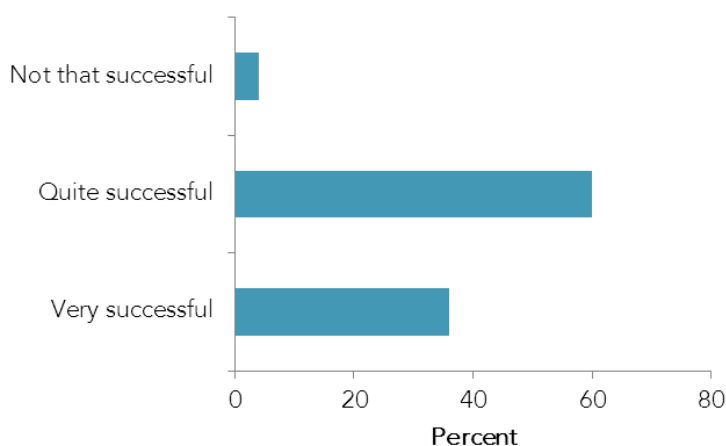


32% of councils have informal collaboration in the form of discussions of best practice and common issues. 6 councils provided no example of informal coordination or collaboration.

Councils tend to formally collaborate for a larger number of reasons. On average, the 60 councils who were involved in formal collaboration gave 3.75 reasons for coordinating. The 50 councils involved in informal collaboration gave an average of two reasons for coordinating.

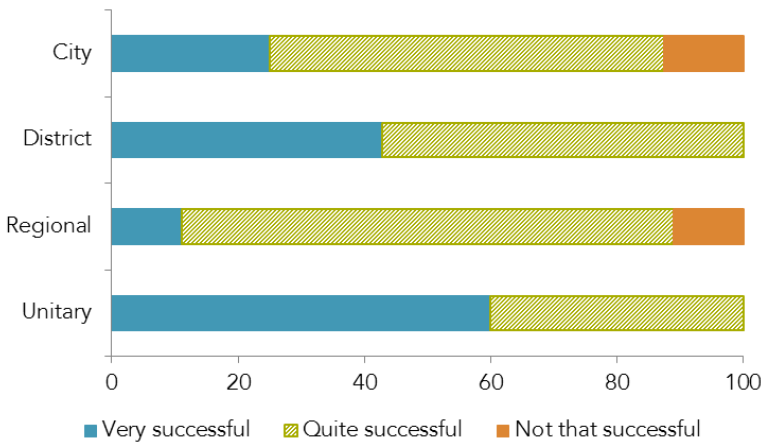
1.6.7 Success levels from council experience with coordination, collaboration and transfer of knowledge

Figure 1-103 Success levels from council experience with coordination, collaboration and transfer of knowledge



96% of 50 councils involved in informal collaboration found it successful, with 36% stating that it was very successful.

Figure 1-104 Success levels from council experience with coordination, collaboration and transfer of knowledge - by council type

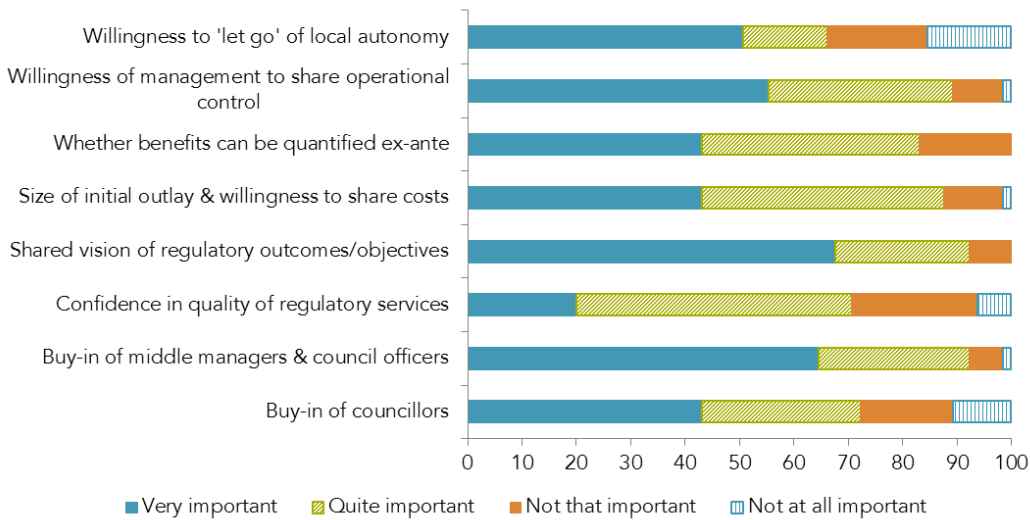


All district and unitary council respondents found the coordination successful. Regional councils found it less successful on average with only 11% saying it was very successful, well below the overall average of 36%.

1.6.8 Importance of issues when considering whether or not to coordinate, collaborate and transfer knowledge

The 65 respondents who said they collaborated with other councils (either formally or informally) were asked how important certain issues were when considering collaboration.

Figure 1-105 Importance of various factors in deciding to coordinate and collaborate with other councils



The two important factors when deciding to coordinate were the willingness to share costs and buy-in of middle managers and council officers, both with 92% of respondents stating them to be important to some degree. The least important factor was the willingness to let go of autonomy.

1.7 Understanding current approaches to evaluating regulatory performance and the extent to which councils benchmark against one another

1.7.1 Monitoring regulatory performance

Respondents were asked the extent to which they agree with a series of statements relating to the monitoring of regulatory performance.

Figure 1-106 Performance monitoring is important for strong local democracies

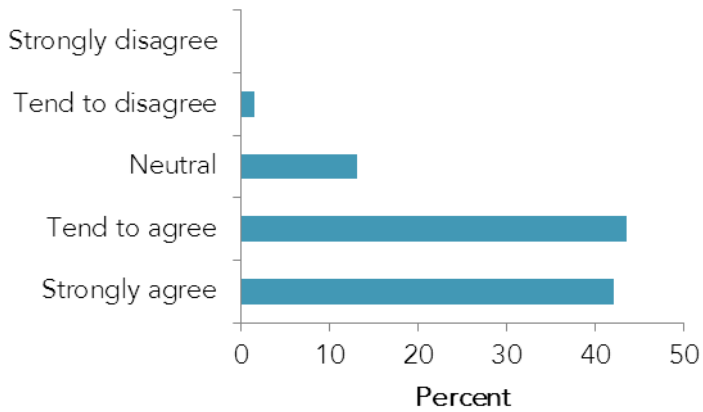


Figure 1-107 The information my council has on the impact of its regulations is sufficient to assess regulatory performance

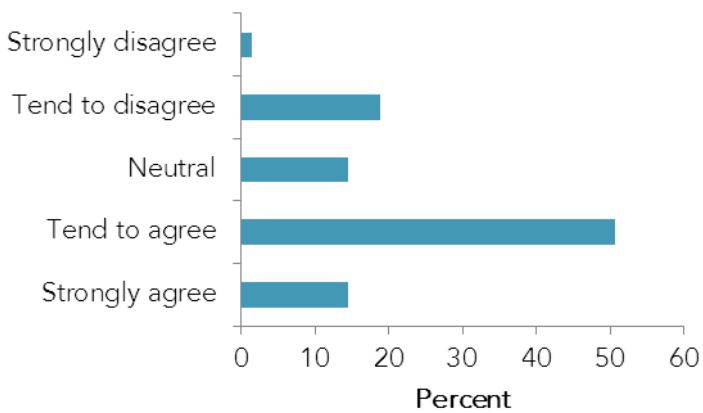


Figure 1-108 Information we supply to central government helps us to assess our council's regulatory performance

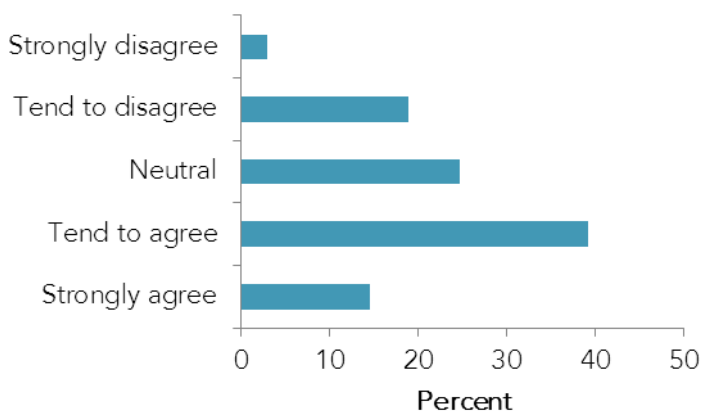


Figure 1-109 The performance information collected by my council improves the community’s understanding of regulations

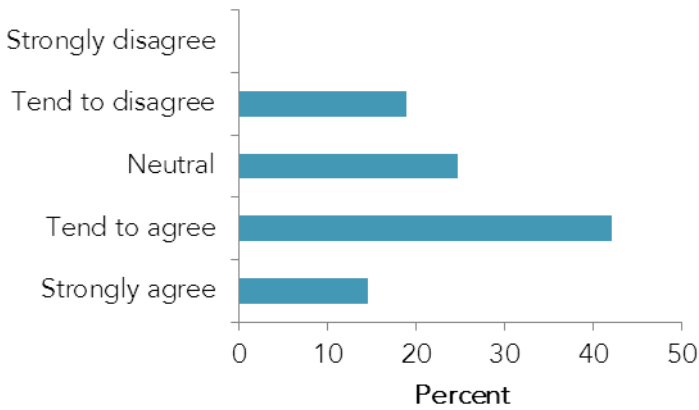


Figure 1-110 Nationally available datasets are useful in assessing regulatory performance/outcomes

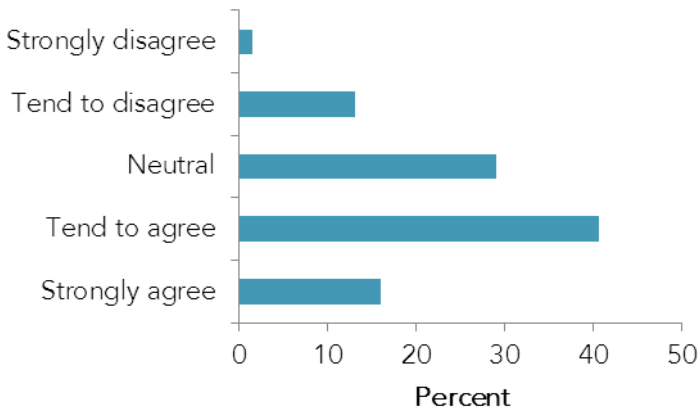
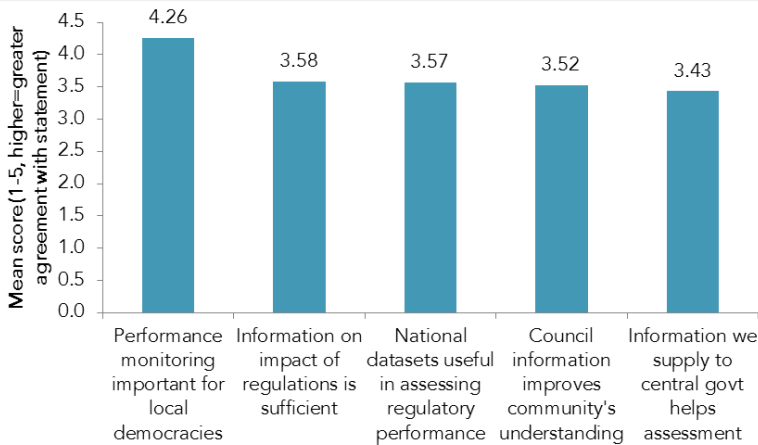


Figure 1-111 Level of agreement with various statements regarding monitoring regulatory performance

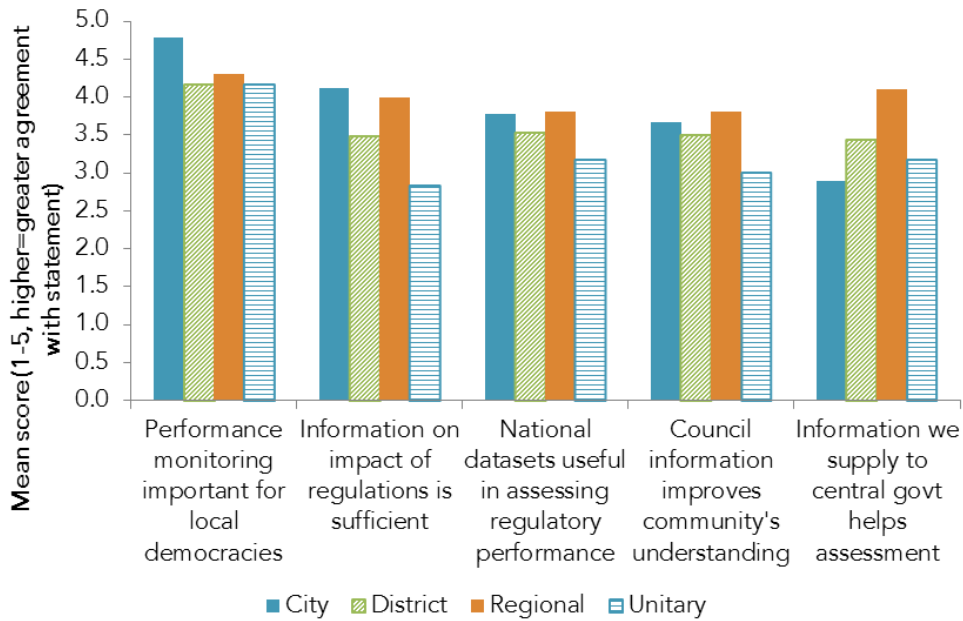


Notes:

1. Mean score on a scale of 1-5. ‘Strongly disagree’=1; ‘Tend to disagree’=2; ‘Neutral’=3; ‘Tend to agree’=4; ‘Strongly agree’=5. A higher mean score indicates a greater degree of agreement with the statement.

Overall, respondents tended to agree with the above statements. The degree of agreement ranged from 54% of respondents agreeing that information they supplied helps assessment, to 86% agreeing that performance monitoring is important for strong local democracies.

Figure 1-112 Level of agreement with various statements regarding monitoring regulatory performance - by council type

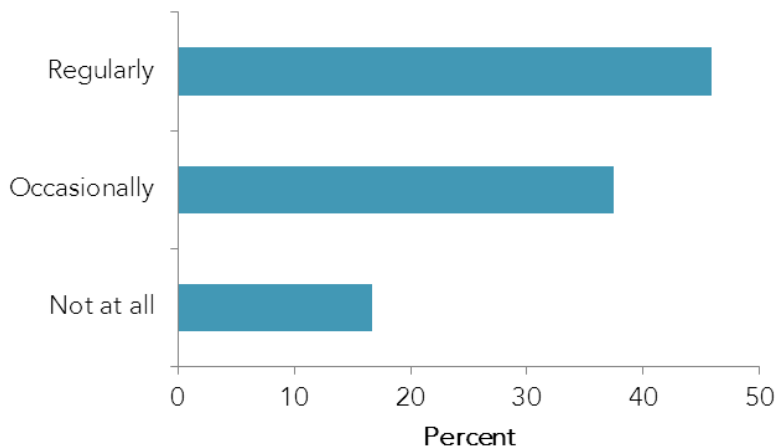


A greater proportion of city councils agree that performance monitoring is important for local democracies. A higher percentage of regional councils agree that "Information supplied to central government helps council performance assessment".

1.7.2 Council use of input measures to assess regulatory performance

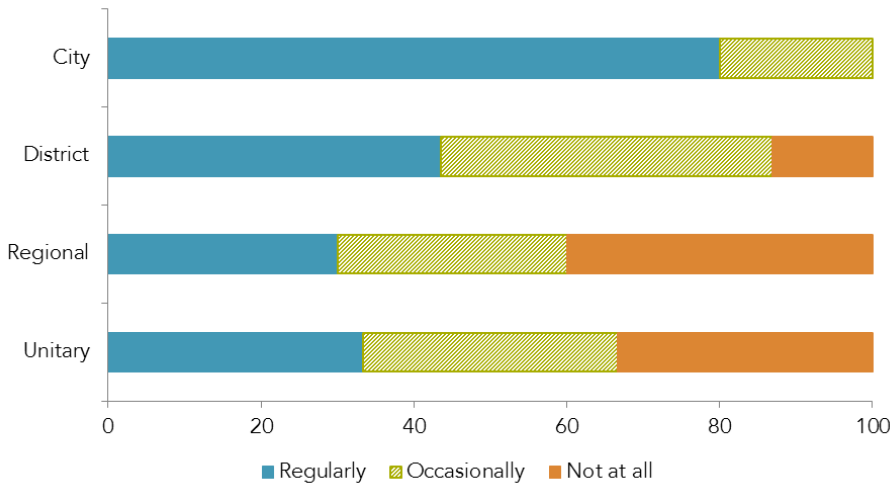
Respondents were told that input measures are measures used to administer regulatory functions. For example, the number of staff devoted to compliance checks.

Figure 1-113 Council use of input measures to assess regulatory performance



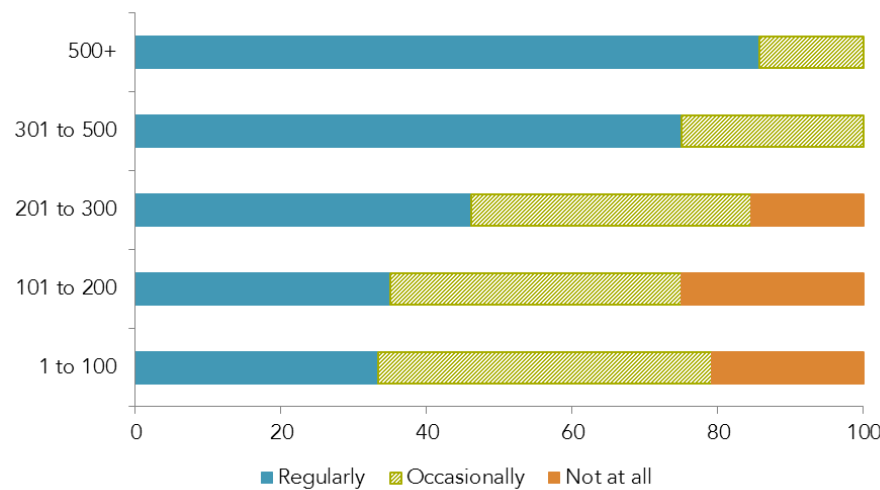
83% of councils use input measures at least occasionally to assess regulatory performance.

Figure 1-114 Council use of input measures to assess regulatory performance - by council type



All city councils used input measures to assess regulatory performance at least occasionally, with 80% using them regularly. 40% of regional councils do not use input measures.

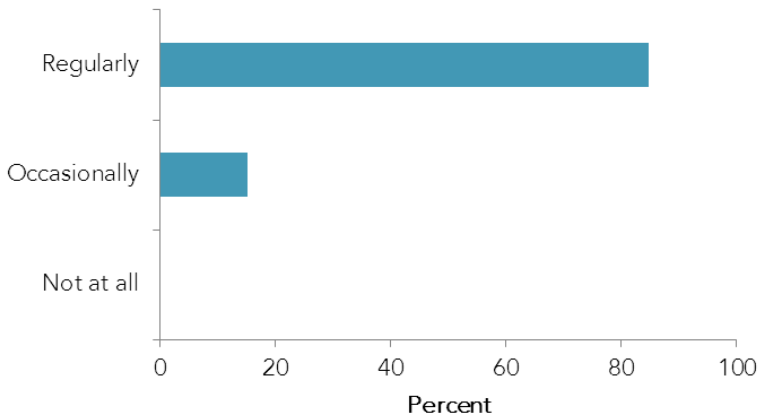
Figure 1-115 Council use of input measures to assess regulatory performance - by number of employees



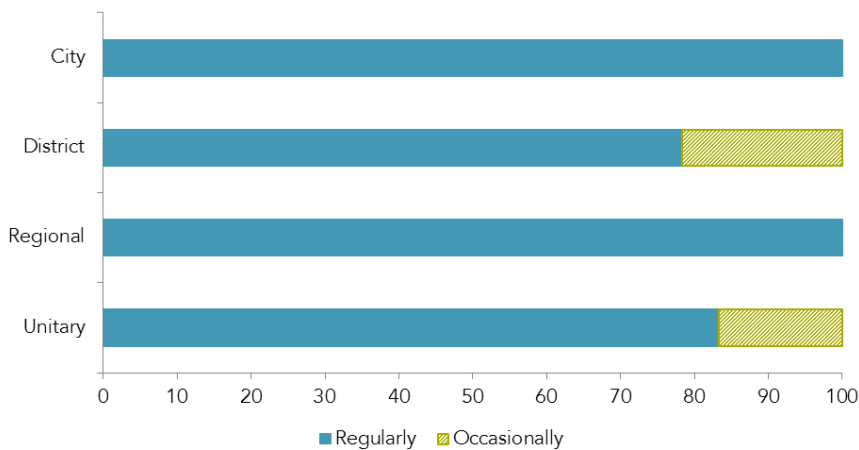
The largest councils (300+ employees) all use input measures to assess regulatory performance. 21% of councils with 1 to 100 employees, and 25% of councils with 101 to 200 employees did not use input measures in assessment regulatory performance.

1.7.3 Council use of output measures to assess regulatory performance

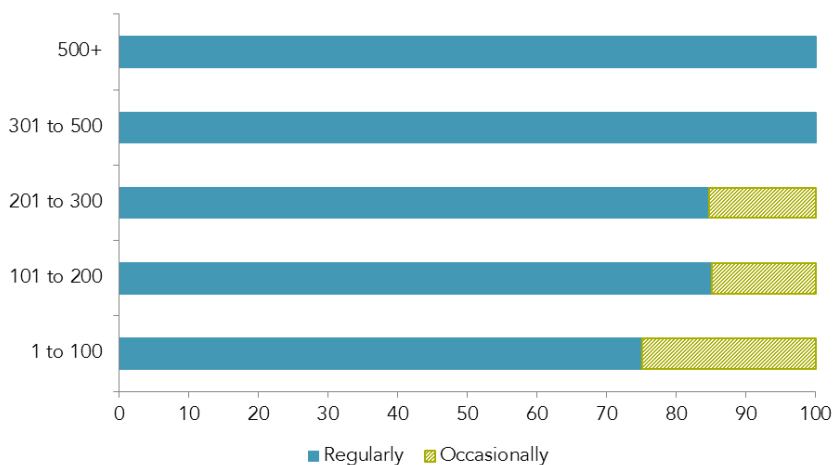
Respondents were told that output measures are measures of the outputs of regulatory processes. For example, the number of consents issues or compliance checks carried out over a given period.

Figure 1-116 Council use of output measures to assess regulatory performance

All councils used output measures at least occasional to assess regulatory performance, with 85% using them regularly.

Figure 1-117 Council use of output measures to assess regulatory performance - by council type

All city and regional councils surveyed used output measures regularly. 83% of unitary councils and 78% of district councils use output measures regularly.

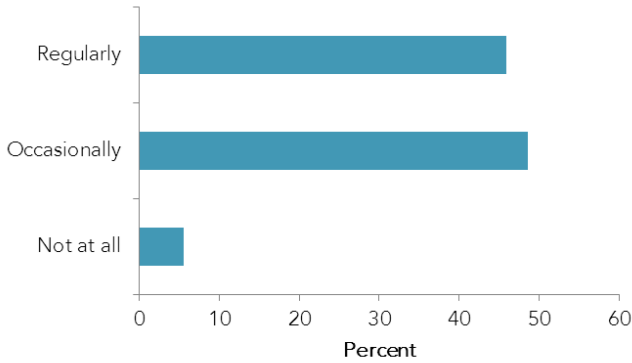
Figure 1-118 Council use of output measures to assess regulatory performance - by number of employees

The use of output measures by council size follows a similar pattern to input measures (Figure 1-115), with larger councils more likely to use output performance measures.

1.7.4 Council use of outcome measures to assess regulatory performance

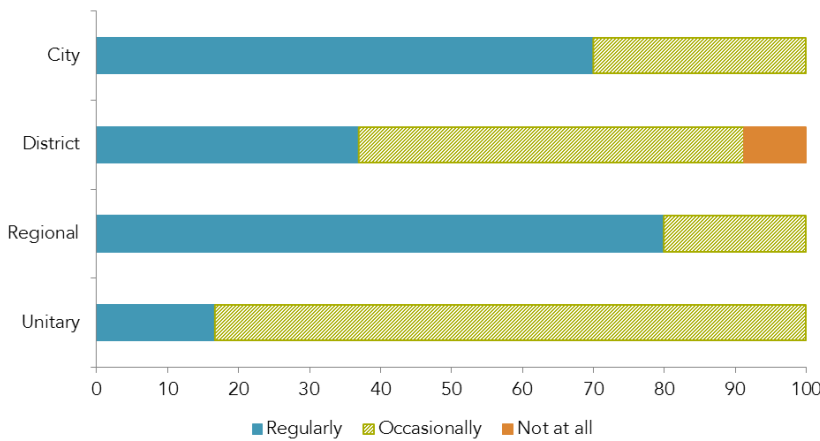
Respondents were told that outcome measures are measures of whether regulations are achieving the desired or intended outcomes. For example, is a regulation leading to a reduction in unwanted behaviour or harm?

Figure 1-119 Council use of outcome measures to assess regulatory performance



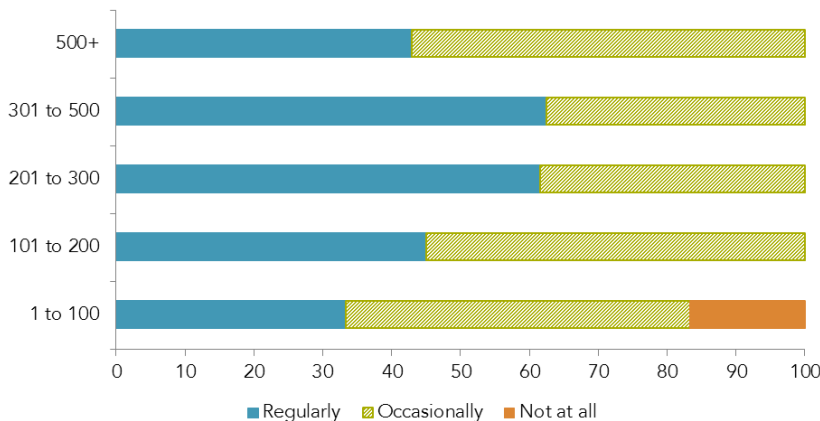
95% of respondents use outcome measures at least occasionally to assess regulatory performance, with 46% using them regularly.

