Overview – progressing a review of the local regulatory system

- This update outlines our approach for reviewing the local regulatory system, leveraging from recent merging of the resource consents and building team functions into the Strategy and Growth Group. It follows-on from a presentation to Elected Members in April 2025, sharing the background for this work.

- At the outset of this work, we want to acknowledge feedback from key sectors in our community that indicate that although our regulatory system is not broken, it is "clunky" in places and there is opportunity to work better together.

- Council operations remains focused on working more proactively and constructively with these sectors; and we are committed to understanding what's working, what's not and why.

- To date, we are concurrently engaging staff and external stakeholders on the following:
  - ❑ Current state assessment
  - ❑ Future state aspirations
  - ❑ Gap analysis, between these two states.

- The focus is to define and understand what the current status of the regulatory system we are operating within; and to identify what our priorities for improvements are, as we navigate through a shifting landscape with government reform and legislation changes.

We are all part of the local regulatory system

Within communities range of 'actors' connect to the system – business, property owners, investors, developers, community groups, and individuals.

For the system to operate effectively and efficiency, we must all understand how the system works, and what our roles are within it.