Figure 1-120 Council use of outcome measures to assess regulatory performance - by council type



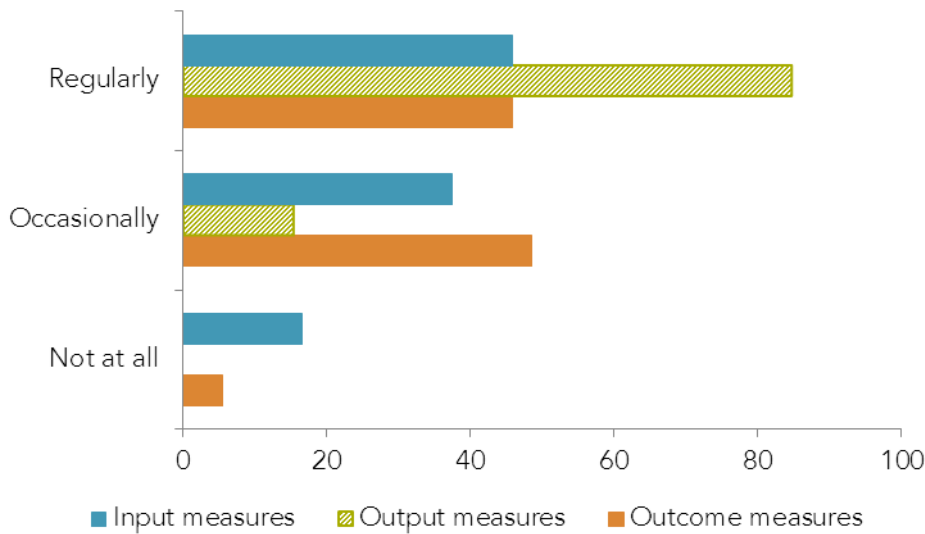
Regional councils had the highest use of outcome measures with 80% using them regularly. 8% of district councils do not use outcome measures in assessing regulatory performance.

Figure 1-121 Council use of outcome measures to assess regulatory performance - by number of employees



The regular use of outcome measures increases with the number of employees, except with the largest councils (500+ employees), with only 43% using outcome measures regularly.

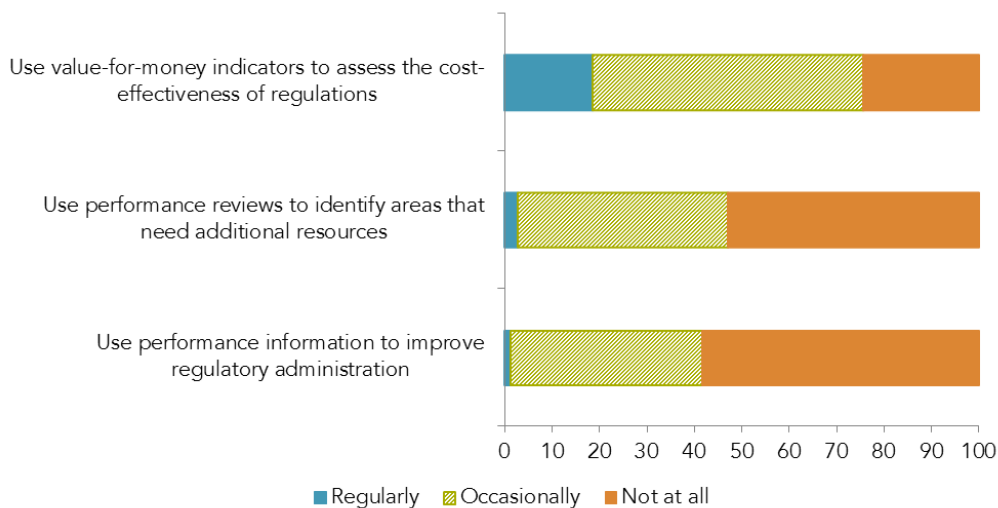
Figure 1-122 Council use of input, output and outcome measures to assess regulatory performance



Output measures are the most prominent type of performance measure, with 85% of councils using them regularly. Outcome measures are used at least occasionally by 95% of councils and input measures are used by 84% of councils at least occasionally.

1.7.5 Use of other regulatory performance indicators

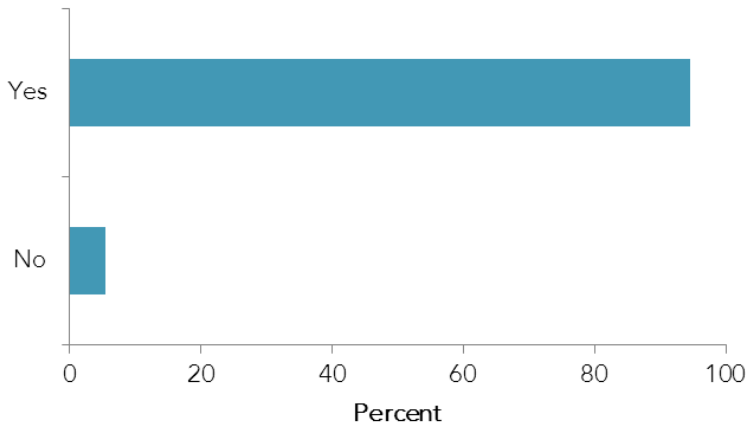
Figure 1-123 Use of other regulatory performance indicators



Use of these other measures is lower than input, output and outcome measures. 58% of councils do not use performance information to improve regulatory administration and 53% do not use performance reviews to identify areas that need additional resources.

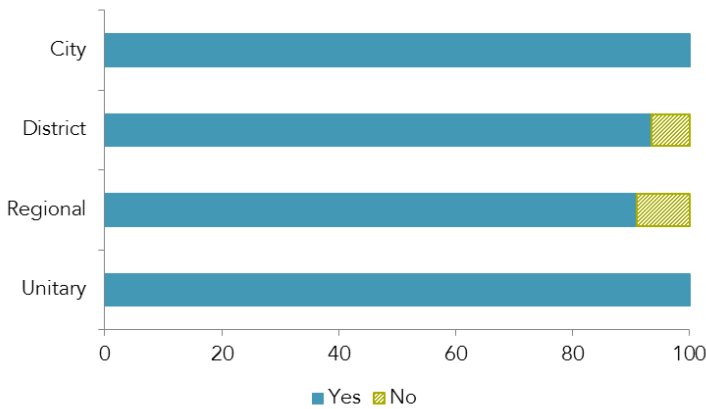
1.7.6 Use of satisfaction surveys to gauge the impressions of those involved in the regulatory process

Figure 1-124 Use of satisfaction surveys to gauge the impressions of those involved in the regulatory process



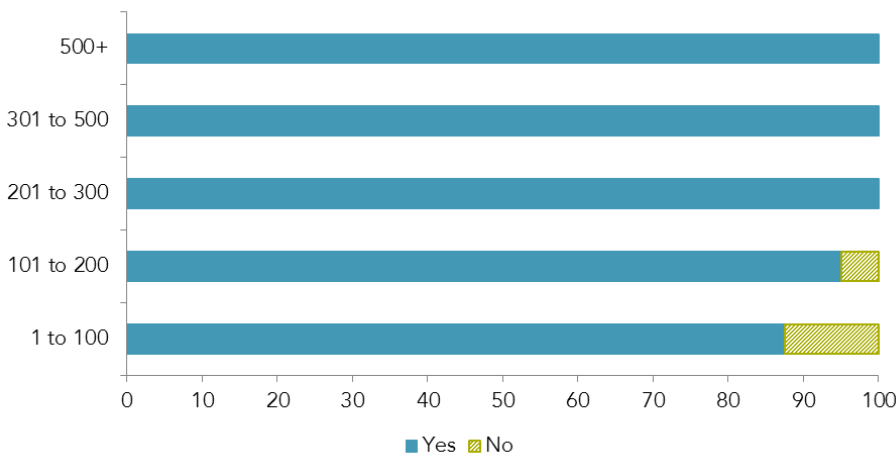
95% of councils use satisfaction surveys to gauge the impressions of those involved the regulatory process.

Figure 1-125 Use of satisfaction surveys to gauge the impressions of those involved in the regulatory process - by council type



All city and unitary council’s respondents use satisfaction surveys. Regional councils had the lowest use of surveys with 91%.

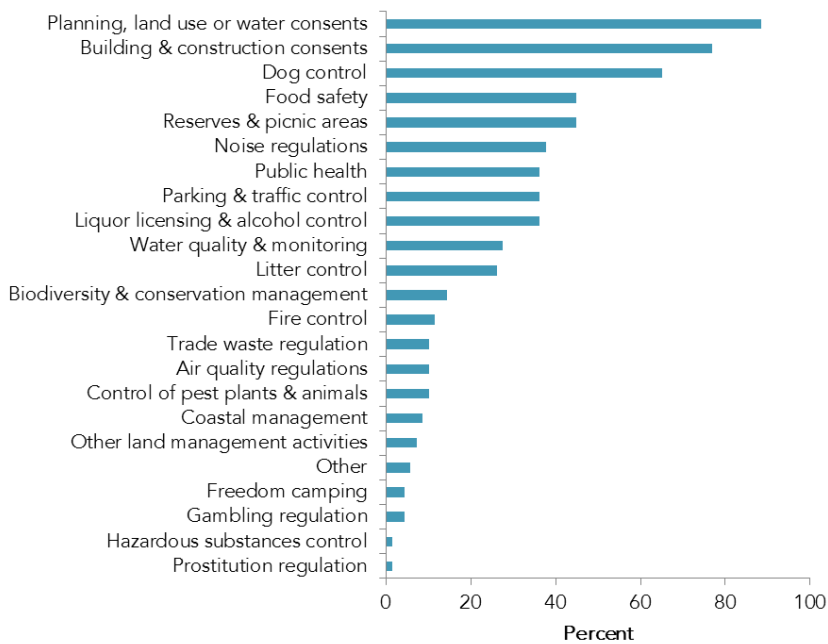
Figure 1-126 Use of satisfaction surveys to gauge the impressions of those involved in the regulatory process - by number of employees



All of the larger councils (201+ employees) used satisfaction surveys to gauge the impressions of those involved in the regulatory process, compared with 88% of the smallest councils (1 to 100 employees).

1.7.7 Regulatory functions that have been the subject of satisfaction surveys

Figure 1-127 Regulatory functions that have been the subject of satisfaction surveys

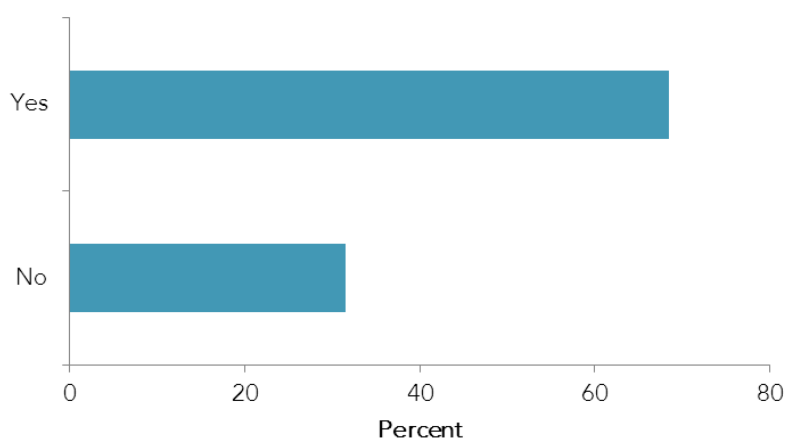


The 69 councils who said they used satisfaction surveys were asked what subjects the surveys covered. More than half of the respondents said planning, land use or water consents, building and construction consents, or dog control.

1.7.8 Benchmarking against other councils

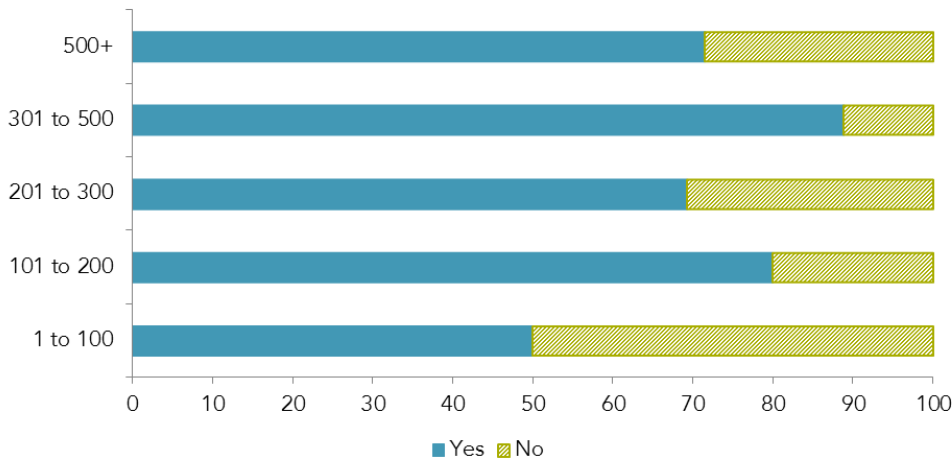
Councils were asked if they benchmarked their council against others in terms of the regulations they administer.

Figure 1-128 Benchmarking against other councils



68% of councils benchmark against their peers, in terms of the regulations they administer.

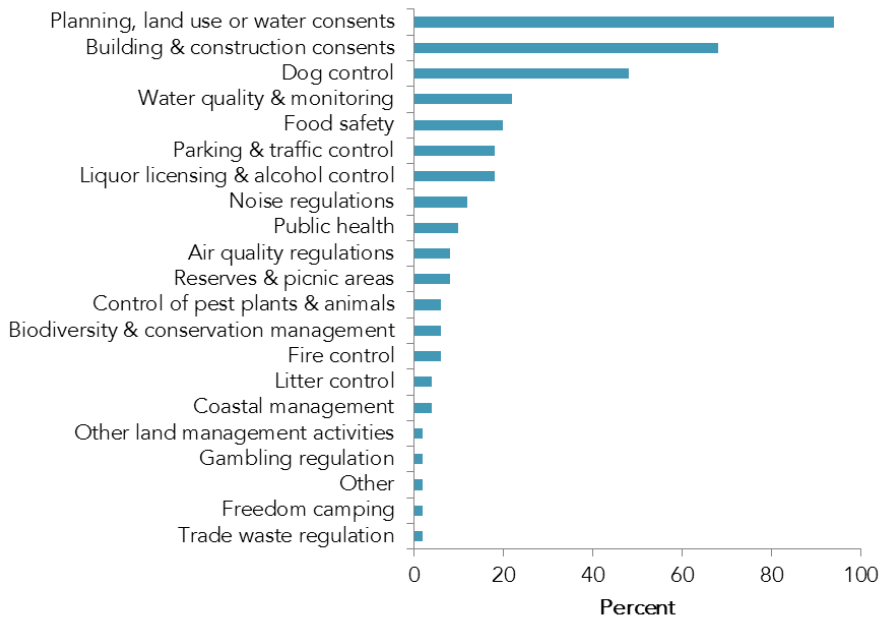
Figure 1-129 Benchmarking against other councils - by number of employees



The smallest councils (1 to 100 employees) were less likely to benchmark against other councils, with half using benchmarking.

1.7.9 Regulatory functions that are the subject of benchmarking against other councils

Figure 1-130 Regulatory functions that are the subject of benchmarking against other councils

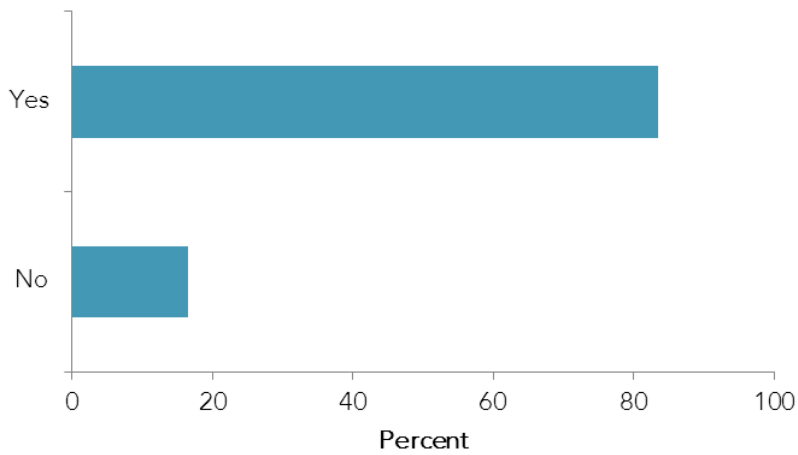


The 50 respondents who said they used inter-council benchmarking were asked what the subjects of their benchmarking were. The top three subjects are consistent with the top three subjects of satisfaction surveys (Figure 1-127).

1.7.10 Regulatory functions that lend themselves to regional or national benchmarking

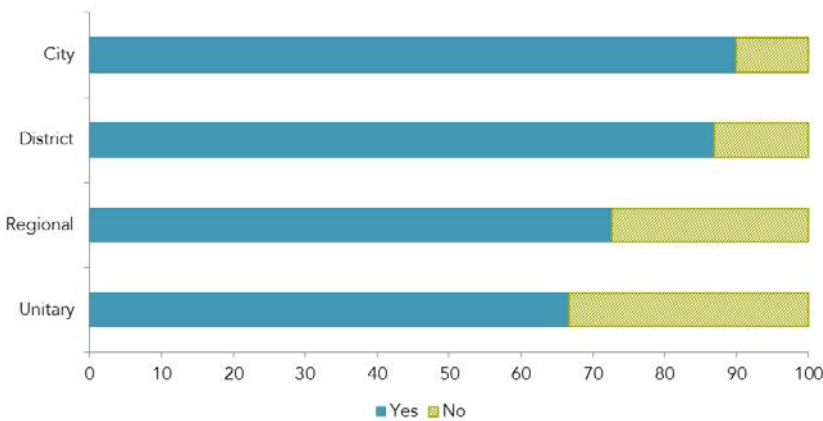
Council respondents were asked whether they thought any regulatory functions lend themselves to regional or national benchmarking.

Figure 1-131 Any regulatory functions that lend themselves to regional or national benchmarking



84% of councils believe that there are regulatory functions that lend themselves to regional or national benchmarking.

Figure 1-132 Any regulatory functions that lend themselves to regional or national benchmarking - by council type



90% of city councils thought that there are regulatory functions that lend themselves to regional or national benchmarking, while only 67% of unitary councils agree.

Figure 1-133 Any regulatory functions that lend themselves to regional or national benchmarking



The top three functions that councils believe could lend themselves to benchmarking are consistent with the three functions that use the most council resources (Figure 1-4). The main area put forward for benchmarking was building and construction consents.

2 Business survey results

2.1 Background

To help inform its inquiry, the Commission engaged the market research company Colmar Brunton to carry out a survey of businesses' experiences with local councils on regulation issues in New Zealand.

The aims of the survey were to provide insight into:

- The frequency with which businesses dealt with local councils on regulation issues and their level of satisfaction with these engagements
- Costs for businesses to comply with local and central government regulations and the impact to the businesses' financial position or profitability
- Identification of regulations which have the greatest impact on costs of compliance for businesses
- The degree of inconsistency faced by businesses dealing with multiple councils on regulation issues and identification of the most inconsistent regulations
- The degree of variation in businesses' experiences with councils on regulation issues by industry and firm size.

The business survey employed a stratified random sampling methodology. Under this methodology, the population of New Zealand's businesses¹ was divided into homogeneous subgroups by industry and business size². Then simple random sampling was applied within each subgroup. This sampling technique was intended to reduce sampling errors and to provide reliable estimates at the industry and firm size level³.

Table 2.1 Business survey respondents by industry and number of employees

Industry groups (1-digit ANZSIC96)	0 employees	1-5 employees	6-19 employees	20+ employees	Total
Primary production (A, B)	89	89	22	11	211
Industrial (C, D, E)	105	115	68	38	326
Distribution (F, G, I)	77	132	85	40	334
Business and finance (K, L)	132	81	34	17	264
Service (H, J, N, O, P, Q)	116	119	107	69	411

¹ The population of New Zealand's businesses was based on the Business Demography Statistics 2012 from Statistics New Zealand under ANZSIC96 industry classification.

² Industry groups are classified into primary, industrial, distribution, business and finance and service sectors based on by 1-digit ANZSIC96 industry classification (excluding Government administrations and Defences). http://www.stats.govt.nz/surveys_and_methods/methods/classifications-and-standards/classification-related-stats-standards/industrial-classification-1996.aspx. Firm size groups are classified into four categories, which are "no employee", "1-5 employees", "6-19 employees" and "20 or more employees".

³ The survey used proportionate sample allocation. That means the sample fraction in each of subgroup is proportional to that of the total population.

1546 businesses and organisations⁴ were asked to participate in a survey about their interactions with local councils about regulatory issues. The main regulatory issues they were asked about were:

- Air quality regulations
- Biodiversity and conservation management
- Building and construction consents
- Coastal management
- Control of pest plants and animals
- Dog control
- Fire control
- Food safety
- Freedom camping
- Gambling regulation
- Hazardous substances and new organism control
- Liquor licencing and alcohol control
- Litter control
- Noise regulations
- Other land management activities
- Parking and traffic control
- Planning, land use or water consents
- Prostitution regulation
- Public health
- Reserves and picnic areas
- Trade waste regulation
- Water quality and monitoring

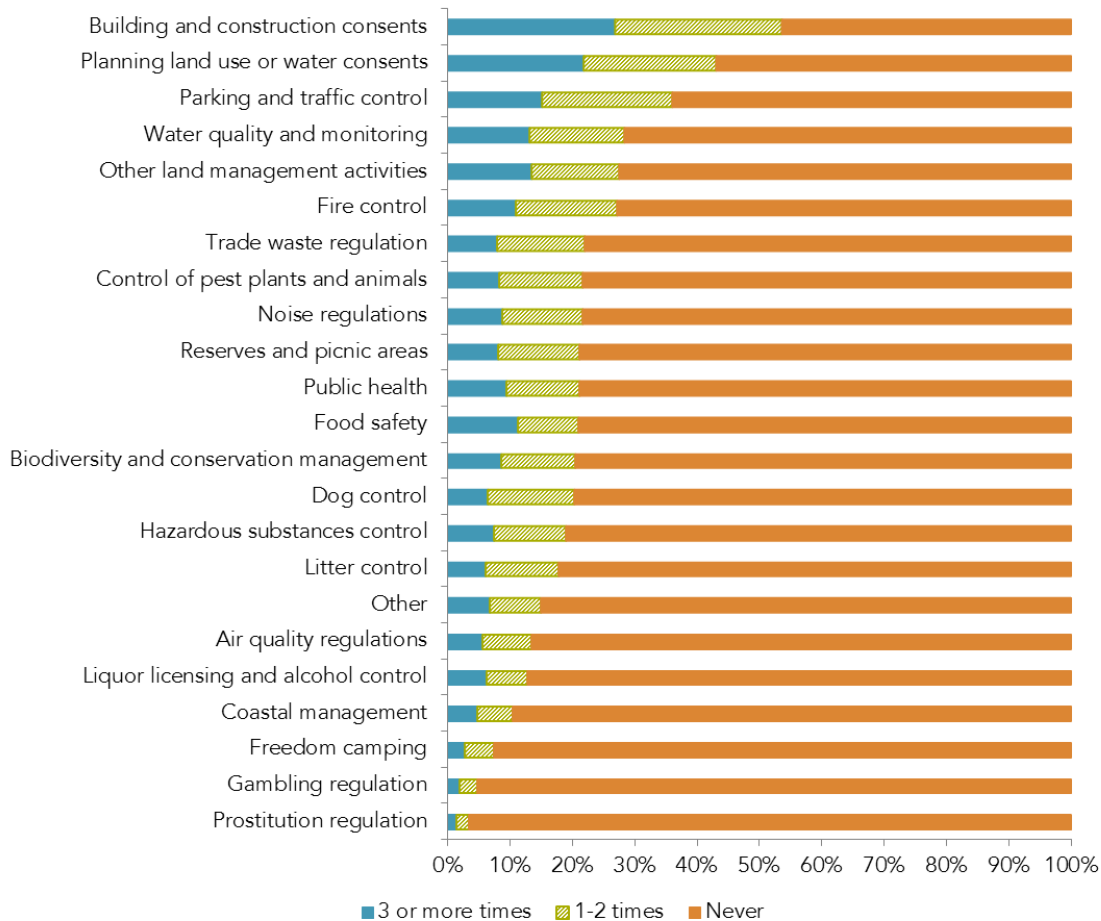
⁴ If sampled firms refused to respond to the survey or were not eligible for the sample selection, additional firms were selected to meet target sample size. So the response rate was 100%.

2.2 Regulation experience

2.2.1 Business contact with a local council in each area of regulation over the past three years

Businesses were asked how many times they had contact with local councils in each of 23 different regulation areas over the past three years.

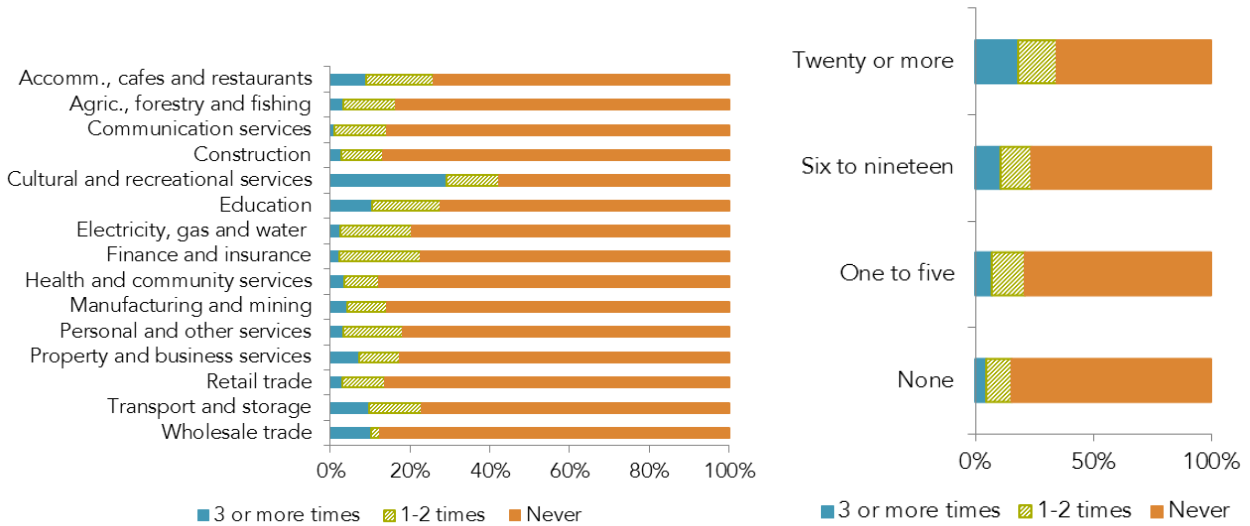
Figure 2-1 Frequency of contact with local councils in each area of regulation over the past three years



64% of businesses have had contact with local councils regarding building and construction consents over the past three years, with half of them (32%) dealing with councils three or more times on the issue. Dog control was the subject of a local council contact for 19% of surveyed businesses but only a small proportion (6%) of these had 3 or more contacts concerning the area.

2.2.2 Contact with local council in the last three years about reserves and picnic areas

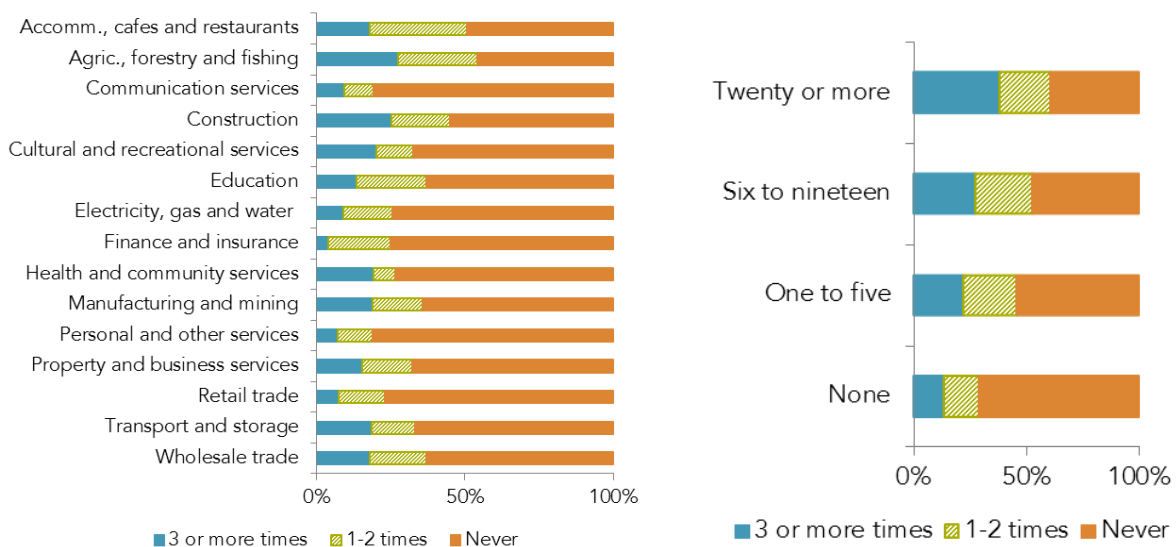
Figure 2-2 Contact with local council in the past three years about reserves and picnic areas - by industry and number of employees



Cultural and recreational services had the highest incidence of contact with councils on reserve and picnic areas regulation (42%); with 29% having contact more than 3 times in the past three years. Businesses with more employees had more frequent contact with councils about reserve and picnic areas regulation.

2.2.3 Contact with local council in the last three years about planning, land use and water consents

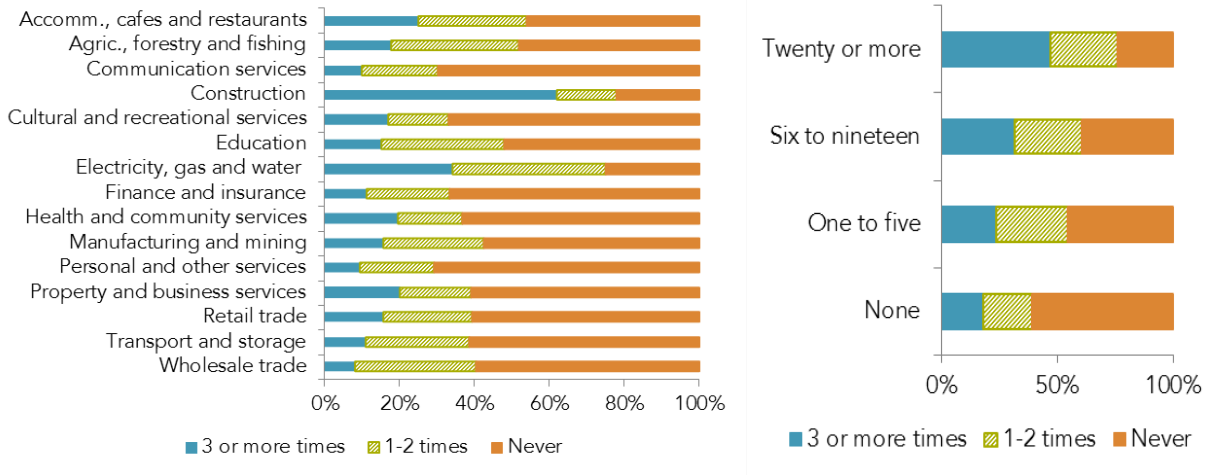
Figure 2-3 Contact with local council in the last three years about planning, land use and water consents - by industry and number of employees



At least 20% of businesses in every industry had contact with councils at least once about planning, land use or water consents in the past three years. The industry with the highest contact rate was agriculture, forestry and fishing (54%). By employee size, the larger the business, the higher the interaction with councils on planning issues. 60% of businesses with twenty or more employees contacted councils at least once about planning, land use and water consents, compare to 29% for sole trade businesses.

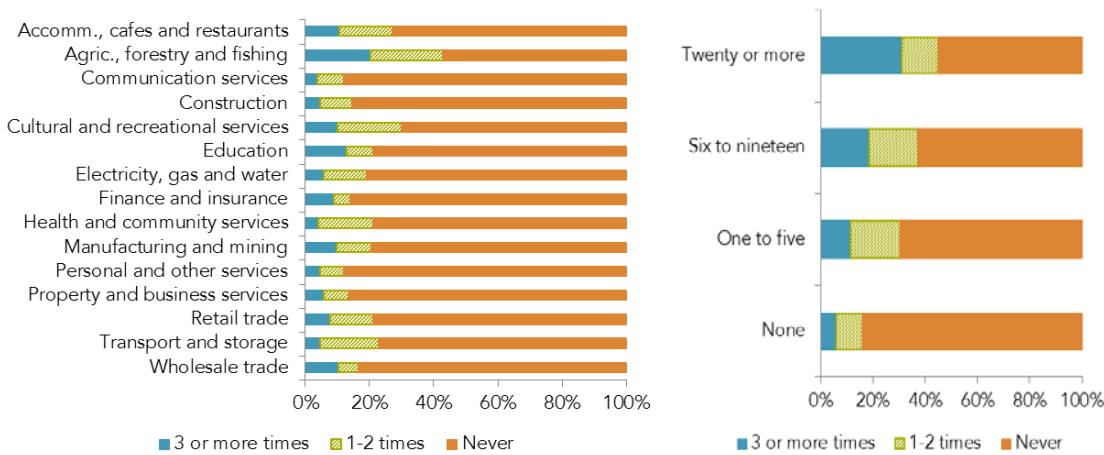
2.2.4 Contact with local council in the last three years about building and construction consents

Figure 2-4 Contact with local council in the past three years about building - by industry and number of employees



At least 29% of businesses in every industry have had contact with councils at least once about building and construction consents in the past three years. The industries with the highest percentages of contacting with councils were construction and electricity, with 78% and 75% of each industry respectively. By employee size, businesses with greater number of employees were more likely to contact with councils, from 39% to 76%.

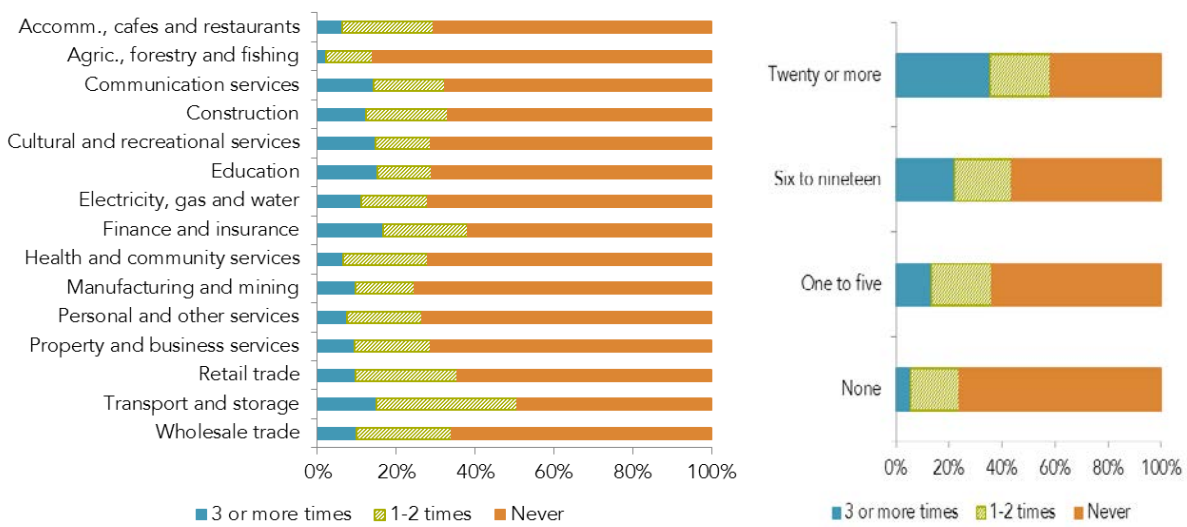
Figure 2-5 Contact with local council in the last three years about water quality and monitoring - by industry and number of employees



43% of businesses in agriculture, forestry and fishing had contact with a local council at least once in the past 3 years about water quality and monitoring issues. In other industries less than 28% of businesses had contact with councils about water issues. Again greater employee numbers reflected more contact with councils on water quality and monitoring issues.

2.2.5 Contact with local council in the last three years about parking and traffic control

Figure 2-6 Contact with local council in the last three years about parking and traffic control - by industry and number of employees



51% of businesses in the transport and storage industry, and 38% of businesses in the finance and insurance industry had contact with a council at least once in the past three years about parking and traffic control issues. By employee size, larger businesses were more likely to make more contacts with councils. 36% of businesses with 20 or more employees had 3 or more contacts which was seven times larger than those with no employees, 5%.

2.3 Relative cost of compliance

2.3.1 Costs of compliance for areas of regulation

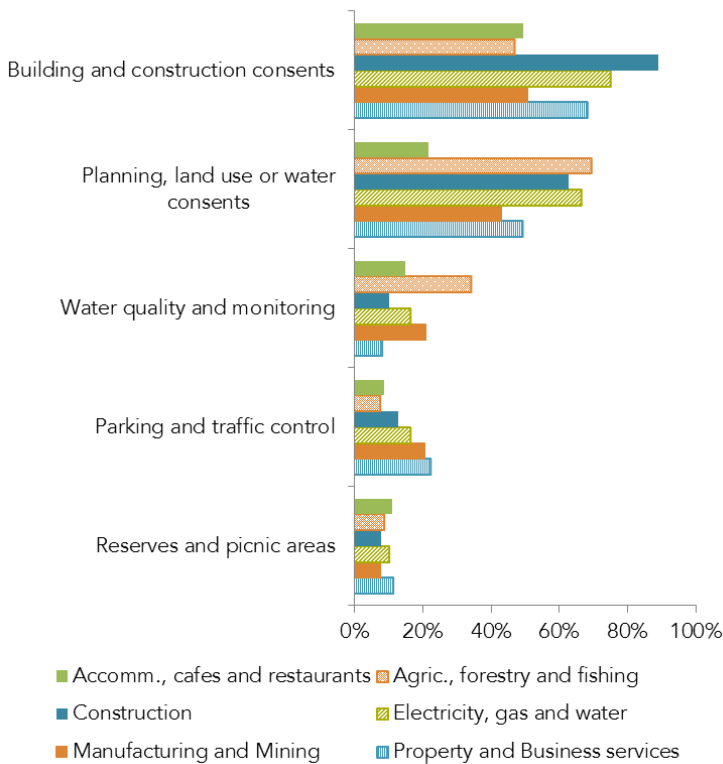
Each business was asked to select three areas of local and central government regulation from the 23 different areas that had the greatest impact on their businesses, in terms of time, effort and money.

Figure 2-7 Top three regulatory areas imposing high costs of compliance on businesses



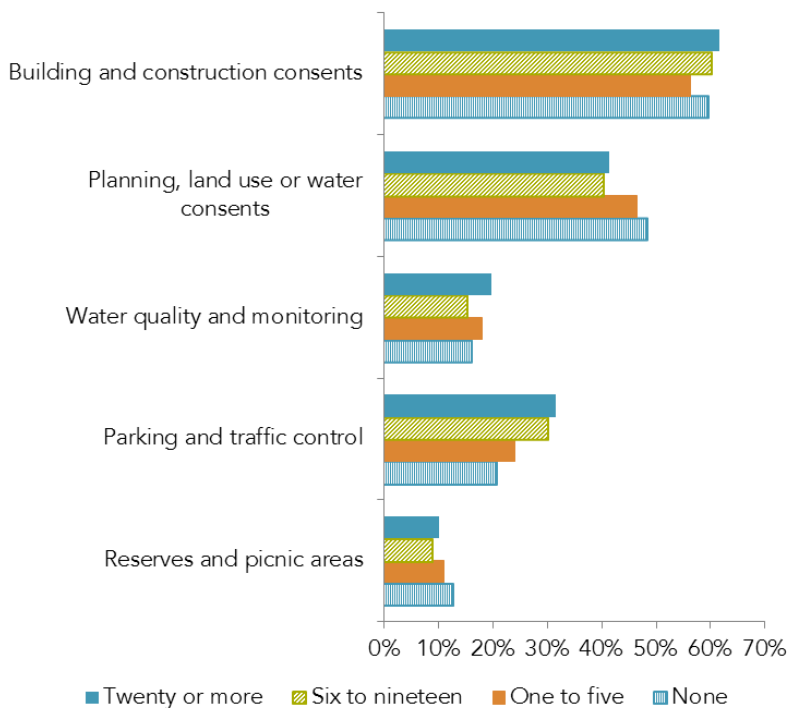
Building and construction consents (59%), and planning, land use or water consents (47%) were the two areas most frequently selected by businesses as having one of the highest costs of compliance.

Figure 2-8 Costs of compliance for six key industries in the top five regulatory areas



Unsurprisingly, 89% of businesses in the construction industry indicated building and construction consent regulation was one of their main sources of compliance costs. While reserves and picnic areas were a relatively common area of contact (Figure 2-2) it was only mentioned as one of the top three costs of compliance by 7-11% of the businesses in the six key industries.

Figure 2-9 Costs of compliance for firm size in top five regulatory areas



Businesses with a large number of employees were more likely to indicate that parking and traffic control regulation was one of their top compliance costs (32%). The relationship was reversed for planning, land use

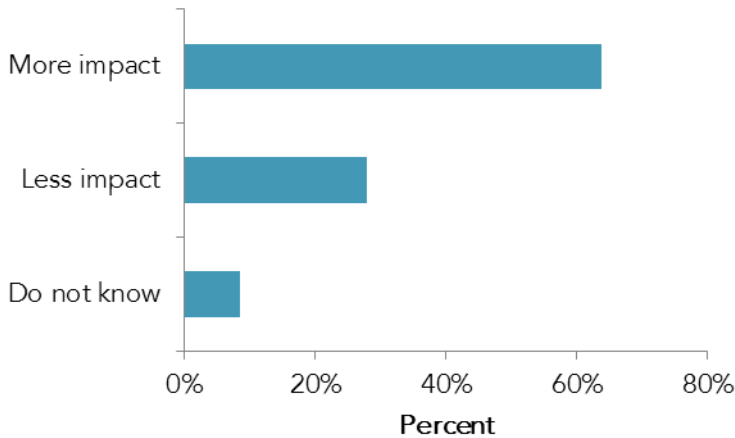
or water consents, and reserves and picnic areas, which were a relatively more significant cost for small businesses.

2.3.2 Other areas of compliance that impact businesses

Businesses were asked if a list of other regulations impacted them more or less than the area they stated to have the greatest impact, of the 23 in the above question.

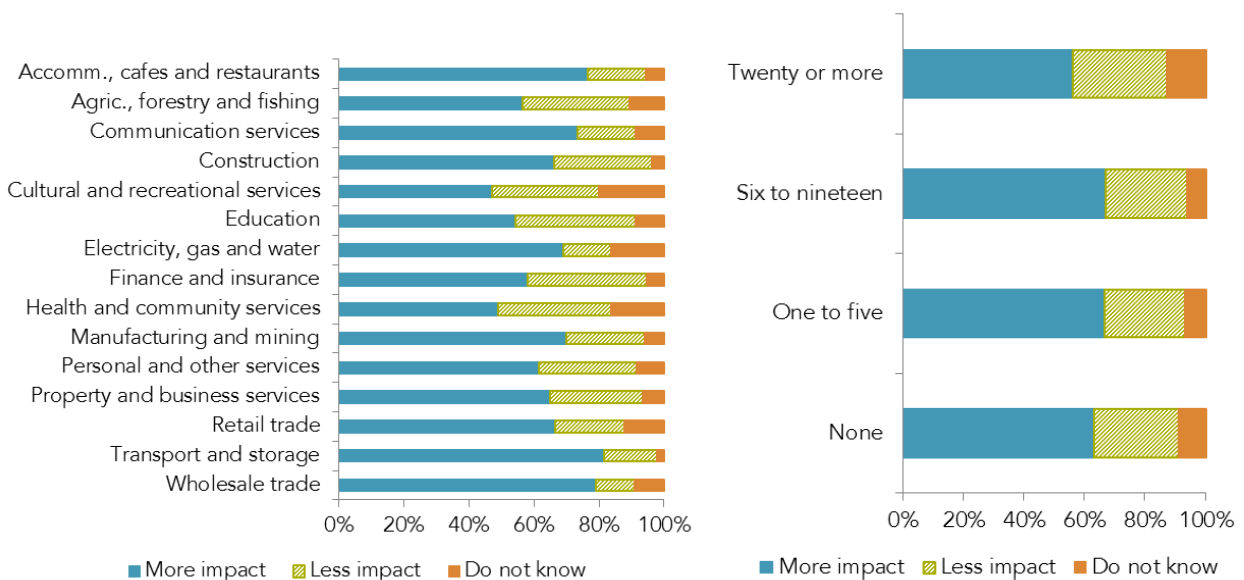
Compliance with tax regulations, such as PAYE, GST, and business income tax (not the cost of the tax itself but rather the time and effort needed to meet taxation obligations):

Figure 2-10 Level of impact of tax regulation, over the top ranked area of regulation



64% of businesses found tax regulation to have a higher impact on their business than their top ranked regulations.

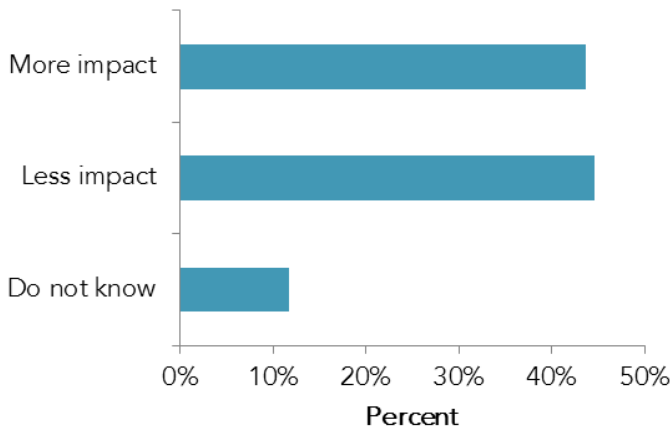
Figure 2-11 Level of impact of tax regulation, over the top ranked area of regulation - by industry and number of employees



Compliance with tax regulation required more resources than any of the 23 listed areas of local council regulation for most businesses. Cultural and recreational services were the least likely to find tax regulation had more impact (47%) but also had the highest proportion of respondents that were not sure (20%). Other industries that had below average impact were: personal and other services (62%), health and community services (49%), finance and insurance (58%), education (54%), and agriculture (56%). The impact of tax regulation was independent of firm size.

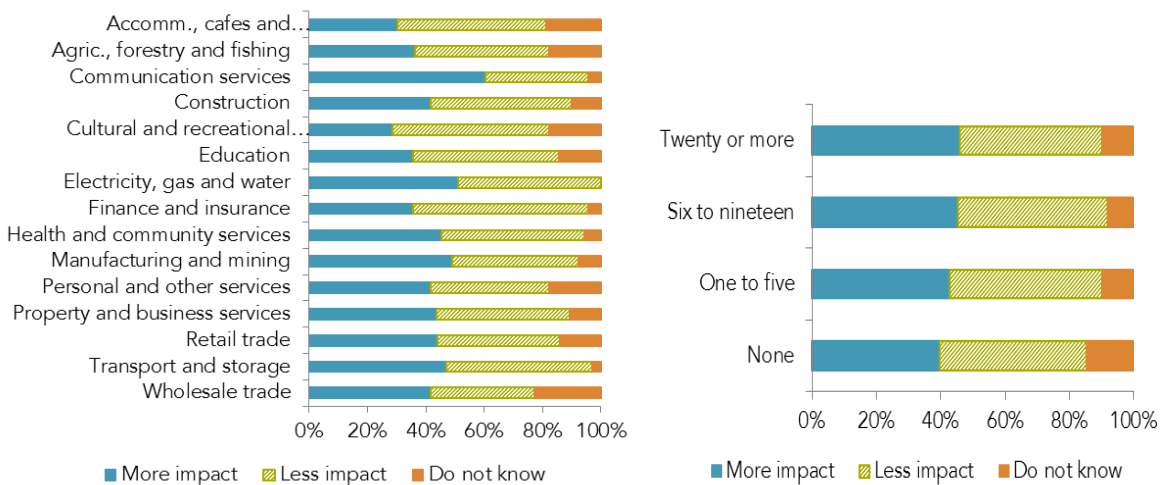
Complying with occupational health and safety requirements:

Figure 2-12 Level of impact of health and safety regulation, over the top ranked area of regulation



Slightly more businesses found health and safety to have less of an impact than their top ranked regulations. (45% vs 44%).

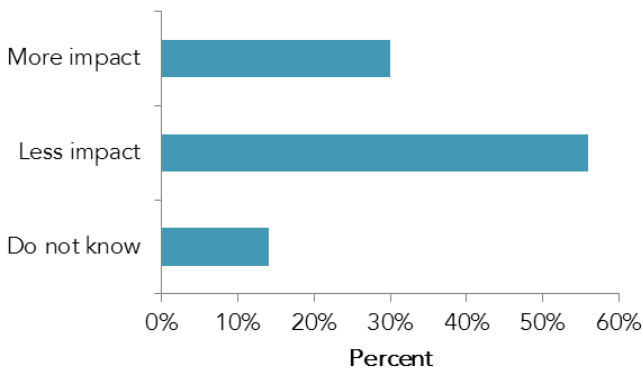
Figure 2-13 Level of impact of health and safety regulation, over the top ranked area of regulation - by industry and number of employees



The businesses most likely to report that health and safety regulation have more of an impact than their top ranked regulations were in the communication services industry (65%). The communication services industry had the fewest contacts with council regarding building and construction consents (Figure 2-4), and planning, land use or water consents (Figure 2-5); these two areas were identified as having the highest costs of compliance by business survey respondents (Figure 2-7). As such, the high response rate within communication services to this question may be more indicative of a relatively low cost of compliance for other regulation they face, rather than a high cost of health and safety regulation. The larger the business by employee size the more likely that health and safety regulation had more impact on the business than the top ranked regulations.

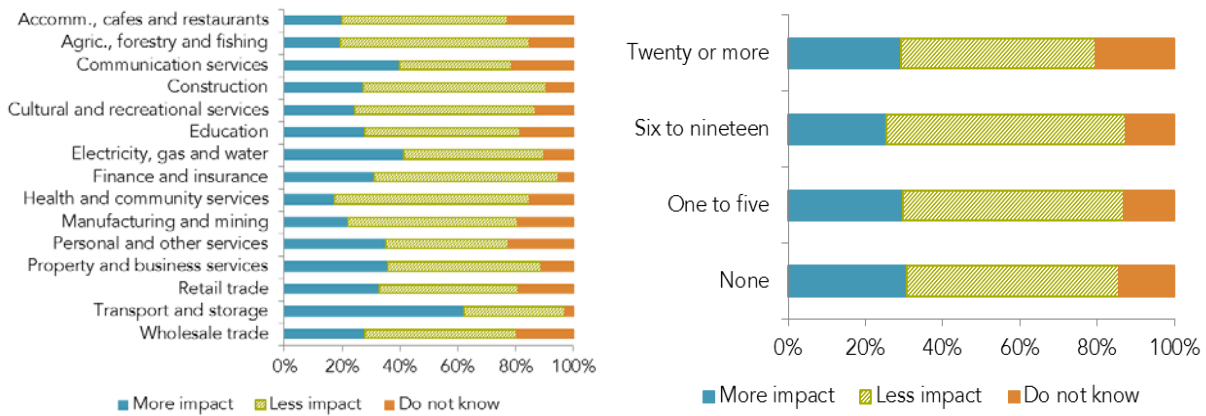
Complying with vehicle and road regulations:

Figure 2-14 Level of impact of vehicle and road regulation, over the top ranked area of regulation



30% of businesses found vehicle and road regulation to have a higher impact on their business than their top ranked regulations.

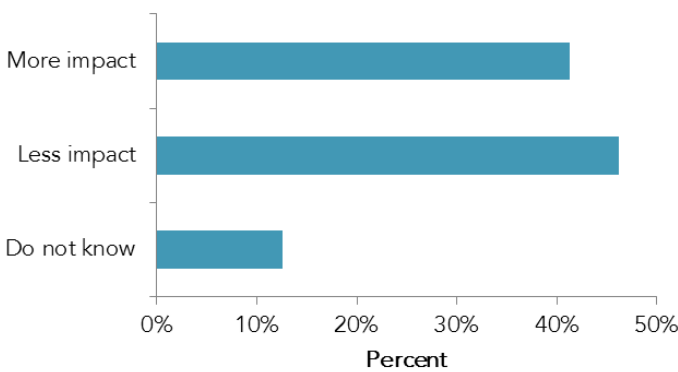
Figure 2-15 Level of impact of vehicle and road regulation, over the top ranked area of regulation - by industry and number of employees



62% of businesses in the transport industry found vehicle and road regulation to have a greater impact on their business than their top ranked regulatory function. In all other industries less than 45% of businesses stated it had more impact. The impact of vehicle and road regulation was independent of business size.

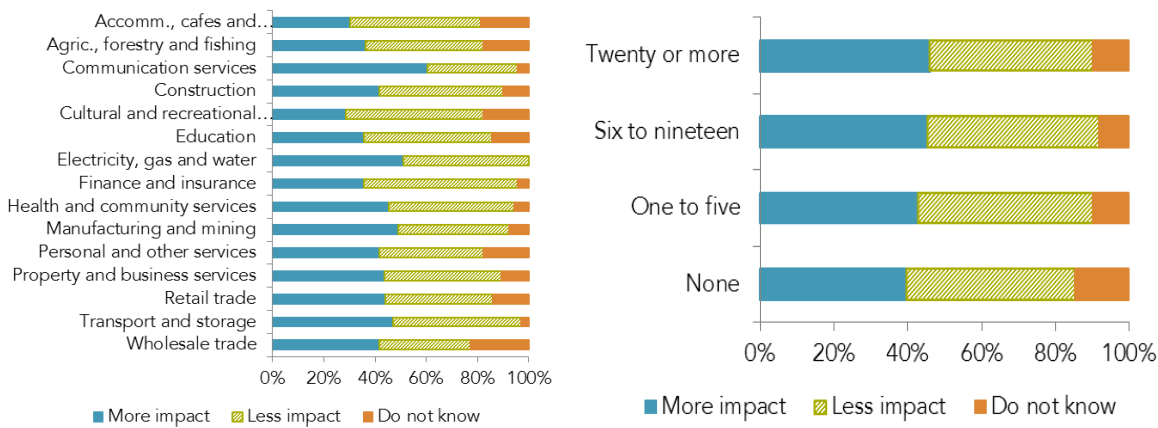
Complying with ACC requirements:

Figure 2-16 Level of impact of ACC regulation, over the top ranked area of regulation



41% of businesses stated that complying with ACC regulation had a larger impact on their business than their top ranked regulations.

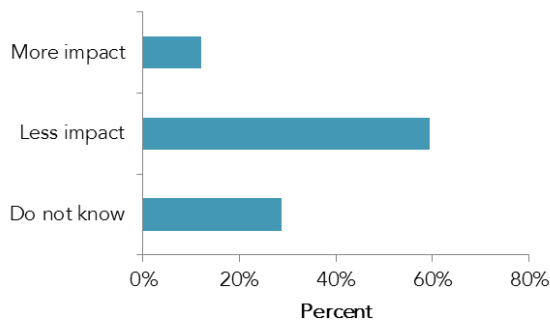
Figure 2-17 Level of impact of ACC regulation, over the top ranked area of regulation - by industry and number of employees



On average, businesses in communication services and electricity, gas and water, found compliance with ACC regulation to have more of an impact on their business than their top ranked regulations (60% and 51% respectively). The ACC regulation appeared to have even impact on businesses of all sizes.

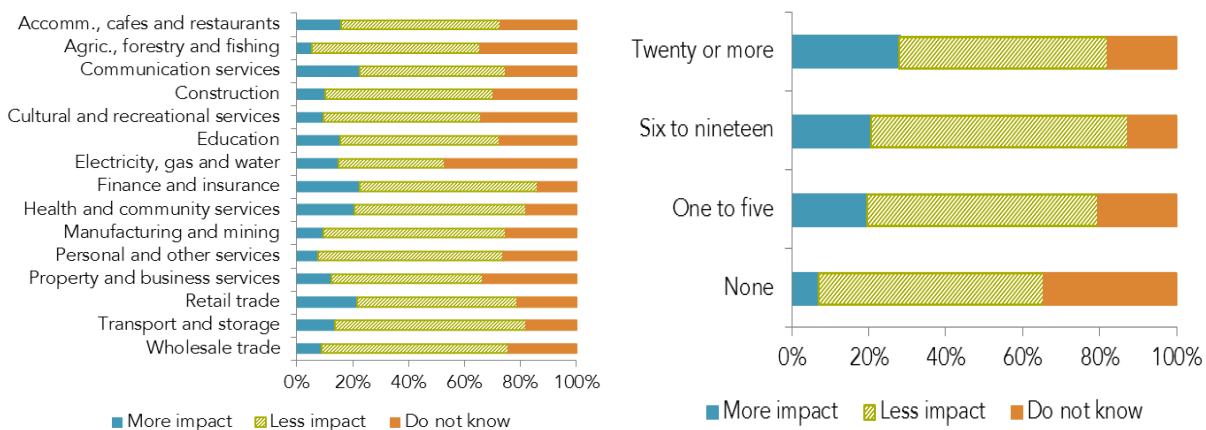
Completing paper work associated with employee superannuation schemes

Figure 2-18 Level of impact of superannuation regulation, over the top ranked area of regulation



Only 12% of businesses stated that superannuation paperwork had more of an effect on their business than their top ranked regulations.

Figure 2-19 Level of impact of superannuation regulation, over the top ranked area of regulation - by industry and number of employees

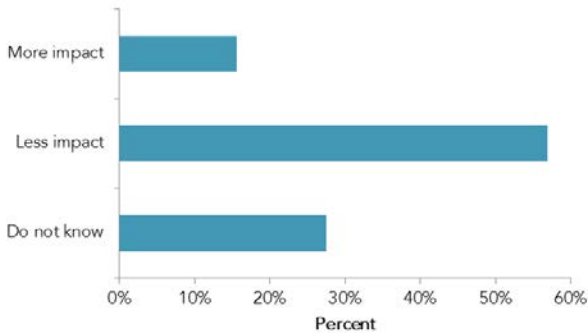


The industries in which the largest proportions of businesses were affected by superannuation were communication services (23%), finance and insurance (22%) and retail trade (22%). The trend showed that the larger the business by employee size, the more likely that superannuation regulation had more of an

impact on the business than the top ranked regulations, with only 6% of businesses with no employees stating superannuation had more impact.

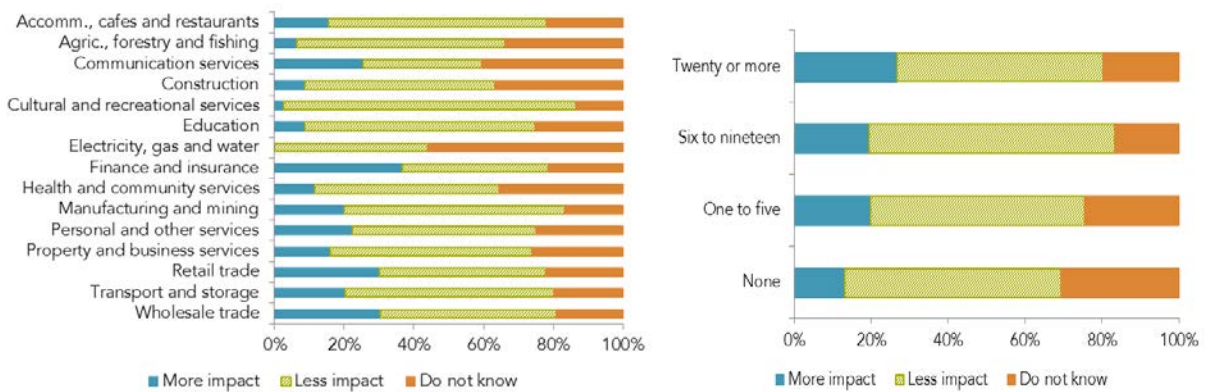
Complying with consumer protection laws

Figure 2-20 Level of impact of consumer protection regulation, over the top ranked area of regulation



Only 12% of businesses stated that consumer protection regulation had more of an effect on their business than their top ranked regulatory function.

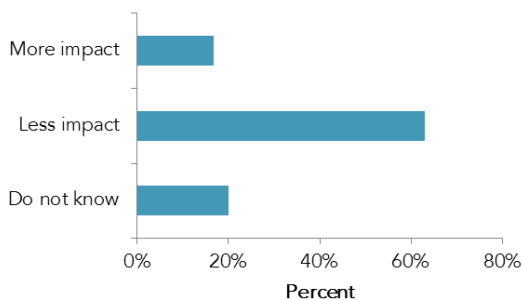
Figure 2-21 Level of impact of consumer protection regulation, over the top ranked area of regulation - by industry and number of employees



No business in the electricity industry found consumer protection regulation to have more of an impact on business than their top ranked regulations. On the other end of the spectrum 37% of businesses in the finance and insurance industry found consumer protection regulation to have more of an impact on business than their top ranked regulations. There is a trend of larger businesses reporting relatively more impact from consumer protection regulation.

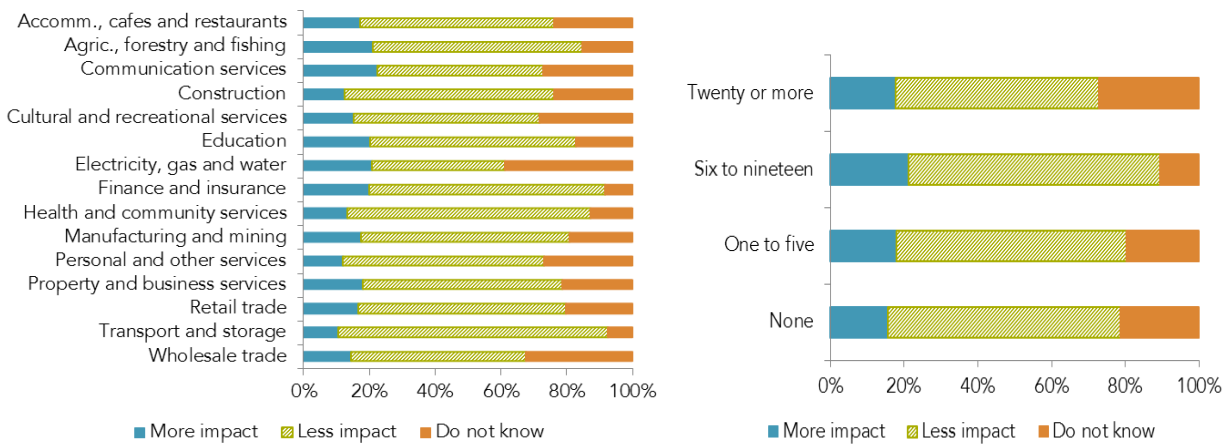
Completing and submitting Statistics New Zealand surveys

Figure 2-22 Level of impact of Statistics NZ surveys, over the top ranked area of regulation



Only 17% of businesses stated that Statistics New Zealand surveys had more of an effect on their business than their top ranked regulatory function.

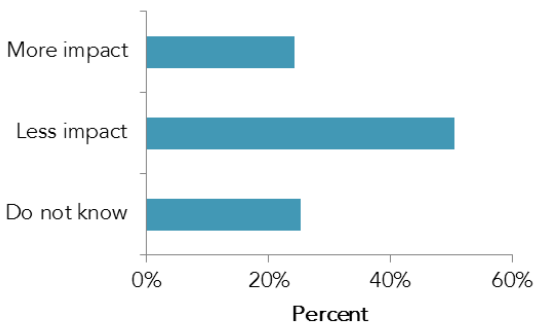
Figure 2-23 Level of impact of Statistics NZ surveys, over the top ranked area of regulation - by industry and number of employees



The relative impact of complying Statistics New Zealand surveys across industries was roughly equal, ranged from 10% to 20%. Similarly, its impact on different employee sizes varied around 17%.

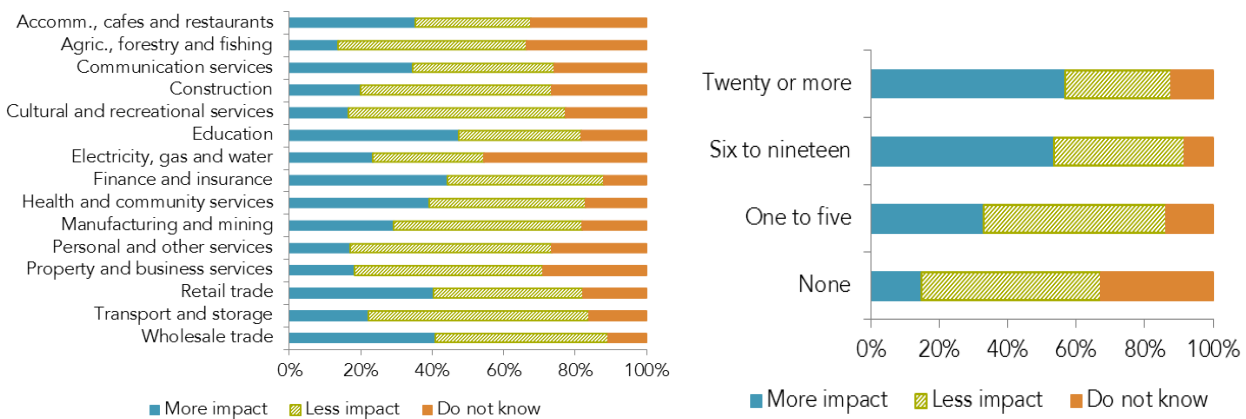
Complying with employment relations regulations

Figure 2-24 Level of impact of employment relations regulation, over the top ranked area of regulation



Just over half (24%) of all businesses stated that employment relations regulation had more of an effect on their business than their top ranked regulations.

Figure 2-25 Level of impact of employment relations regulation, over the top ranked area of regulation - by industry and number of employees



Businesses in agriculture, forestry and fishing (14%), cultural and recreational services (17%) and personal and other services (17%) industries were less likely to be impacted by employment relations regulation more than their top ranked regulation. Education (48%) and finance and insurance (44%) industries were the most impacted by employment regulation relative to the compliance costs of their top ranked regulation. The larger the business by employee size the more likely that employment relations regulation had more of an impact on the business than the top ranked regulations.

2.4 Helpfulness or usefulness of regulations

Respondents were asked which regulations they have found the most helpful or useful for their business and customers over the last 3 years.

2.4.1 Helpfulness or usefulness of regulation

Figure 2-26 Areas of regulation that businesses have found helpful or useful

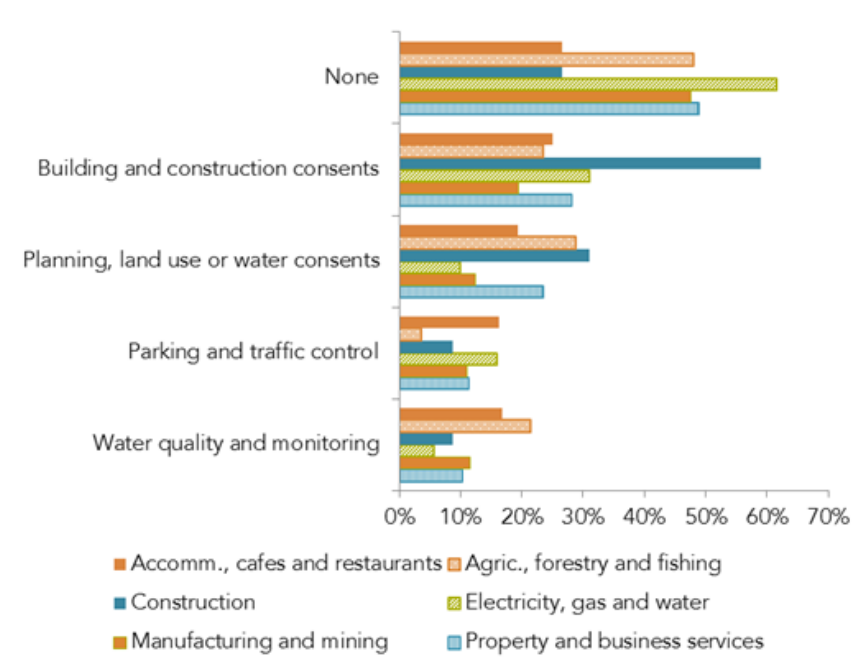


45% of all businesses found no regulation helpful or useful in the past 3 years. The regulations most reported as helpful or useful were building and construction consents (27%), and planning, land use or water consents (20%).

Businesses which had dealt with councils in the past three years were more likely to respond that they found regulation helpful or useful in all areas. The percentage of these businesses that found no regulation helpful or useful was 11% lower than the response rate for all businesses. Building and construction consents were found useful by 34% of this group, 7% more than the average. That was followed by planning, land use or water consents (26%) and parking and traffic control (16%) regulations.

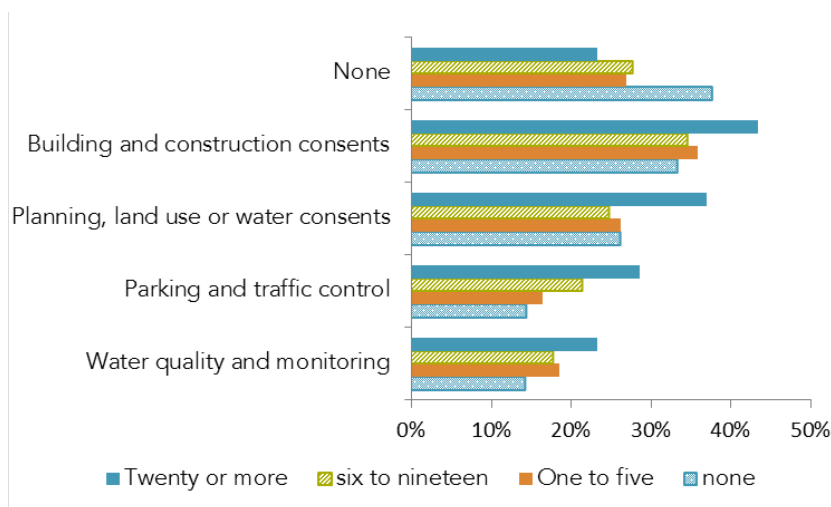
The rest of the business survey is comprised only of responses from businesses which had contact with councils in the last three years.

Figure 2-27 The 5 main areas of regulation that businesses have found helpful or useful - 6 key industries



Of the selected industries, electricity had the highest percentage of businesses which found no regulations helpful in the past 3 years (53%). The construction industry found building and construction consents, and planning, land use or water consents regulations the most helpful (64% and 35% respectively). For parking and traffic control regulation, electricity and accommodation industries responded more positively (19% and 17% respectively). Agriculture was the industry most likely to find water quality and monitoring regulation the most helpful (25%).

Figure 2-28 The 5 main areas of regulation that businesses have found helpful or useful - by number of employees

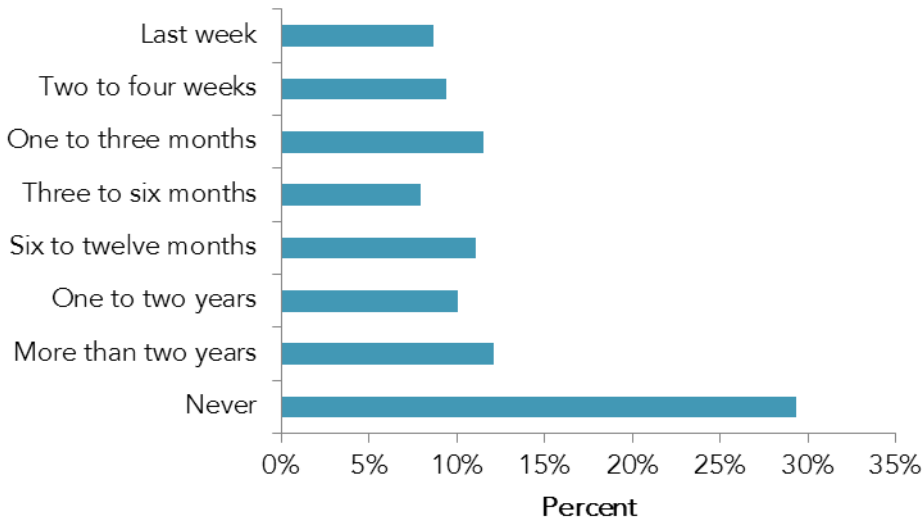


40% of all businesses with no employees found no regulations helpful. For each of the top four regulations, larger businesses found regulations more helpful than smaller ones.

2.5 Contact with councils about regulations

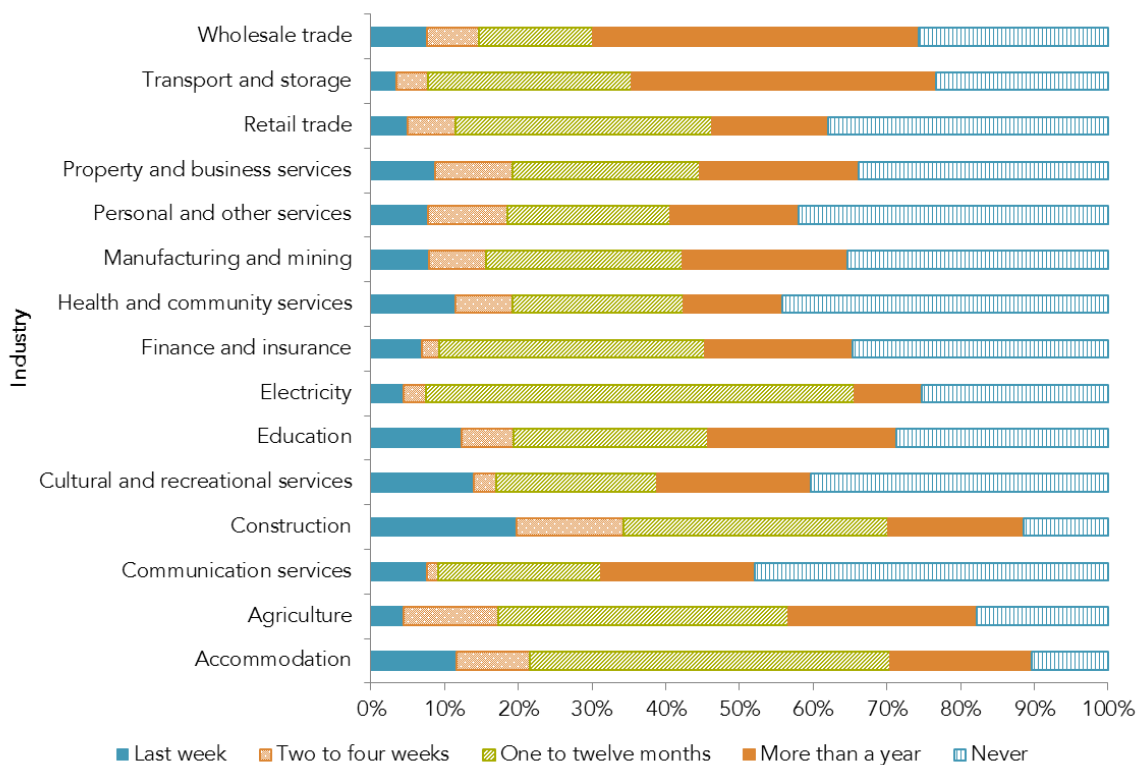
2.5.1 Last contact with the council

Figure 2-29 Last contact with the council about regulations



29% of businesses have never had contact with a council. 37% have contacted a council in the last 6 months, 9% in the last week.

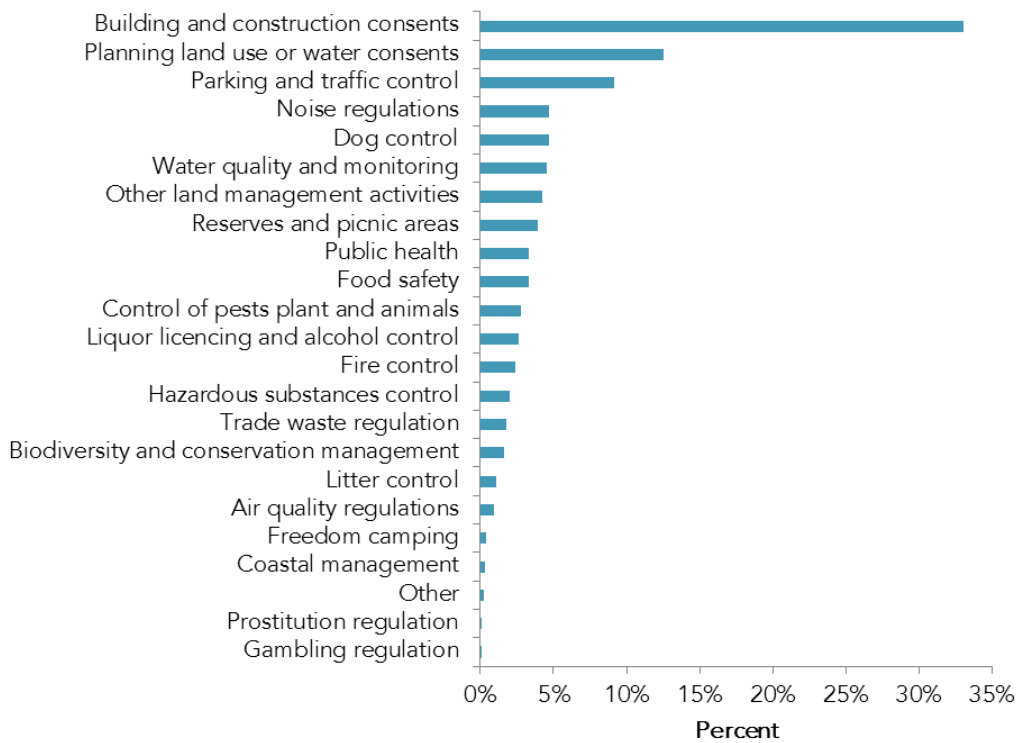
Figure 2-30 Last contact with the council about regulations - by industry



The largest proportion of businesses to have contacted the council in the last week was in the construction industry. Communication services and health and community service had the largest proportion of businesses having never contacted the council.

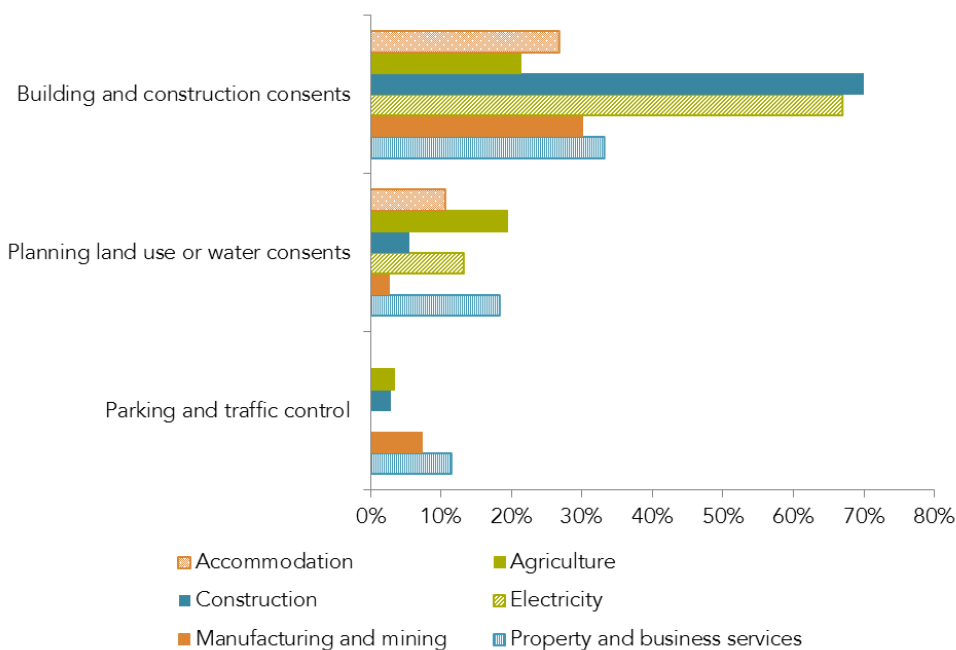
2.5.2 Regulatory area that was the subject of last contact with the council

Figure 2-31 Regulatory area that was the subject of last contact with the council



The top three areas of regulation that were the subject of the last contact with the council were building and construction consents (33%), planning, land use and water consents (13%), and parking and traffic control (9%). The rest of the regulations each represented less than 5% of responses.

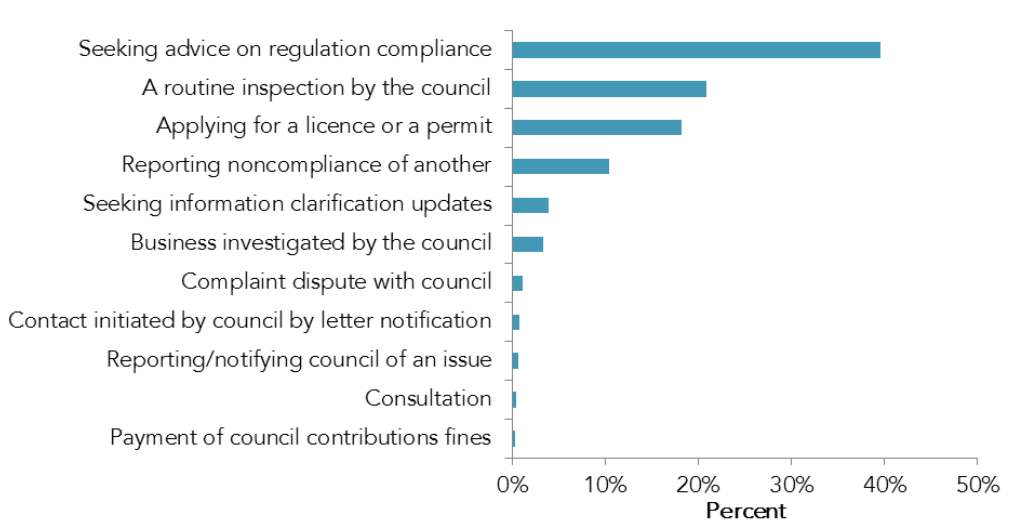
Figure 2-32 Top 3 Regulatory areas that were the subject of last contact with the council - 6 key industries



Building and construction consents were usually the subject of the last contact with councils for businesses in the construction (70%) and electricity (67%) industries.

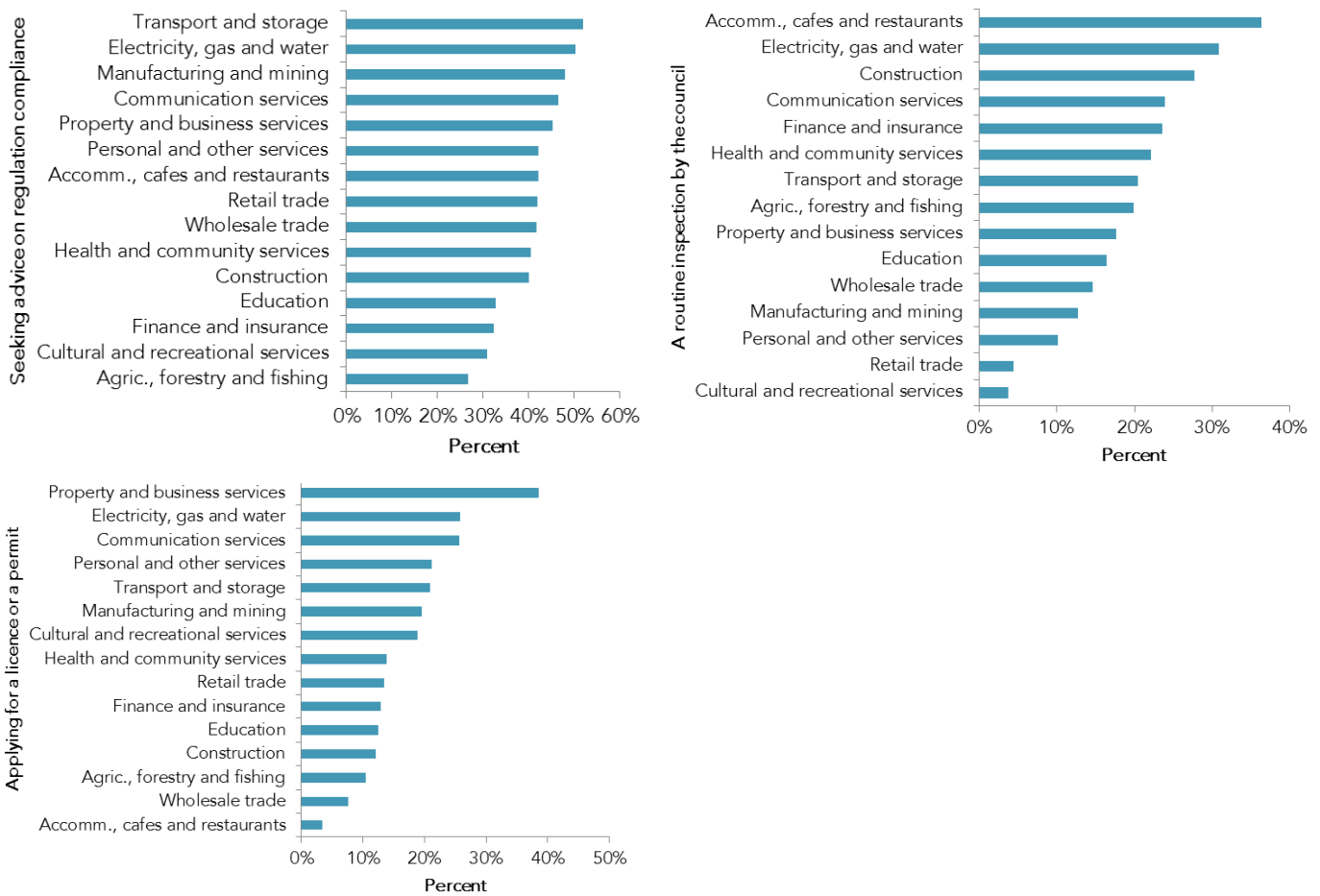
2.5.3 Nature of last contact with council

Figure 2-33 The nature of last contact with council



40% of all businesses stated their last contact with the council was to seek advice on regulatory compliance. 21% was a routine inspection by the council and 18% was applying for a licence or permit.

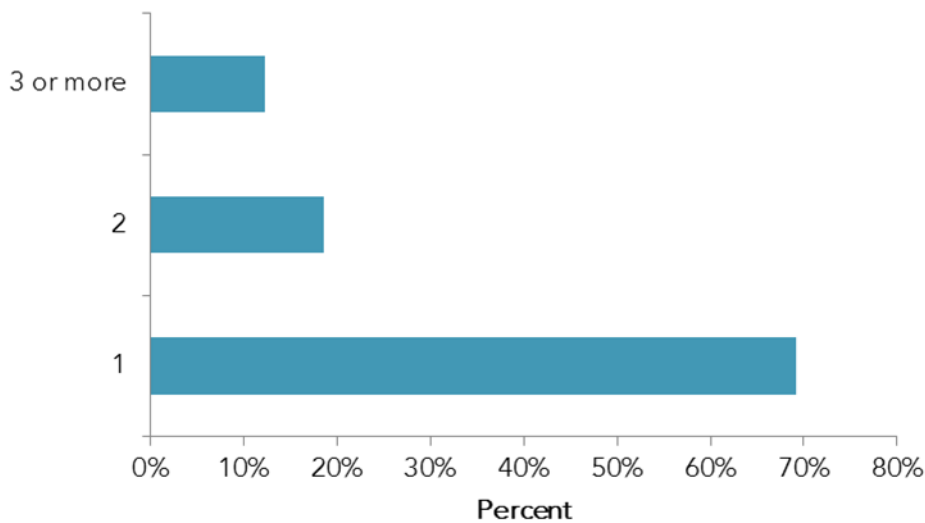
Figure 2-34 Top 3 types of last contact with councils - by industry



The most likely to state seeking advice on regulation compliance as the reason reason for the last contact with the council were businesses in the transport and storage industry (52%), followed by electricity, and manufacturing and mining (both 50%). The most likely to have their last contact with the council from a routine inspection is the accommodation industry with 36% then electricity (31%) and construction (28%). The most likely to have their last contact with the council being applying for a licence or permit is property and business services (38%) followed again by electricity and communication services (both 26%).

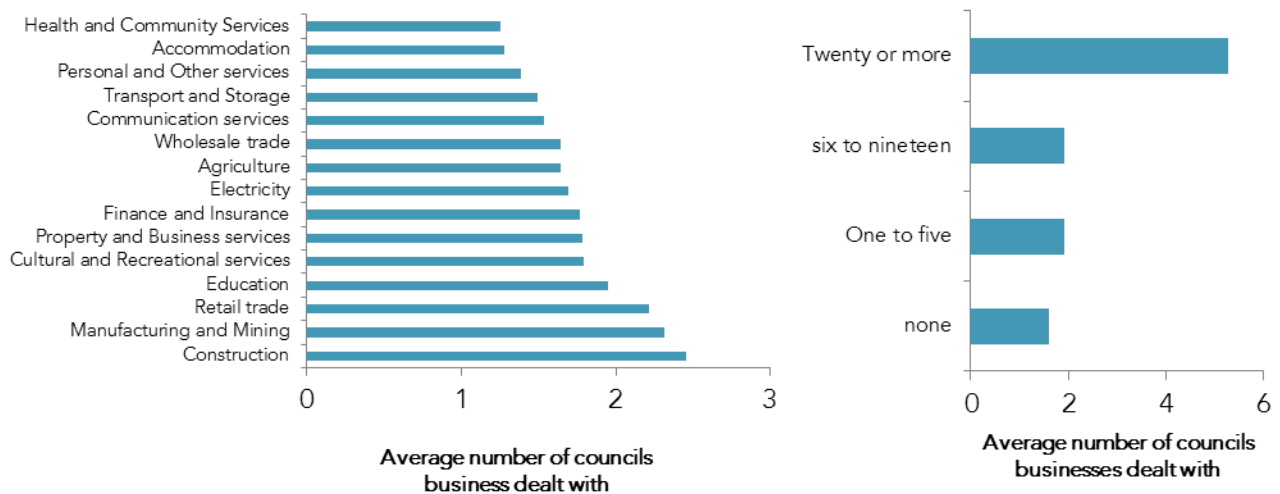
2.5.4 How many different councils businesses dealt with over the past three years

Figure 2-35 The number of different councils businesses dealt with in the past three years



Most businesses (69%) dealt with only one council in the past three years. Only 12% of businesses dealt with 3 or more councils.

Figure 2-36 Average number of different councils businesses dealt with in the past three years – by industry and number of employees

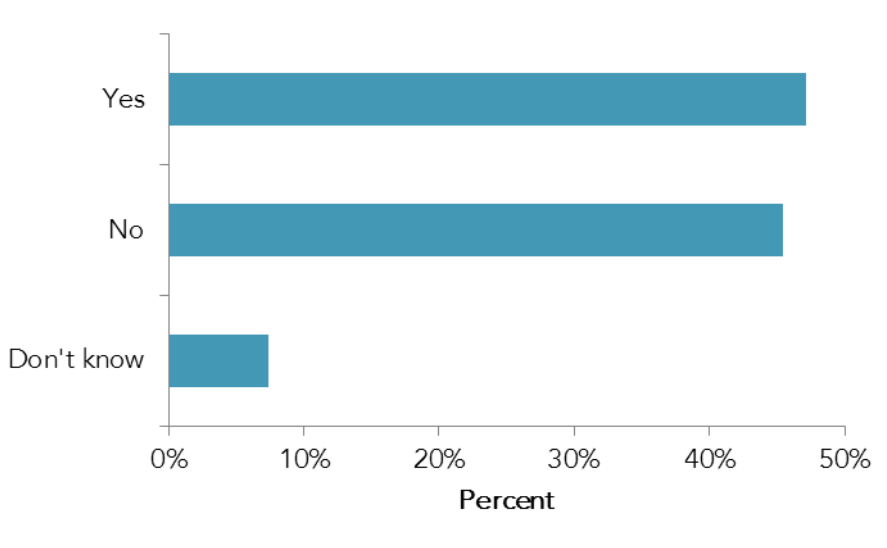


The three industries which on average dealt with highest number of different councils in the past three years were construction (2.5), manufacturing and mining (2.3) and retail trade (2.2). Industries tended to deal with fewer councils were the health and accommodation industries, both 1.3. For employee size, larger businesses had contact with a higher number of councils.

2.5.5 Purchase of a licence, permit or consent to meet regulatory requirements

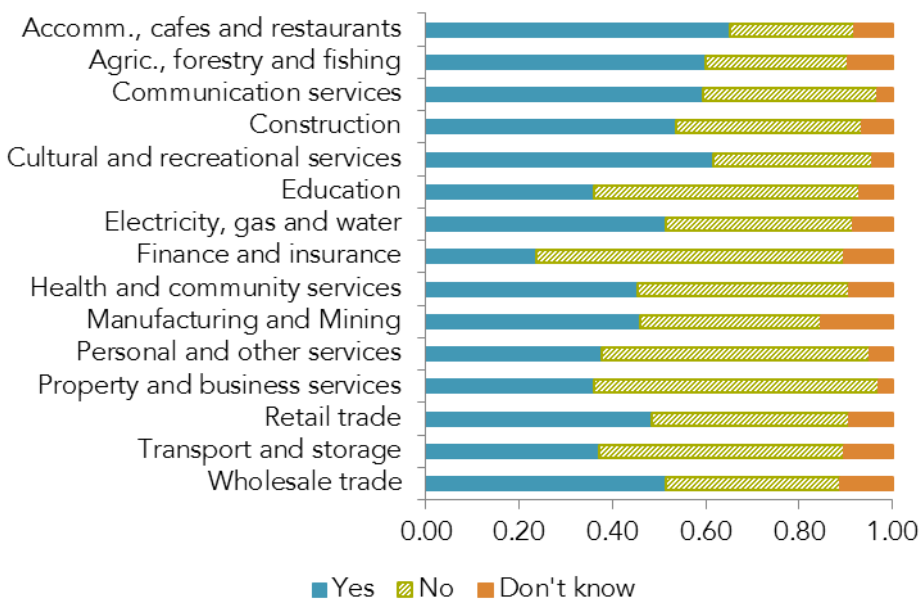
Respondents were asked if they had bought a licence, permit or consent to meet any regulatory requirements in the last 3 years, not including rates.

Figure 2-37 Purchase of a licence, permit or consent to meet regulatory requirements



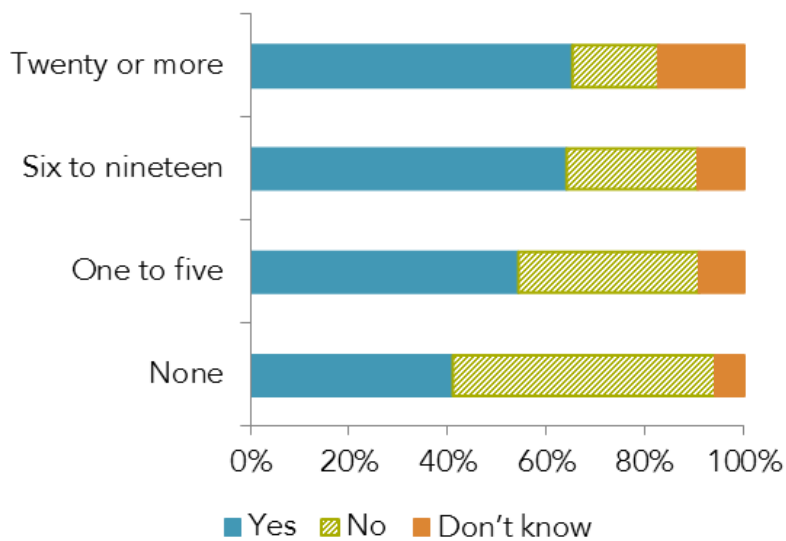
47% of councils bought a licence, permit or consent to meet a regulatory requirement, and 46% did not.

Figure 2-38 Purchase of a licence, permit or consent to meet regulatory requirements - by industry



Accommodation (65%), cultural and recreational services (62%), agriculture, forestry and fishing (60%), and communication (60%) were the four industries mostly likely to have had to purchase a licence, permit or consent to meet regulatory requirements. Finance and insurance had the were the least likely with 24% of businesses having paid for a licence, permit or consent to meet regulatory requirements.

Figure 2-39 Purchase of a licence, permit or consent to meet regulatory requirements - by number of employees



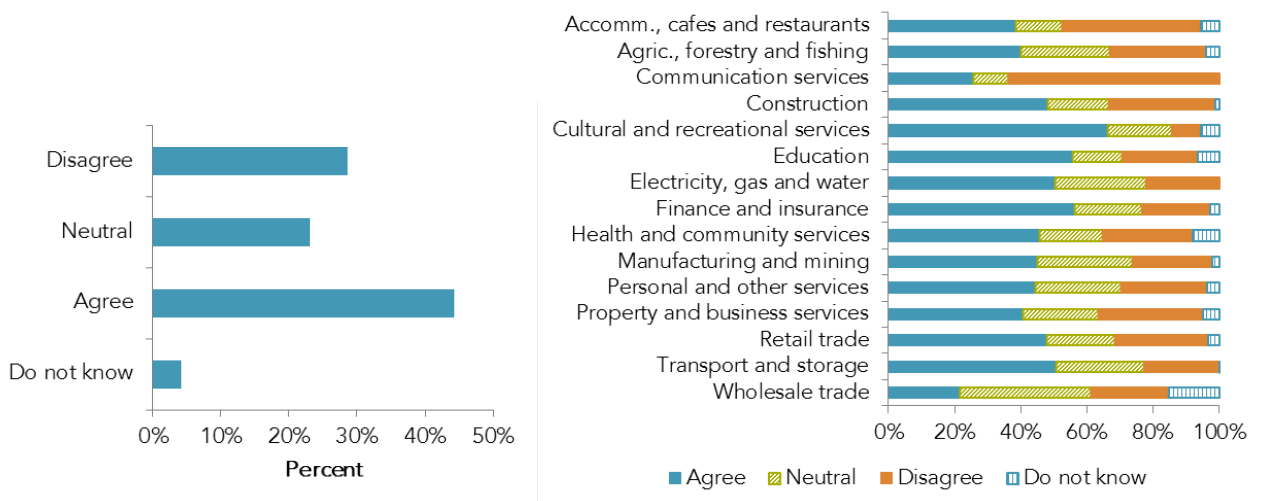
The larger the business the more like they were to have bought a licence, permit or consent to meet regulatory requirements. 65% of businesses with 20 or more employees bought a licence, permit or consent to meet regulatory requirements.

2.5.6 Business experiences with local councils about regulatory issues

Respondents were asked the extent to which they agree with a series of statements about their interactions with local councils on regulatory issues.

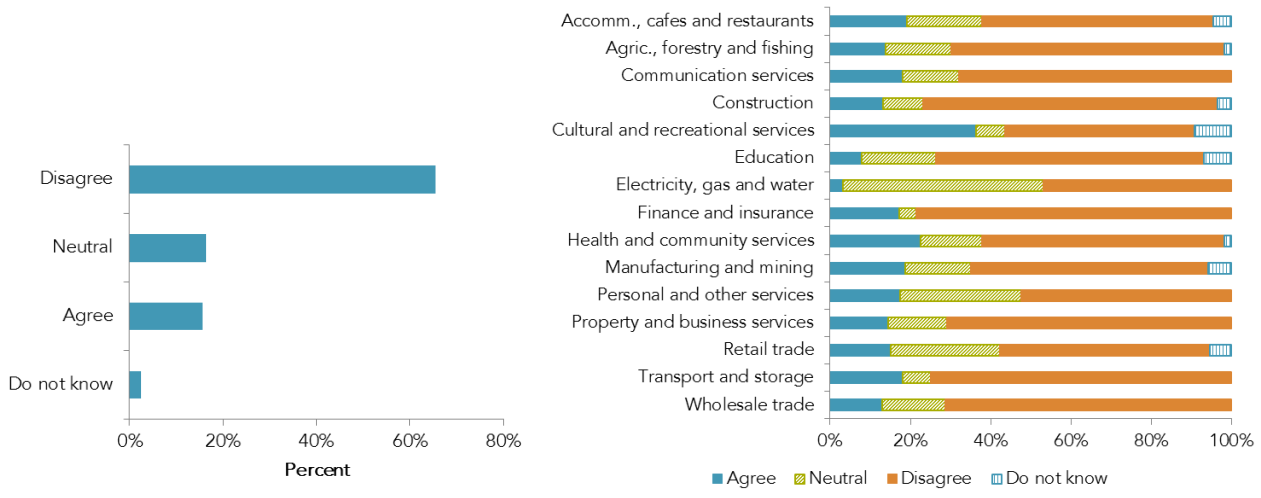
None of the statements show any notable variation by number of employees

Figure 2-40 'The information provided by the council was clear' - in aggregate and by industry



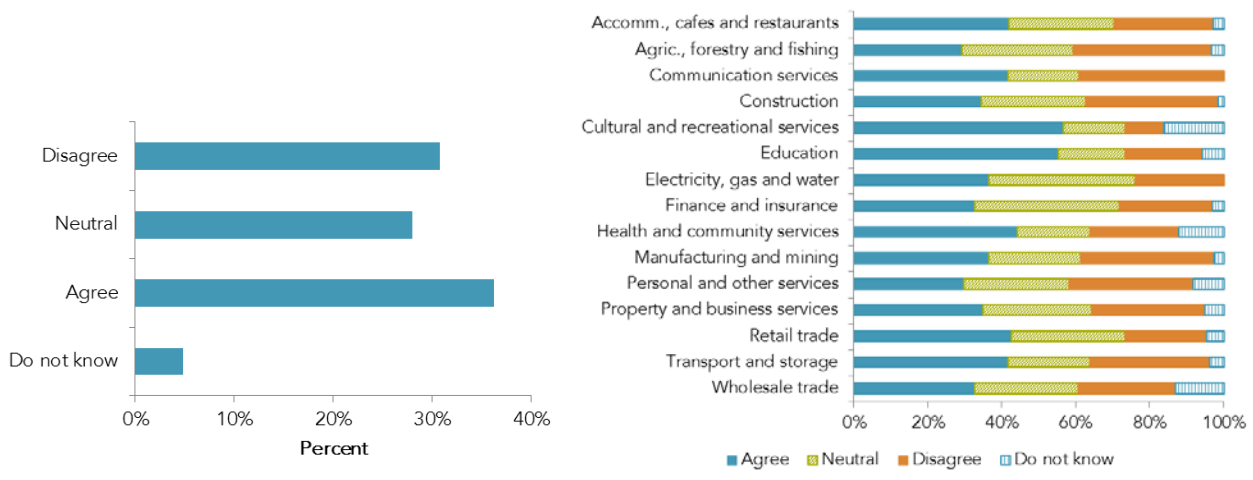
44% of businesses agreed that information provided by councils is clear; 29% did not agree. In the cultural and recreational services industry 67% of businesses found the information provided by councils was clear, the most of any industry. Businesses in the communications services industry disagreed quite strongly that information provided by council was clear (64%).

Figure 2.41 'The fees charged by the council for regulatory functions (not rates) were reasonable' - in aggregate and by industry



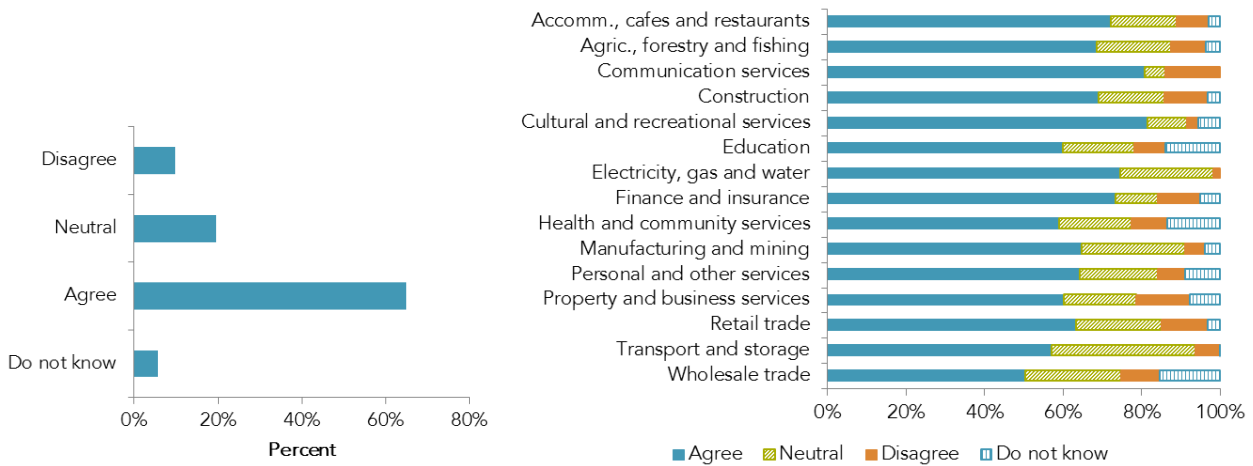
65% of businesses disagreed that fees charged by the council for regulatory functions were reasonable; only 16% agreed that they were reasonable. Again businesses in the cultural and recreational services were the most favourable towards the councils, with 36% stating fees were reasonable, whereas only 2% of businesses in the electricity industry found fees charged by councils to be reasonable.

Figure 2-42 'The council provided reliable and consistent advice' - in aggregate and by industry



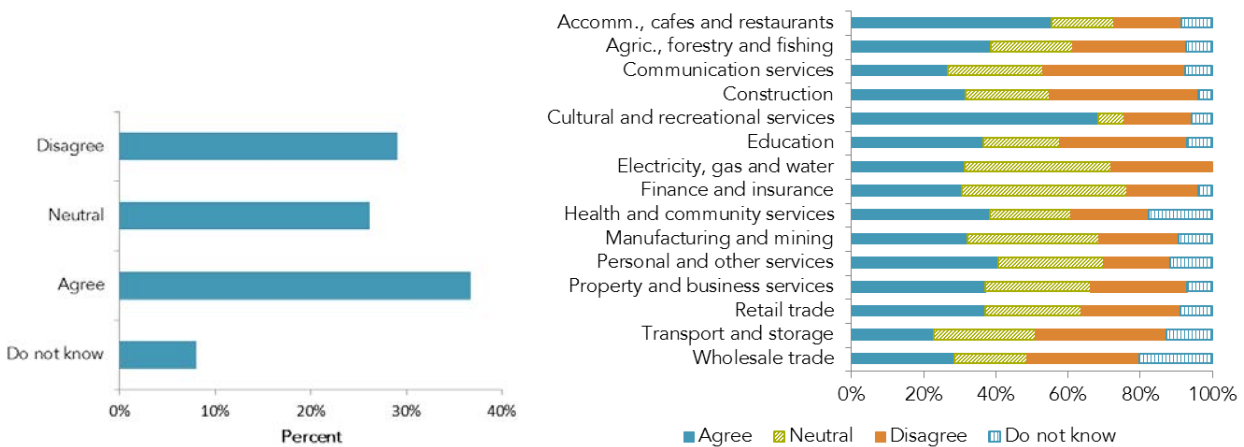
36% of businesses agree that councils provide reliable and consistent advice, and 28% of businesses were neutral on the statement. Businesses in the cultural and recreational services (57%) and education (55%) industries were the most likely to find council advice reliable and consistent. Agriculture, forestry and fishing (39%), and communication services (37%) were the most likely to disagree that the advice from councils was reliable and consistent.

Figure 2-43 'I understood the regulatory requirement of my business' - in aggregate and by industry



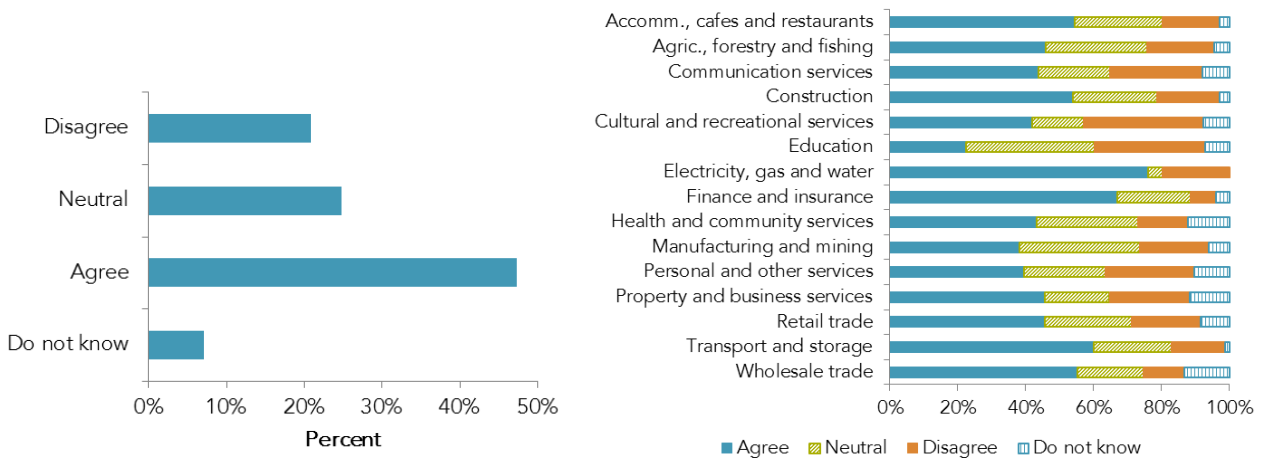
65% of businesses felt they understood their regulatory requirements, 10% did not. Businesses in the communication services and cultural and recreational services industries were the most likely to agree they understood their regulatory requirements (both with 81%). Businesses in the wholesale trade industry were the least likely to agree that they understood their regulatory requirements with only half agreeing with the statement.

Figure 2-44 'The time taken to process my application or respond to my information request was reasonable' - in aggregate and by industry



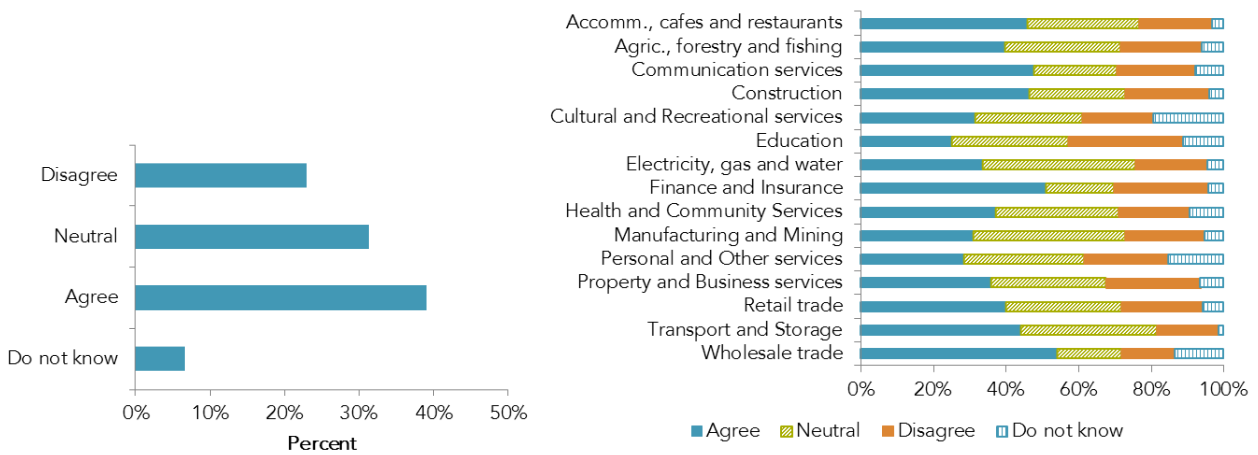
38% of businesses agreed that the time taken to process an application or respond to their request was reasonable, outnumbering the 29% that did not agree. Cultural and recreational services were the most likely to agree that the processing time was reasonable (68%). Construction and Communication industries tended to disagree the most with the statement (both 40%).

Figure 2-45 'The time and effort it took to comply with council regulations was too large' -in aggregate and by industry



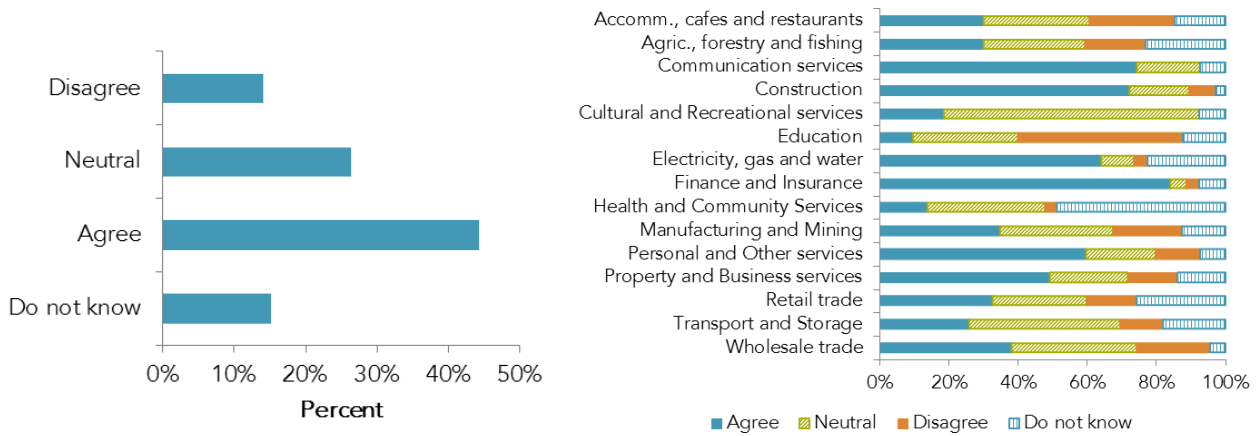
Nearly half (47%) of all businesses agreed that it took too much time and effort to comply with council regulations. Three-quarters of all businesses in the electricity industry found that it took too much time and effort to comply with council regulation, followed by finance and insurance (67%) and transport and storage (60%). Only 23% of businesses in education found the time and effort required to comply with council regulation too large.

Figure 2.46 'Local government regulations (not rates) place a significant financial burden on my business' - in aggregate and by industry



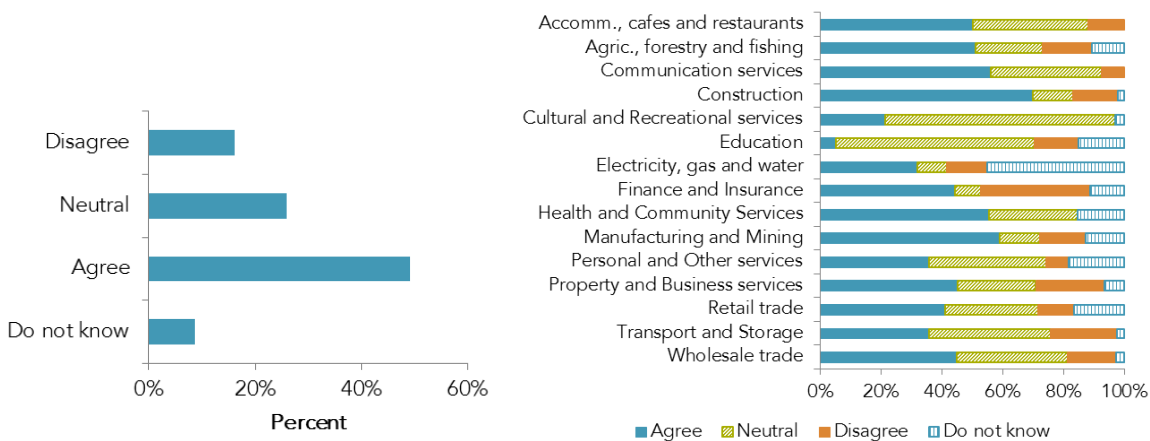
39% of businesses found compliance to be a significant financial burden, and 31% were neutral on the issue. Over half of the business in the wholesale trade (54%) and finance and insurance (51%) industries agreed that complying local government regulations played significant financial burden on their businesses. Only a quarter of all firms in the education industry found compliance to have a significance financial weight on their business.

Figure 2-47 'I found the regulations inconsistent between councils' - in aggregate and by industry



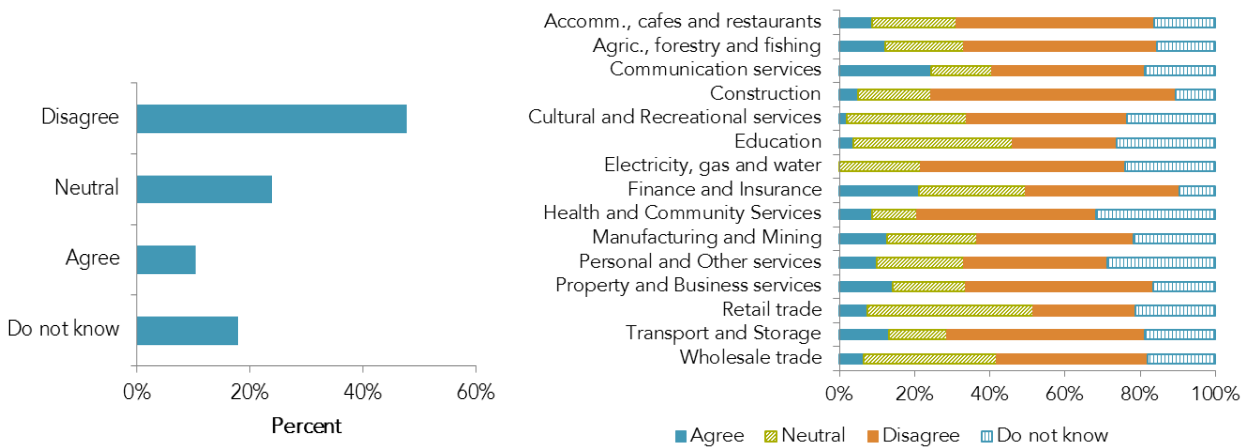
44% of businesses who dealt with multiple councils agreed regulations were inconsistent between councils. Only a small proportion of businesses in education (9%) and health and community services (14%) found inconsistencies between the councils they dealt with. On the other hand larger proportions of businesses in finance and insurance (84%), communication services (74%) and construction (72%) industries agreed regulation was inconsistent between the councils they dealt with.

Figure 2-48 'Inconsistency in the way local governments administer regulations imposes unnecessary cost for my business' - in aggregate and by industry



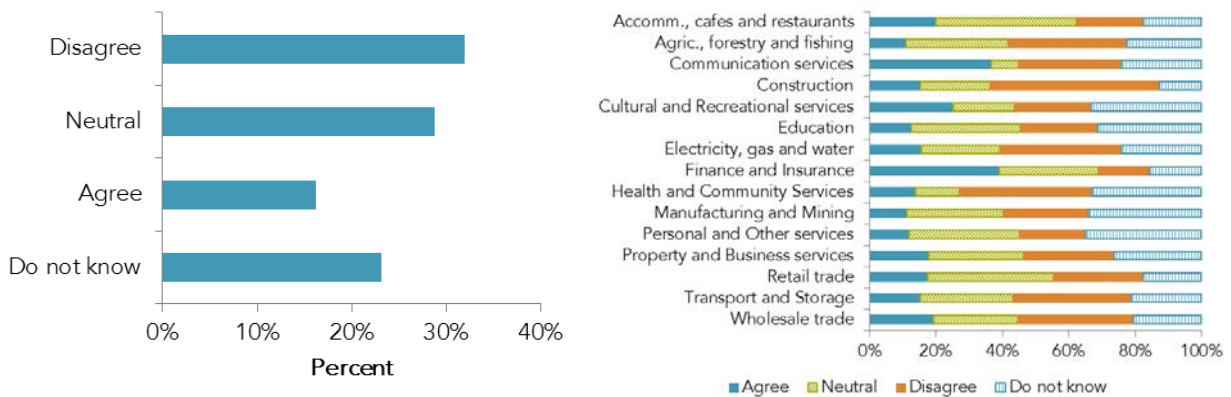
49% of businesses who dealt with multiple councils found that inconsistency between councils imposed unnecessary additional costs. Only a very small fraction of businesses in education (5%) found that dealing with multiple councils imposed more costs as a result of inconsistency. Whereas 70% of businesses in the construction industry which dealt with multiple councils agreed it was a source of unnecessary costs .

Figure 2-49 'Local government regulation is less demanding than it was 3 years ago' - in aggregate and by industry



Only 10% of businesses believed regulation was less demanding than it was three years ago. Businesses in construction (65%) and electricity (55%) were the most likely to disagree that local government regulation is less than demanding than it was three years ago. Retail and education industries (both 27%) were the least likely to disagree with the statement, on the other hand they were also less likely than average (10%) to agree that regulation was less demanding (7% and 4% respectively).

Figure 2-50 'Local government approval processes are faster now than they were 3 years ago' - in aggregate and by industry

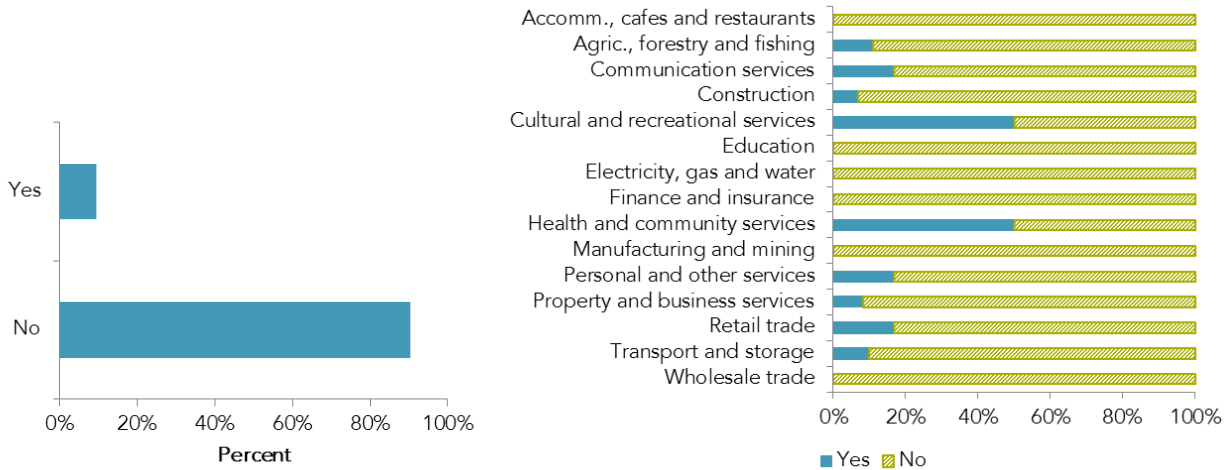


32% of businesses did not find government approval processes faster than 3 years ago, but 29% were neutral on the issue. The two industries of which the largest proportion of businesses found approval processes faster were the finance and insurance (39%) and communication services (37%) industries. On the other hand over half (51%) of businesses in the construction industry did not find government approval processes to be faster than 3 years ago.

2.5.7 Regulation areas in which inconsistencies were found

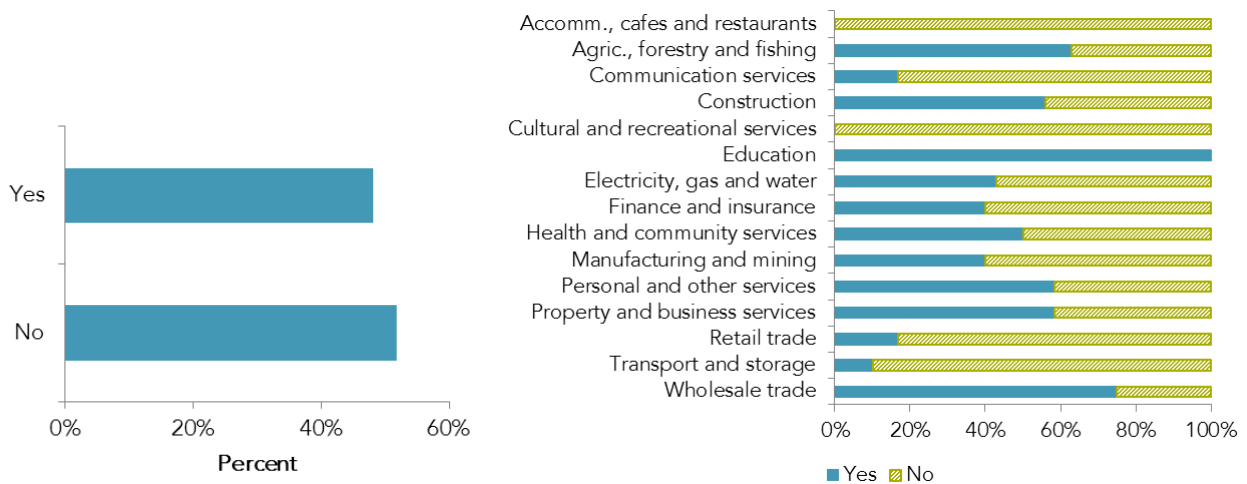
Respondents who found inconsistencies between councils were asked which of the regulatory areas they found inconsistencies in. Below are the results for six key areas of regulation.

Figure 2-51 Regulatory inconsistencies in reserves and picnic areas regulation - in aggregate and by industry



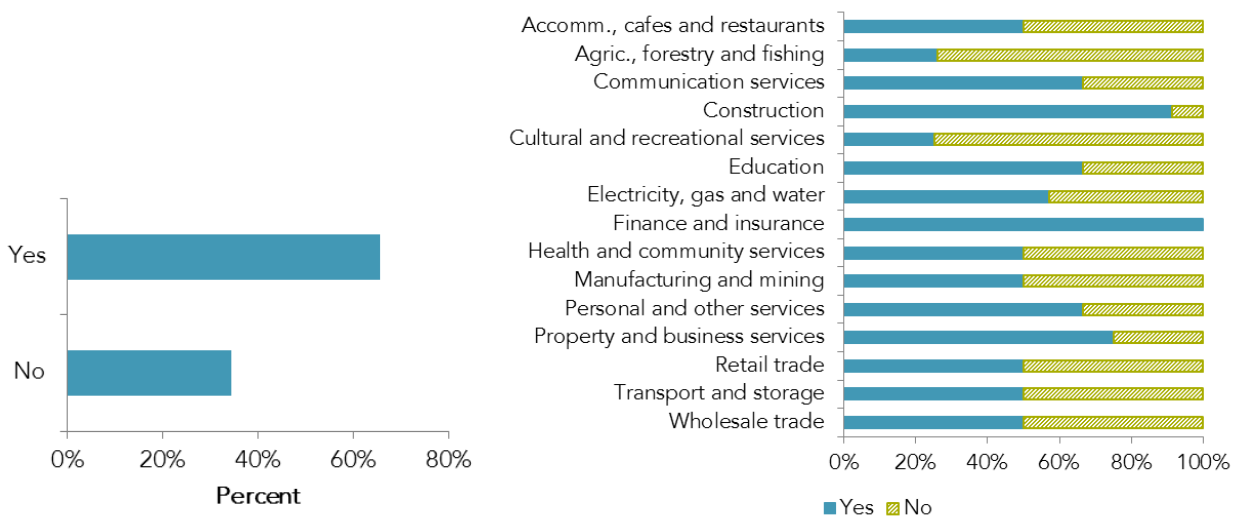
10% of the businesses that found regulatory inconsistencies reported finding them in the reserves and picnic areas regulation. The businesses that did find inconsistency in this area were heavily from the cultural and recreational services, and health and community services industries.

Figure 2-52 Regulatory inconsistencies in the planning, land use and water consents area of regulation - in aggregate and by industry



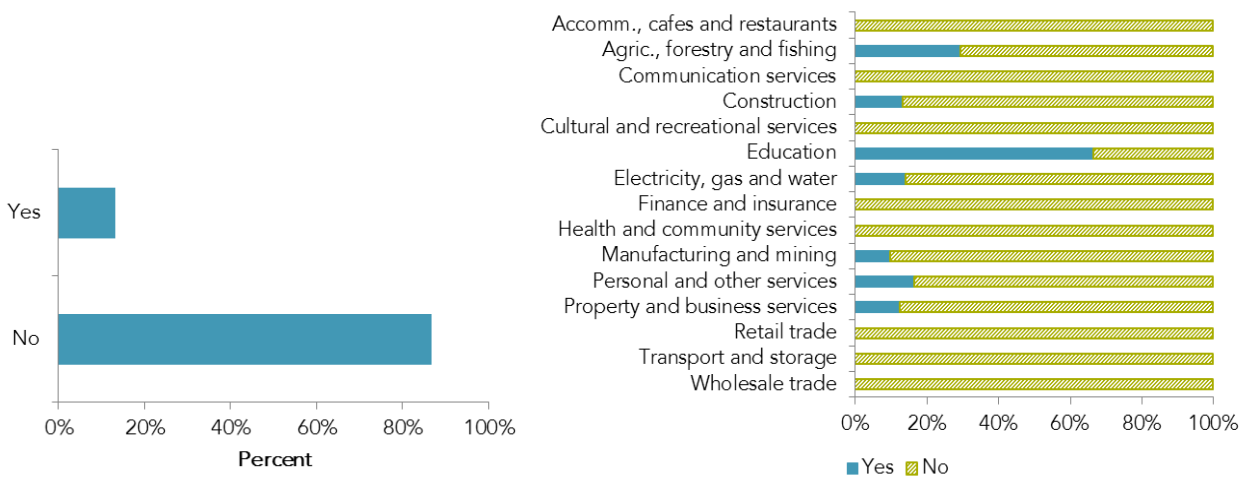
48% of businesses that found regulatory inconsistencies identified differences in planning, land use or water consents regulation between councils. Only 4% of those in education (Figure 2-47) encountered inconsistency between councils but of those who did, all of them identified planning, land use or water consents as one of the areas with differences, as did three-quarters of those in the wholesale trade industry.

Figure 2-53 Regulatory inconsistencies in the building and construction consents area of regulation - in aggregate and by industry



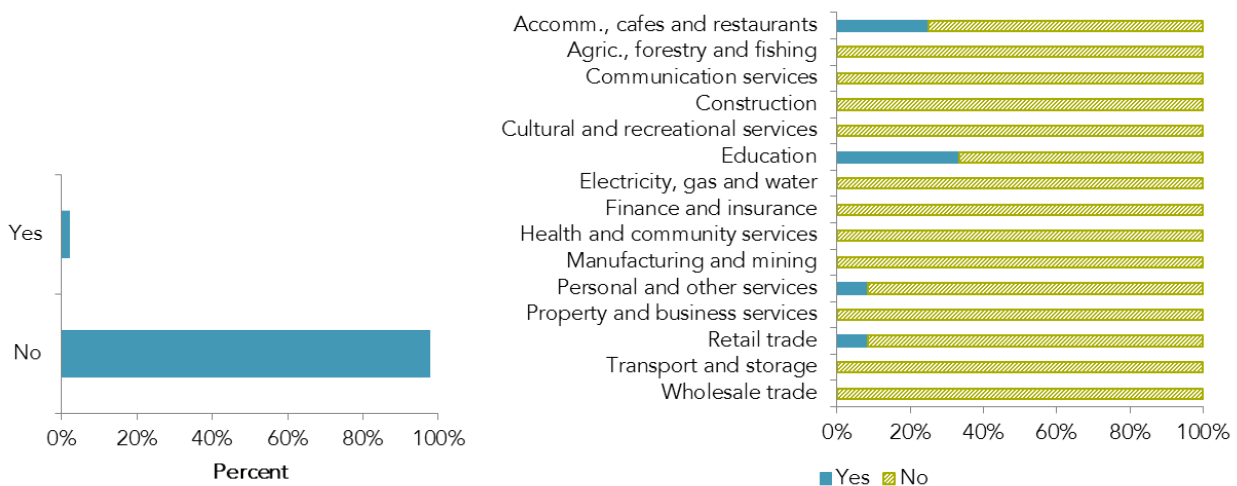
66% of businesses that found regulatory inconsistencies identified differences in building and construction consents regulation between councils. All of the businesses in the finance and insurance industry agreed the inconsistency, as well as 92% of those in construction and three-quarters of those in the property and business services industry.

Figure 2-54 Regulatory inconsistencies in the water quality and monitoring area of regulation - in aggregate and by industry



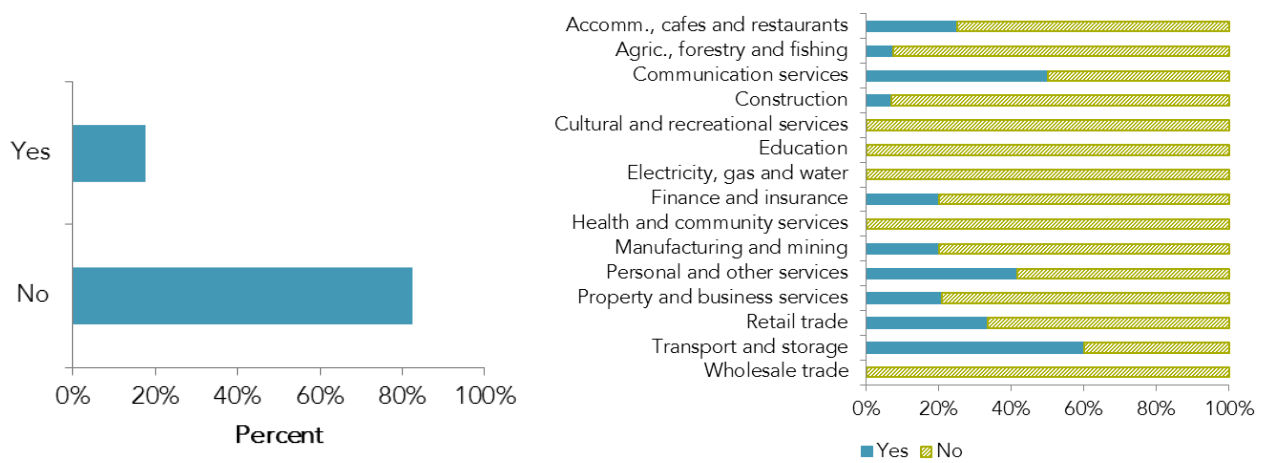
13% of those who found inconsistencies mentioned differences in the water quality and monitoring area regulation. Only education (67%), agriculture (30%), personal and other services (17%), electricity (14%), construction (14%), property and business services (13%) and manufacturing and mining (10%) industries found regulatory inconsistencies between councils in water quality and monitoring.

Figure 2-55 Regulatory inconsistencies in the food safety area of regulation - in aggregate and by industry



2% of those who found inconsistencies mentioned differences in the food safety area regulation. Only education (33%), accommodation, cafes and restaurants (25%), personal and other services (8%) and retail trade (8%) found inconsistencies in food safety regulation between councils.

Figure 2-56 Regulatory inconsistencies in the parking and traffic control area of regulation - in aggregate and by industry



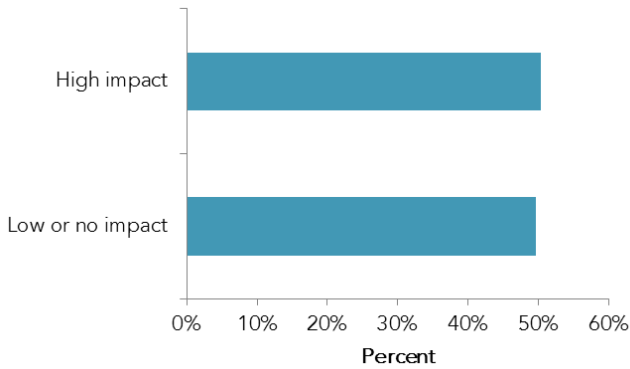
17% of those who found inconsistencies mentioned differences in the parking and traffic control area of regulation. 60% of the businesses in the transport and storage that found inconsistent regulation identified those in parking and traffic control regulation, as well as half of businesses in construction.

2.6 Overall impact of compliance

Businesses were asked the extent to which complying with both central and local government regulation, impacted their financial position or profitability⁵.

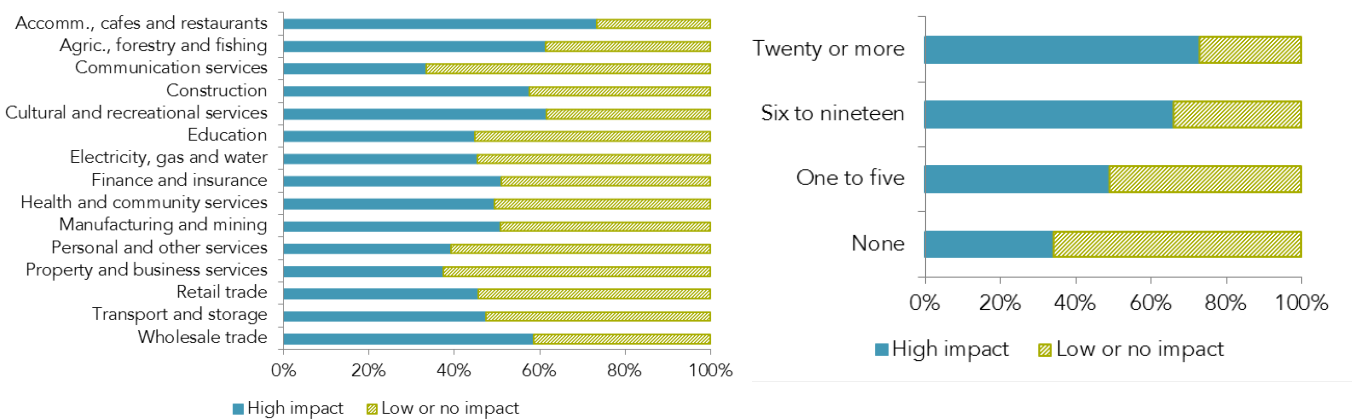
2.6.1 Extent to which regulatory compliance impacts financial position or performance

Figure 2-57 Extent to which regulatory compliance impacts financial position or performance



Respondents were evenly split among those who found regulatory compliance of both central and local government regulation to have an high impact on their finance position.or performance and those who believed it had little or no impact.

Figure 2-58 Extent to which regulatory compliance impacts financial position or performance - by industry and number of employees

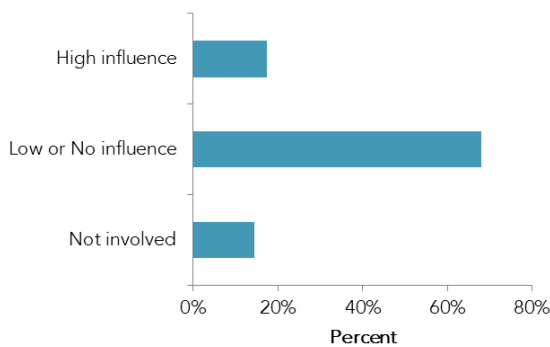


The industries with the highest proportion of businesses that felt that regulatory compliance had a high impact on their financial position and performance were accommodation, cafes and restaurants (73%), cultural and recreational services (62%) and wholesale trade (59%). The communication industry were the least likely to feel significantly impacted, just 33%. The proportion of businesses finding a high impact increased strongly as the number of employees increased, (34% to 73%).

⁵ Each business scored 1 to 5 to show the impact from complying with central and local government regulation. When impact was scored between 3 and 5, it was classified as 'high impact'. Otherwise, businesses were classified

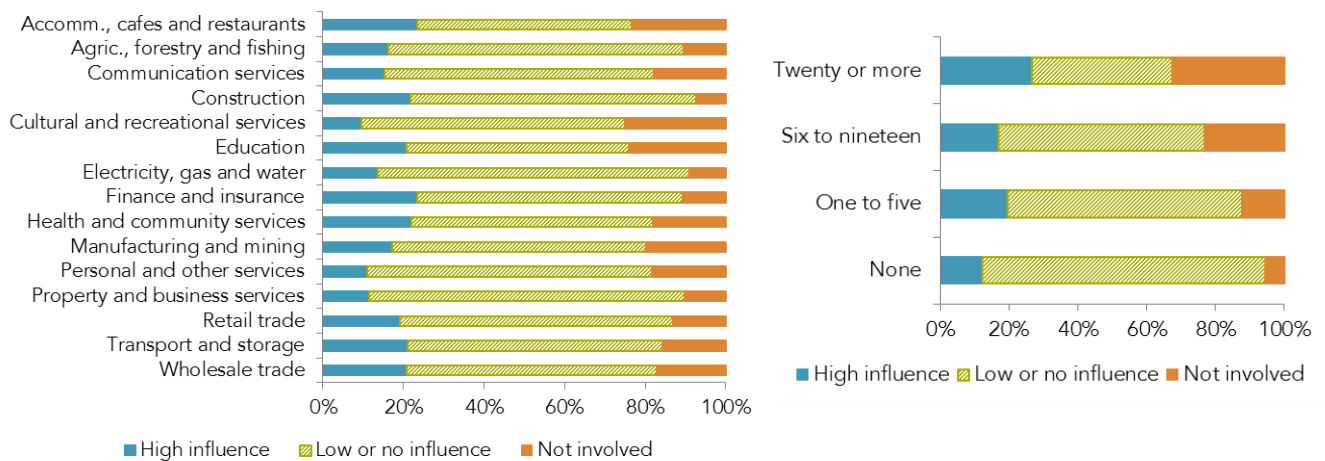
2.6.2 Influence of differences in regulation on decisions to establish business in a particular location

Figure 2-59 Influence of differences in regulation on decisions to establish business in a particular location



68% of businesses stated that differences in regulation did not influence their decision on where to establish their business⁶. 18% of respondents factored in differences in regulation when locating their businesses. 14% of respondents were not personally involved in establishing the business.

Figure 2-60 Influence of differences in regulation on decisions to establish business in a particular location - by industry and number of employees



The majority of businesses across all industries found that differences in regulation had little or no influence on their decisions of where to establish their business, ranging from 53% (accommodation, cafes and restaurants) to 77% (electricity). The industries with the highest proportions of businesses that found regulation to have an influence on their business locations were accommodation (23%), finance and insurance (23%). The proportion of businesses that found differences in regulation had high influence on their business location increased as the number of employees increased (12% to 27%).

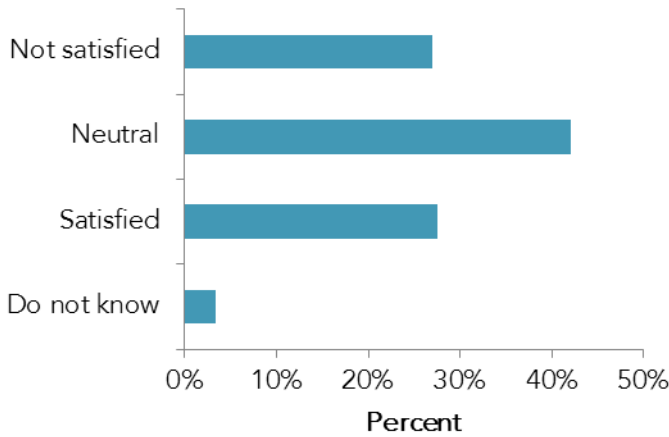
⁶ Each business scored 1 to 4 to show Influence of differences in regulation on decisions to establish business in a particular location. Scores between 1 and 2 were classified 'high influence'. Scores between 3 and 4 were classified 'low or no influence'.

2.7 Overall satisfaction with local government regulation

2.7.1 Level of satisfaction with the way local councils administer regulation

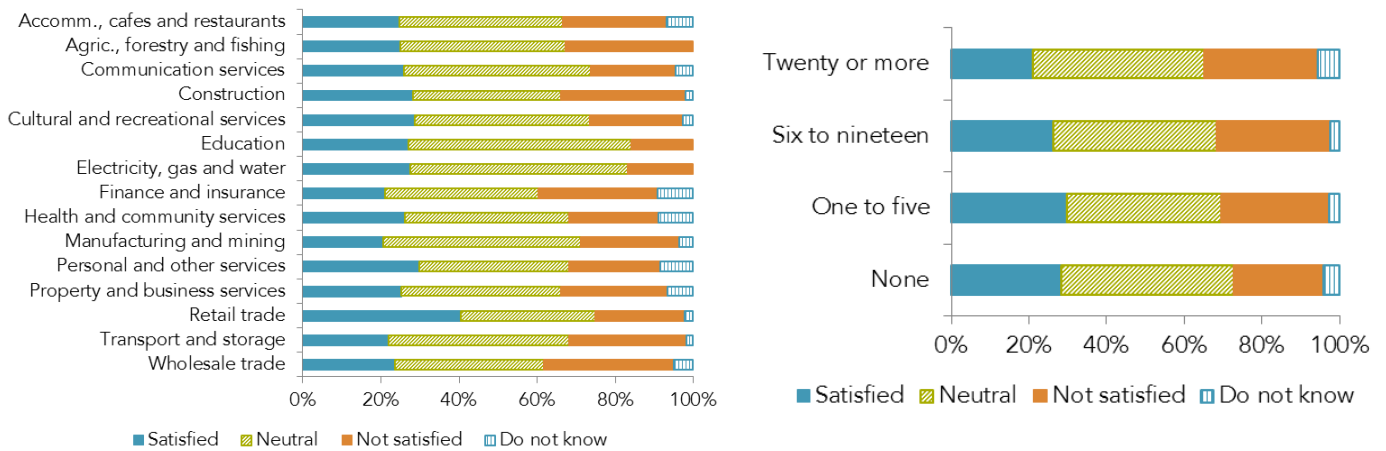
Respondents were asked “Level of satisfaction on the way local councils administer regulation that is relevant to their business or organisation”⁷.

Figure 2-61 Level of satisfaction on the way local councils administer regulation



42% of businesses were ‘neutral’ in their satisfaction with the way local councils administered regulation. There were equal proportions of businesses (27%) which were either satisfied or dissatisfied.

Figure 2-62 Level of satisfaction on the way local councils administer regulation - by industry and number of employees



For most industries (except retail trade), the majority of businesses were neutral about the way local councils administered regulation. The most satisfied industry was retail trade (41%). Manufacturing and mining (21%), and finance and insurance (21%), had the least satisfaction. Businesses with higher number of employees apparently felt slightly less satisfied with how the local councils administered regulation relevant to their businesses. However, the proportion of ‘neutral’ businesses was independent of number of employee.

⁷ Each business scored 1 to 7 to show the level satisfaction on the way local councils administer regulation. Scores between 1 and 2 were classified ‘satisfied’. Scores in 3 were ‘neutral’. Scores between 4 and 5 were ‘dissatisfied’. ‘Do not know’ was classified if scores were 6.

Appendix A Council survey questions

Invitation email text

SUBJECT: Inquiry into local government regulation

On 28 August Sally Davenport (Commissioner, New Zealand Productivity Commission) sent you a letter about an upcoming survey of New Zealand's 78 councils.

The survey is designed to inform the Commission's inquiry into local government regulation. The goal of the inquiry is to determine which functions would be most effectively achieved by central or local government, how central and local government can improve regulatory performance in the local government sector, and how regulatory performance in the local government sector can be measured and assessed in future.

The survey is being conducted by Colmar Brunton, an independent research company, and you can access it by clicking on the following link:

For this research to be successful, we are reliant on a 100% response rate. Please help us to ensure that your council is included in the Commission's research.

Ideally, just one person at each council should take responsibility ensuring the online survey is completed, **but it is perfectly okay for them to seek information from other people or sources if need be**. Please forward this email to the person you feel is best suited to answer the questions (if that person is not yourself).

What does the survey cover?

The survey covers the following topics:

- A. The resources dedicated to specific regulatory functions.
- B. Your community's concerns.
- C. The allocation of resources to regulatory functions.
- D. The barriers to successful implementation of regulatory functions.
- E. Central government assistance with regulatory issues.
- F. Coordination/collaboration and transfer of knowledge between councils.
- G. Approaches to evaluating regulatory performance.

If you wish to see all the questions, you can download a PDF of the questionnaire here:

Will you be able to check or change your answers?

Until you submit your final answers at the very end of this survey, you'll always be able to review and change your answers to any questions.

How much time do we have?

We aim to have all surveys completed by **[INSERT DATE]**. We may make a follow-up telephone call to you to ensure that you have received the survey. If you have not already, it would be very helpful if you could provide me with the contact details of the person who is completing the survey.

What about your privacy and confidentiality?

Please be assured that **your name and the name of your council are strictly confidential to Colmar Brunton**. Colmar Brunton will supply the Commission with data file containing the responses of all councils. The name of your council will not be included with this data file. You will not be identified unless you choose to identify yourself or your council when answering the survey questions. Staff at the Commission

will analyse the anonymous data and produce a report of the results. That report will combine the results of all councils, so individual councils cannot be identified.

Kind regards
Colmar Brunton

If you do not wish to receive any further correspondence from Colmar Brunton about this survey, please click [here](#).
If you do not wish to receive any future correspondence from the New Zealand Productivity Commission, please click [here](#).

Introduction

Thank you for taking part in this survey. This and the next screen provide some more information about the research.

Purpose of information collection

The Government has asked the Commission to undertake an inquiry in to the regulatory functions undertaken by local government and opportunities to improve regulatory outcomes. Information provided through this survey will assist the Commission with this task. Further information about the Commission's inquiry can be found at <http://www.productivity.govt.nz>. If you would like to speak with someone at the Commission, you can contact...

Defining regulation

For the purposes of this survey, regulation is defined widely to encompass the full range of legal and informal instruments through which central government, local government and the community seeks to influence the behaviour of citizens and business, and government itself, in order to achieve particular economic, social, public health and environmental outcomes. Regulation includes Acts of Parliament, subordinated legislation (delegated law making, including the bylaws and planning instruments for which local government has responsibility), licences, codes and consents, rules, informal instruments and agreements, and self-regulation.

Please note that issues relating to council rates and boundaries are outside the scope of the inquiry.

Background questions

Q1a Firstly, we would like to know the position or job title of the person responsible for completing the survey. Which of the following are you...?
Please select one only.

Chief Executive or equivalent	1
Senior regulatory manager	2
Another member of council staff (please tell us your position)	3

Q1b How many FTE (Full Time Equivalent) employees are there at your council (not including consultants)? Your best estimate is fine.
Please enter the number of FTE employees.

Questionnaire menu

Questionnaire menu

We've designed this questionnaire to flow from Section A through to Section G, but you don't need to complete each section in order if you do not wish to. Click on the section title below to go to the questions in each section.

- A. The resources dedicated to specific regulatory functions
- B. Your community's concerns
- C. The allocation of resources to regulatory functions
- D. The barriers to successful implementation of regulatory functions
- E. Central government assistance with regulatory issues
- F. Coordination/collaboration and transfer of knowledge between councils
- G. Approaches to evaluating regulatory performance

Resources dedicated to specific regulatory functions

Q2a A) Resources dedicated to specific regulatory functions

Using the list below, what are the **five** regulatory activities have taken up the **most staff time and resources** over the last three years?

*Please rank the **five** functions that take up the most time and resources from 1 (takes the most) to 5 (takes the least).*

Reserves and picnic areas	
Planning, land use or water consents	
Building and construction consents	
Biodiversity and conservation management	
Coastal management	
Other land management activities	
Water quality and monitoring	
Noise regulations	
Air quality regulations	
Litter control	
Dog control	
Freedom camping	
Control of pest plants and animals	
Hazardous substances and new organism control	
Trade waste regulation	
Public health	
Food safety	
Parking and traffic control	
Fire control	
Prostitution regulation	
Liquor licencing and alcohol control	
Gambling regulation	

Q2b **Roughly speaking**, approximately what percentage of your council's **overall regulatory services budget** is allocated to these five services **in total**, including staff time? The five were:

A general estimate is fine for this question. It is not necessary to calculate the percentage.

Please enter a percentage between 1 and 100 in the box below. Just your best estimate is fine.

Percentage of regulatory services budget spent on these five services	
---	--

Q2c And what proportion of that is allocated to each service?

Understanding community concerns and preferences

Q3a B) Understanding community concerns

Community concern about regulatory issues can be expressed and measured in a variety of ways, including turn-out at public meetings, amount of correspondence or complaints with council (eg, calls, emails, letters to councils), and the number of letters to local papers.

All things considered, which **five** regulatory issues do you believe generate the greatest level of concern in your community?

*Please rank the **five** functions that generate the most community concern from 1 (generates the most) to 5 (generates the least).*

Reserves and picnic areas	
Planning, land or and water consents	
Building and construction consents	
Biodiversity and conservation management	
Coastal management	
Other land management activities	
Water quality and monitoring	
Noise regulations	
Air quality regulations	
Litter control	
Dog control	
Freedom camping	
Control of pest plants and animals	
Hazardous substances and new organism control	
Trade waste regulation	
Public health	
Food safety	
Parking and traffic control	
Fire control	
Prostitution regulation	
Liquor licencing and alcohol control	
Gambling regulation	

Q3b(i)C) The allocation of resources to regulatory functions

We know that councils have limited resources, and that you need to make decisions about allocating resources to regulatory functions and other council functions.

Historically, which of these have driven the level of resources allocated to regulatory functions?

Select all that apply.

The significance of environmental features within your council boundary (e.g. sensitive ecosystems, nationally important ecosystems)	1
Cultural sensitivity of issues, such as the position local Iwi hold toward an issue	2
Active local interest groups (please specify)	3
A desire to alter public perceptions about the efficiency of council in an area of regulation	4
A desire to alter public perceptions of the effectiveness of council in achieving outcomes	5
The socio-economic makeup of your community (e.g. income levels, ethnic makeup, age profile)	6
The need to meet statutory timeframes mandated in legislation	7
The potential impact of non-compliance on local businesses	8
The potential impact of non-compliance on residents (vis-a-vis businesses)	9
Recent experiences of non-compliance	10
The availability of qualified council staff	11
Your analysis of net benefits of regulation to the local community	12
High profile incidences (please specify)	13
The need to use the available regulatory tools to address broader community issues (please specify)	14
None of these	15

Q3c Other than those issues we just listed, are there other **local issues** that have influenced how you have allocated resources to regulatory functions?

Please type your answer.

Yes (please tell us)	1
No	2

Q3d D) **Barriers to the successful implementation of regulatory functions**

We would like to understand more about the **barriers** to successfully implementing regulatory functions. To what extent is each of the following a barrier for **your council**?

<i>Please select one answer for each factor.</i>	Not a barrier at all	Not much of a barrier	Somewhat of a barrier	Significant barrier	Don't know
The financial cost of qualified and experienced staff. [the financial cost of qualified and experienced staff]	1	2	3	4	5
Difficulty attracting qualified staff to your area (for reasons other than salary). [difficulty attracting qualified staff to your area]	1	2	3	4	5
The amount of capital needed to successfully regulate. [the amount capital needed]	1	2	3	4	5
Inability to recover the full costs of administering regulatory functions. [the ability to recover full costs]	1	2	3	4	5
Due to your size, you need to rely on talented "all-rounders" rather than specialist staff. [your need to rely on talented "all-rounders"]	1	2	3	4	5
It is becoming increasingly difficult to meet the regulatory standards set by central government. [difficulty meeting regulatory standards set by central government]	1	2	3	4	5
Unclear or ambiguous provisions in legislation	1	2	3	4	5
A lack of direction from central government about how regulations should be administered. [lack of direction from central government]	1	2	3	4	5
The lengthy consultation processes or administrative procedures that are required by legislation when implementing regulations. [lengthy consultation processes or administrative procedures]	1	2	3	4	5

Q3e For which regulatory functions is each of these a significant barrier? *Select all that apply.*

Reserves and picnic areas	1
Planning, land use or water consents	2
Building and construction consents	3
Biodiversity and conservation management	4
Coastal management	5
Other land management activities	6
Water quality and monitoring	7
Noise regulations	8
Air quality regulations	9
Litter control	10
Dog control	11
Freedom camping	12
Control of pest plants and animals	13
Hazardous substances and new organism control	14
Trade waste regulation	15
Public health	16
Food safety	17
Parking and traffic control	18
Fire control	19
Prostitution regulation	20
Liquor licencing and alcohol control	21
Gambling regulation	22
Other (please tell us)	23

Q3f The Commission is interested in understanding the staffing challenges facing councils.
On average, how long do positions relating to regulatory functions take your council to fill?
Please select one only.

Less than one month	1
One to two months	2
Two to six months	3
Six to twelve months	4
Longer than twelve months	5
Don't know	6

Q3g In an average year, in which areas of regulation is it typically hardest to fill vacancies?
Select all that apply.

Reserves and picnic areas	1
Planning, land use or water consents	2
Building and construction consents	3
Biodiversity and conservation management	4
Coastal management	5
Other land management activities	6
Water quality and monitoring	7
Noise regulations	8
Air quality regulations	9
Litter control	10
Dog control	11
Freedom camping	12
Control of pest plants and animals	13
Hazardous substances and new organism control	14
Trade waste regulation	15
Public health	16
Food safety	17
Parking and traffic control	18
Fire control	19
Prostitution regulation	20
Liquor licencing and alcohol control	21
Gambling regulation	22
Other (please tell us)	23

Q3h(i) Do you currently have any vacancies for positions relating to the performance of regulatory functions?
Please select one only.

Yes	1
No	2

Q3h(ii) Overall, how happy or unhappy are you with the quality of the applicants that you attract to fill regulatory vacancies?

Please select one only.

Very happy	1
Quite happy	2
Neither happy nor unhappy	3
Quite unhappy	4
Very unhappy	5
Don't know	6

Understanding local government's experiences in dealing with central government on regulatory issues

Q4a E) **Central government assistance with regulatory issues.**

To what extent do you agree or disagree with each of these statements?

In general, engagement with central government about regulatory issues is...

Please select one answer for each statement.

	Strongly disagree	Tend to disagree	Neither agree nor disagree	Tend to agree	Strongly agree	Don't know
Positive and constructive.	1	2	3	4	5	6
Based on a good understanding of local conditions and the challenges facing our local area.	1	2	3	4	5	6
Viewed by my council as having a positive impact on the quality of central government regulation.	1	2	3	4	5	6
Based on a common view of the broader objectives of regulation.	1	2	3	4	5	6
Seen by my council as genuine and engendering a sense of trust.	1	2	3	4	5	6
Of great value to my council's ability to undertake its regulatory functions.	1	2	3	4	5	6
Based on a good understanding of local government.	1	2	3	4	5	6

Q4b And to what extent do you agree or disagree with each of the following statements about regulatory functions?

<i>Please select one answer for each statement.</i>	Strongly disagree	Tend to disagree	Neither agree nor disagree	Tend to agree	Strongly agree	Don't know
The guidance material provided by central government agencies (online or on request) is helpful when implementing delegated regulations.	1	2	3	4	5	6
Central government agencies provide enough guidance material (online or on request) to allow us to perform our regulatory functions.	1	2	3	4	5	6
Central government agencies have a good understanding of the local costs and impacts of new regulations devolved or delegated to local government.	1	2	3	4	5	6
Central government agencies regularly incorporate feedback from local government when drafting new regulations.	1	2	3	4	5	6

Q4c(i) We would like to gain a better understanding of how councils work with Local Government New Zealand (LGNZ)

To what extent does your council **rely** on LGNZ for each of the following?

Please select one answer for each statement.

	Do not rely on LGNZ at all	1	2	3	4	5	6	Rely on LGNZ a moderate amount	Rely on LGNZ a great deal	Don't know
Engaging with central government on your council's behalf.	1	2	3	4	5	6				
Keeping your council informed of emerging central government initiatives/regulations that could impact it.	1	2	3	4	5	6				
Helping your council interpret its regulatory obligations under new legislation or amendments to existing legislation.	1	2	3	4	5	6				
Organising specific training.	1	2	3	4	5	6				
Assisting your council to identify best practice regulation in the local government sector.	1	2	3	4	5	6				
Assisting your council to implement best practice regulation in the local government sector.	1	2	3	4	5	6				

Q4c(ii) We would also like to gain a better understanding of how councils work with the New Zealand Society of Local Government Managers (SOLGM)?

To what extent does your council **rely** on SOLGM for each of the following?

Please select one answer for each statement.

	Do not rely on SOLGM at all	1	2	3	4	5	6	Rely on SOLGM a moderate amount	Rely on SOLGM a great deal	Don't know
Engaging with central government on your council's behalf.	1	2	3	4	5	6				
Keeping your council informed of emerging central government initiatives/regulations that could impact it.	1	2	3	4	5	6				
Helping your council interpret its regulatory obligations under new legislation or amendments to existing legislation.	1	2	3	4	5	6				
Organising specific training.	1	2	3	4	5	6				
Assisting your council to identify best practice regulation in the local government sector.	1	2	3	4	5	6				
Assisting your council to implement best practice regulation in the local government sector.	1	2	3	4	5	6				

Q4d And to what extent do you agree or disagree with each of these statements about regulatory functions?

Please select one answer for each statement.

	Strongly disagree	Tend to disagree	Neither agree nor disagree	Tend to agree	Strongly agree	Don't know
Central government passes regulatory functions to local government without considering the funding implications for councils.	1	2	3	4	5	6
There is a robust process at central government to take account of the impact of regulations on local government.	1	2	3	4	5	6

The local government sector is generally well consulted prior to being asked to implement new regulatory functions.	1	2	3	4	5	6
Local political pressures often conflict with the regulatory objectives of central government regulations.	1	2	3	4	5	6
The administrative costs of new regulatory functions passed down by central government are often burdensome.	1	2	3	4	5	6
National standards are often set at a level that does not reflect the importance of the issue to the local community.	1	2	3	4	5	6
The respective regulatory responsibilities of regional councils and territorial authorities are clearly defined and understood.	1	2	3	4	5	6
Central government generally provides adequate guidance when a new regulation is devolved to local government.	1	2	3	4	5	6

Q4e Are there any specific examples of central government engagement on regulatory issues that you would like to draw to the attention of the Commission (positive or negative)?
Please provide an example below.

INCLUDE 'No there are no examples I'd like to bring to the Commission's attention.'

Q4f Are you aware of the model bylaws provided by Standards New Zealand?
Please select one only.

Yes	1
No	2

Q4g Have you ever utilised any of the model bylaws?
Please select one only.

Yes	1
No	2

Q4h For what reasons have you not utilised any of the model bylaws?
Select any that apply.

Too expensive	1
Not relevant to local conditions	2
Too generic	3
Can get the same information somewhere else without paying	4
The bylaws I want do not have model templates	5
Another reason (please tell us)	6
Don't know	7

Understand the level of cooperation and transfer of knowledge between councils

Q5a F) **Understanding the level of coordination/collaboration and transfer of knowledge between councils**

Does your council coordinate/collaborate with other councils with respect to regulatory functions? By 'coordinate/collaborate' we mean **formal or established agreements, rather than informal or ad hoc discussions when the need arises.**

Please select one only.

Yes	1
No	2

Q5b Which regulations are the subject of coordination/collaboration?

Select all that apply.

Reserves and picnic areas	1
Planning, land use or water consents	2
Building and construction consents	3
Biodiversity and conservation management	4
Coastal management	5
Other land management activities	6
Water quality and monitoring	7
Noise regulations	8
Air quality regulations	9
Litter control	10
Dog control	11
Freedom camping	12
Control of pest plants and animals	13
Hazardous substances and new organism control	14
Trade waste regulation	15
Public health	16
Food safety	17
Parking and traffic control	18
Fire control	19
Prostitution regulation	20
Liquor licencing and alcohol control	21
Gambling regulation	22
Other (please tell us)	23

Q5c Could you please provide us an example of coordination/collaboration that you feel has been particularly successful?

Please type your answer.

INCLUDE 'I can't provide an example'

Q5d The Commission may be interested in discussing some of these examples directly with councils. If the Commission would like to discuss an example with you, would you be happy for us to give them the name of your council? Only with your express permission can we do this. **We will not make other answers available to the Commission.**

Please select one only.

Yes	1
No	2

Q5e Are there any areas that you would **not** coordinate/collaborate on?

Select all that apply.

No, there are no areas we would not collaborate/coordinate on	23

Q5f Which regulatory activities do you coordinate/collaborate on?

Select any that apply.

Policy making	1
Enforcing regulations	2
Monitoring regulations	3
Other (please tell us)	4
Don't know	5

Q5g What are the main reasons for coordination/collaboration?

Select any that apply.

Better utilisations of capital (computer systems, etc.)	1
Gain access to specialised staff	2
Allow sharing of information and databases	3

Sharing of best practice knowledge	4
Better alignment of regulations (i.e. improve regulatory consistency with neighbouring district or region)	5
Reduce/avoid cost of accreditation	6
Other (please tell us)	7
Don't know	8

Q5h In what form did coordination/collaboration occur?

Select any that apply.

Common guidance material	1
Common regulatory standards	2
Shared staff or rotated staff	3
Mutual recognition of accreditation	4
Joint procurement of professional services	5
Contracting a regulatory service to another councils (e.g. BCA)	6
Other (please tell us)	7
Don't know	8

Q5i Is your council involved in any less formal or adhoc coordination/collaboration with respect to regulatory functions?

Please select one only.

Yes	1
No	2

Q5j Could you please provide us an example of less formal or ad hoc coordination/collaboration that you feel has been particularly successful?

Please type your answer.

INCLUDE 'I can't provide an example.'

Q5k Overall, how successful would you judge your experiences with coordination/collaboration to be?

Please select one only.

Very successful	1
Quite successful	2
Not that successful	3
Not at all successful	4

Q5l When considering whether or not to coordinate/collaborate, how important are the following issues?

Please select one answer for each factor.

	Not at all important	Not that important	Quite important	Very important	Don't know
Political willingness to "let go" of some local autonomy.	1	2	3	4	5
Shared vision of regulatory outcomes/objectives.	1	2	3	4	5
Willingness of council management to "share" operational control.	1	2	3	4	5
Ease with which benefits can be quantified prior to commencing coordination.	1	2	3	4	5
The size of the initial outlay required and the willingness to share costs.	1	2	3	4	5
Buy-in of councillors – willingness to experiment and try new ideas.	1	2	3	4	5
Buy-in of middle managers and council officers.	1	2	3	4	5
The existence of a "fall-back" plan in case cooperation fails.	1	2	3	4	5
Confidence in the quality of regulatory service provided to local constituents.	1	2	3	4	5

Q5m Other than those we just listed, are there other factors that are important when considering whether or not to coordinate?

Please select one only.

Yes (please tell us)	1
No	2

Understanding current approaches to evaluating regulatory performance and the extent to which councils benchmark against one another.

G) Approaches to evaluating regulatory performance

The Commission has been asked to look into options for the systematic assessment of local authorities' regulatory performance. The following questions are aimed at understanding what you currently do to monitor the regulatory performance of your council and how you see this could be improved.

Please click the next arrow to continue.

Q6a To what extent do you agree or disagree with each of these statements relating to the monitoring of regulatory performance?

Please select one answer for each statement.

	Strongly disagree	Tend to disagree	Neither agree nor disagree	Tend to agree	Strongly agree	Don't know
Performance monitoring is important for strong local democracies.	1	2	3	4	5	6
The information my council has on the impact of its regulations is sufficient to assess regulatory performance.	1	2	3	4	5	6
Information we supply to central government helps us to assess our council's regulatory performance.	1	2	3	4	5	6
The performance information collected by my council improves the community's understanding of regulations.	1	2	3	4	5	6
Nationally available datasets are useful in assessing regulatory performance/outcomes.	1	2	3	4	5	6

Q6b What further information or data would help your council assess its regulatory performance?

Type your answer below.

INCLUDE 'Unsure'

Q6c **Input measures** are measures of the resources used to administer regulatory functions. For example, the number of staff devoted to compliance checks.

Thinking about all your regulatory functions, how routinely does your council use **input measures** to assess its regulatory performance?

Please select one only.

Regularly	1
Occasionally	2
Not at all	3
Don't know	4

Q6d **Output measures** are measures of the outputs of regulatory processes. For example, the number of consents issued or compliance checks done over a given period.

Still thinking about all your regulatory functions, how routinely does your council use **output measures** to assess its regulatory performance?

Please select one only.

Regularly	1
Occasionally	2
Not at all	3
Don't know	4

Q6e **Outcome measures** are measures of whether regulations are achieving the desired or intended outcomes. For example, whether a regulation actually leads to a reduction in an unwanted behaviour or harm.

Still thinking about all your regulatory functions, how routinely does your council use **outcome measures** to assess its regulatory performance? *Please select one only.*

Regularly	1
Occasionally	2
Not at all	3
Don't know	4

Q6f How routinely does your council do each of the following?
Please select one answer for each statement.

	Not at all	Occasionally	Regularly	Don't know
Use regulatory performance information to improve the way regulations are administered.	1	2	3	4
Use performance reviews to identify areas of regulation that need additional resources.	1	2	3	4
Use value-for-money indicators to assess the cost-effectiveness of regulatory services.	1	2	3	4

Q6g Does your council use satisfaction surveys to gauge the impressions of those involved in the regulatory process?
Please select one only.

Yes	1
No	2

Q6h Which regulatory functions have been the subjects of satisfaction surveys?
Select all that apply.

Reserves and picnic areas	1
Planning, land use or water consents	2
Building and construction consents	3
Biodiversity and conservation management	4
Coastal management	5
Other land management activities	6
Water quality and monitoring	7
Noise regulations	8
Air quality regulations	9
Litter control	10
Dog control	11
Freedom camping	12
Control of pest plants and animals	13
Hazardous substances and new organism control	14
Trade waste regulation	15
Public health	16
Food safety	17
Parking and traffic control	18
Fire control	19

Prostitution regulation	20
Liquor licencing and alcohol control	21
Gambling regulation	22
Other (please tell us)	23

Q6i In terms of the regulations you administer, does your council conduct any form of benchmarking against other councils (either formal or informal)?
Please select those that apply.

Yes	1
No	2

Q6j Which regulatory functions do you benchmark against other councils (formally or informally)?
Please select all that apply.

Reserves and picnic areas	1
Planning, land use or water consents	2
Building and construction consents	3
Biodiversity and conservation management	4
Coastal management	5
Other land management activities	6
Water quality and monitoring	7
Noise regulations	8
Air quality regulations	9
Litter control	10
Dog control	11
Freedom camping	12
Control of pest plants and animals	13
Hazardous substances and new organism control	14
Trade waste regulation	15
Public health	16
Food safety	17
Parking and traffic control	18
Fire control	19
Prostitution regulation	20
Liquor licencing and alcohol control	21
Gambling regulation	22
Other (please tell us)	23

Q6k While recognising all communities are unique, do you think there any regulatory functions that lend themselves to regional or even national benchmarking?
Please select one only.

Yes	1
No	2

Q6l Which regulatory functions lend themselves to regional or even national benchmarking?
Select all that apply.

Reserves and picnic areas	1
Planning, land use or water consents	2
Building and construction consents	3
Biodiversity and conservation management	4
Coastal management	5
Other land management activities	6
Water quality and monitoring	7
Noise regulations	8
Air quality regulations	9
Litter control	10
Dog control	11
Freedom camping	12
Control of pest plants and animals	13
Hazardous substances and new organism control	14
Trade waste regulation	15
Public health	16
Food safety	17
Parking and traffic control	18
Fire control	19
Prostitution regulation	20
Liquor licencing and alcohol control	21
Gambling regulation	22
Other (please tell us)	23

Q6m What, in your view, are the difficulties in the benchmarking of regulatory performance?

Type your answer below.

INCLUDE 'Unsure'

Thank you for taking the time to answer the questions in this survey. They are crucial to the Productivity Commission's inquiry into local government regulation.

Appendix B Business survey questions

Invitation email text

SUBJECT: Survey about local councils

Today we are carrying out a 10 minute survey for the New Zealand Productivity Commission about the interactions that businesses and organisations have with local councils. We are looking for someone who is a **senior decision-maker in a business or organisation** (large or small), or who is **self-employed**.

Screening

Thanks for being part of today's study.

Sometimes we need to speak with people in certain roles or who do certain things, so you may or may not qualify to complete this survey. We'll need to ask you a few questions to find out if this is the right survey for you. Don't worry if you don't qualify for this survey though – we're sure that there will be another opportunity for you soon.

Please click the next arrow to continue.

S1 In which of the following regions do you live?

Please select one only.

Northland Region	1
Auckland Region (includes the area from the Bombay Hills up to Wellsford)	2
Waikato Region	3
Bay of Plenty Region	4
Gisborne Region	5
Hawke's Bay Region	6
Taranaki Region	7
Manawatu-Wanganui Region	8
Wellington Region (includes Kāpiti and the Wairarapa)	9
Tasman Region	10
Nelson Region	11
Marlborough Region	12
West Coast Region	13
Canterbury Region	14
Otago Region	15
Southland Region	16
Area outside these regions	17
Don't know	18

S2 Which of these best describes your role in your business or organisation? If you work in more than one organisation, please think about the one you spend most of your time working in.

Please select one only.

Business Owner	1
Director or Chief Executive	2
Senior decision-maker	3
Other	4
None, I'm not employed or self-employed	5

- S3 **Not including the owner**, how many people are usually employed in this business or organisation?
Just your best estimate is fine.
Please select one only.

None (no employees)	1
1 to 5 employees	2
6 to 19 employees	3
20 or more employees	4

- S4 Which of the following best describes the industry this business or organisation operates in?
Please select one only

Agriculture, Forestry and Fishing	1
Mining	2
Manufacturing	3
Electricity, Gas and Water Supply	4
Construction	5
Wholesale Trade	6
Retail Trade	7
Accommodation, Cafes and Restaurants	8
Transport and Storage	9
Communication Services	10
Finance and Insurance	11
Property and Business Services	12
Government Administration and Defence	13
Education	14
Health and Community Services	15
Cultural and Recreational Services	16
Personal and Other Services	17
Other (please tell us)	19

- S5 Is your organisation a not-for-profit organisation?
Please select one only.

Yes, we are a not-for-profit organisation	1
No	2

Introduction

This survey is about how businesses and organisations interact with local councils about regulations they (or their customers) need to comply with. **This survey is not about council rates.**

Some regulations that impose significant compliance costs on businesses and organisations are administered by central government, such as the Health and Safety in Employment Act. Other regulations are administered by local councils. Some locally administered regulations include:

- Reserves and picnic areas
- Planning, land use or water consents
- Building and construction consents
- Biodiversity and conservation management
- Coastal management
- Other land management activities
- Water quality and monitoring
- Noise regulations
- Air quality regulations
- Litter control
- Dog control
- Freedom camping
- Control of pests plant and animals
- Hazardous substances and new organism control

- Trade waste regulation
- Public health
- Food safety
- Parking and traffic control
- Fire control
- Prostitution regulation
- Liquor licencing and alcohol control
- Gambling regulation

To begin the survey, please click on the next arrow below. Please be assured that your identity and contact information is confidential to Colmar Brunton. These details will never be provided to the New Zealand Productivity Commission.

Regulation experiences

Q1a Compliance obligations facing your business.

How many times has your business or organisation had contact with a local council about each of the following regulations in the past three years? Your best estimate is fine.

Please select one only for each area of regulation.

	Once	Twice	Three to five times	Six to ten times	More than ten times	Never
Reserves and picnic areas	1	2	3	4	5	6
Planning, land use or water consents	1	2	3	4	5	6
Building and construction consents	1	2	3	4	5	6
Biodiversity and conservation management	1	2	3	4	5	6
Coastal management	1	2	3	4	5	6
Other land management activities	1	2	3	4	5	6
Water quality and monitoring	1	2	3	4	5	6
Noise regulations	1	2	3	4	5	6
Air quality regulations	1	2	3	4	5	6
Litter control	1	2	3	4	5	6
Dog control	1	2	3	4	5	6
Freedom camping	1	2	3	4	5	6
Control of pests plant and animals	1	2	3	4	5	6
Hazardous substances and new organism control	1	2	3	4	5	6
Trade waste regulation	1	2	3	4	5	6
Public health	1	2	3	4	5	6
Food safety	1	2	3	4	5	6
Parking and traffic control	1	2	3	4	5	6
Fire control	1	2	3	4	5	6
Prostitution regulation	1	2	3	4	5	6
Liquor licencing and alcohol control	1	2	3	4	5	6
Gambling regulation	1	2	3	4	5	6
Other regulations	1	2	3	4	5	6

Relative costs of compliance

Q2a Costs of compliance

It takes time, money, and effort for businesses and organisations to comply with local and central government regulations, and this ultimately impacts on a business or organisation's viability. We would like to gain some understanding about which regulations have the **greatest impact** on your viability.

Using the list below, please tell us which **three** areas have greatest impact (in terms of time, effort, and money). Use a 1 for the area with the greatest impact, followed by a 2 for the area with the next greatest impact, and a 3 for the area with the next greatest impact.

Reserves and picnic areas	
Planning, land use or water consents	
Building and construction consents	
Biodiversity and conservation management	
Coastal management	
Other land management activities	
Water quality and monitoring	
Noise regulations	
Air quality regulations	
Litter control	
Dog control	
Freedom camping	
Control of pests plant and animals	
Hazardous substances and new organism control	
Trade waste regulation	
Public health	
Food safety	
Parking and traffic control	
Fire control	
Prostitution regulation	
Liquor licencing and alcohol control	
Gambling regulation	
Other (please tell us)	
None of these impact my business or organisation	

Q2b Below is a list of other regulatory areas that can take time, money, and effort for businesses and organisations to comply with. Please look through the list, and for each area tell us if it is of greater or lesser impact.

Please select one only for each area.

	More impact	Less impact	Don't know
Compliance with tax regulations, such as PAYE, GST, and business income tax (not the cost of the tax itself but rather the time and effort needed to meet taxation obligations)	1	2	3
Complying with occupational health and safety requirements	1	2	3
Complying with vehicle and road regulations	1	2	3
Complying with ACC requirements	1	2	3
Completing paper work associated with employee superannuation schemes	1	2	3
Complying with consumer protection laws	1	2	3
Completing and submitting Statistics New Zealand surveys	1	2	3
Complying with employment relations regulations	1	2	3

Helpfulness or usefulness of regulations

Q3a **Helpfulness or usefulness of regulations**

Although regulations can take time, money, and effort for businesses and organisations to comply with, they can also assist businesses and organisations in different ways.

Over the past three years which regulations have being **helpful or useful** for your business or organisation, or for the customers of your business or organisation? If you're unsure about the entire three year period, your best estimate is fine.

Select all that are relevant.

Reserves and picnic areas	1
Planning, land use or water consents	2

Building and construction consents	3
Biodiversity and conservation management	4
Coastal management	5
Other land management activities	6
Water quality and monitoring	7
Noise regulations	8
Air quality regulations	9
Litter control	10
Dog control	11
Freedom camping	12
Control of pests plant and animals	13
Hazardous substances and new organism control	14
Trade waste regulation	15
Public health	16
Food safety	17
Parking and traffic control	18
Fire control	19
Prostitution regulation	20
Liquor licencing and alcohol control	21
Gambling regulation	22
Other (specify)	23
None of these have been helpful for me	24

Contact with councils about regulations

Q4a Contact with councils about regulations

When did your business or organisation **last have contact** with a local council about a regulatory issue?

Please select one only.

In the last week	1
Two to four weeks ago	2
One to three months ago	3
Three to six months ago	4
Six to twelve months ago	5
One to two years ago	6
More than two years ago	7
Never	8

Q4b Which regulatory area was your **last contact** about?

Please select one only.

Reserves and picnic areas	1
Planning, land use or water consents	2
Building and construction consents	3
Biodiversity and conservation management	4
Coastal management	5
Other land management activities	6
Water quality and monitoring	7
Noise regulations	8
Air quality regulations	9
Litter control	10
Dog control	11
Freedom camping	12
Control of pests plant and animals	13
Hazardous substances and new organism control	14
Trade waste regulation	15
Public health	16
Food safety	17
Parking and traffic control	18
Fire control	19

Prostitution regulation	20
Liquor licencing and alcohol control	21
Gambling regulation	22
Other (please tell us)	23

- Q4c Which of the following best describes the nature of **your last contact**? Please remember that your identity and contact information will remain confidential to Colmar Brunton.
Please select one only.

Seeking advice on how to comply with rules and regulations	1
A routine inspection by the council	2
Investigation by the council of a complaint made about your business or organisation	3
You were reporting non-compliance by another individual, business or organisation	4
You were applying for a licence or a permit	5
Other (please tell us)	6

- Q4d Listed here are all of New Zealand's councils. They are shown in groups, starting with councils in Northland and Auckland, and ending in councils in Otago and Southland.
Please think now about **all the councils** your business or organisation has dealt with over the past three years about **regulatory issues**, and tell us which councils they are. If you're unsure about the entire three year period, your best estimate is fine.
Select all that apply.

- Q4e To the best of your knowledge has your business or organisation had to pay for a licence, permit or consent, or other fee to a council **to meet a regulatory requirement** (not including rates) over the past three years?
Please select one only.

Yes	1
No	2
Don't know	3

- Q4f Please continue to think about the all the experiences your business or organisation has had with local councils **about regulatory issues**. To what extent do you agree or disagree with each of the following statements?
Please select one answer for each statement.

	Strongly disagree	Tend to disagree	Neither agree nor disagree	Tend to agree	Strongly agree	Don't know
The information provided by the council was clear	1	2	3	4	5	6
The fees charged by the council for regulatory functions (not rates) were reasonable	1	2	3	4	5	6
The council provided reliable and consistent advice	1	2	3	4	5	6
I understood the regulatory requirement of my business	1	2	3	4	5	6
The time taken to process my application or respond to my information request was reasonable	1	2	3	4	5	6
The time and effort it took to comply with council regulations was too large	1	2	3	4	5	6
Local government regulations (not rates) place a significant financial burden on my business	1	2	3	4	5	6
I found the regulations inconsistent between councils	1	2	3	4	5	6
Inconsistency in the way local governments administer regulations imposes unnecessary	1	2	3	4	5	6

cost for my business						
Local government regulation is less demanding than it was 3 years ago	1	2	3	4	5	6
Local government approval processes are faster now than they were 3 years ago	1	2	3	4	5	6

Q4h Are there any specific experiences relating to local council regulation (positive or negative) that you think would be of interest to the Commission? If so, feel free to tell us about them.

Type your answer in the box below.

INCLUDE 'No, there are no experiences I'd like to share.'

If "I found the regulations inconsistent between councils"

Q4i Earlier you indicated that you find regulations inconsistent between councils. Please tell us which regulations you have found inconsistent?

Please select all that apply.

Reserves and picnic areas	1
Planning, land use or water consents	2
Building and construction consents	3
Biodiversity and conservation management	4
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Other (please tell us)	23

Overall impact of compliance

Q5a And overall, to what extent does complying with all regulations (both local and central government) impact on your business or organisation's financial position or profitability.

Please select one only.

	Requires no investment at all, so does not impact our financial position or profitability.		Requires a moderate investment, which has some impact on our financial position or profitability.		Requires a substantial investment, which has a large impact on our financial position or profitability.
Overall impact	1	2	3	4	5

Q5b Regulations can vary between councils. What influence did differences in regulations have on the decision to establish your business or organisation in its current location (or locations)?

Please select one only.

A great deal of influence	1
Some influence	2
Not that much influence	3
No influence at all	4
I wasn't involved in establishing this business	5

Overall satisfaction with local government regulation

Q6a How satisfied or dissatisfied are you with the way local councils administer regulations that are relevant to your business or organisation?

Please select one only.

Very satisfied	1
Quite satisfied	2
Neither satisfied nor dissatisfied	3
Quite dissatisfied	4
Very dissatisfied	5
Don't know	6

Q6b What opportunities do you believe exist to improve the way in which councils administer their regulatory functions?

Type your answer in the box below.

INCLUDE 'No, I have no suggested improvements.'

Background questions

Q7a Finally, we have a few background questions. We ask these so that we can understand the views of different types of businesses and organisations.

For how long has your business or organisation been operating?

Please select one only.

Less than a year	1
1 to 2 years	2
3 to 5 years	3
6 to 10 years	4
More than 10 years	5
Don't know	6

Q7b In which of the following regions does your business or organisation operate?
Please select all that apply.

Northland Region	1
Auckland Region (includes the area from the Bombay Hills up to Wellsford)	2
Waikato Region	3
Bay of Plenty Region	4
Gisborne Region	5
Hawke's Bay Region	6
Taranaki Region	7
Manawatu-Wanganui Region	8
Wellington Region (includes Kāpiti and the Wairarapa)	9
Tasman Region	10
Nelson Region	11
Marlborough Region	12
West Coast Region	13
Canterbury Region	14
Otago Region	15
Southland Region	16
Area in New Zealand outside these regions	19
In every New Zealand region	17
Outside New Zealand	18

Q7c Which of the following best describes your annual turnover? Your best estimate is fine.
Please select one only.

\$10,000 or less	1
\$10,001 to \$50,000	2
\$50,001 to \$100,000	3
\$100,001 to \$500,000	4
\$500,001 to \$1 million	5
More than \$1 million up to \$10 million	6
More than \$10 million up to \$100 million	7
More than \$100 million	8
Don't know	9

Recruit

Q8a The New Zealand Productivity Commission may be interested in carrying out some additional research among a few people who take part in this survey.

Would you be happy for Colmar Brunton to contact you again about this specific research? You may or may not be contacted, and you can decide at the time whether or not you would like to take part.

Please select one only.

Yes, you can contact me again about this research.	1
No, thank you.	2

Local government approval processes are faster now than they were 3 years ago	1	2	3	4	5	6
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- Q4h Are there any specific experiences relating to local council regulation (positive or negative) that you think would be of interest to the Commission? If so, feel free to tell us about them.
Type your answer in the box below.

INCLUDE 'No, there are no experiences I'd like to share.' **TICK BOX**

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Please select one only.

Yes, you can contact me again about this research.	1
No, thank you.	2

NEW ZEALAND
PRODUCTIVITY COMMISSION
Te Kōmihana Whai Hua o Aotearoa

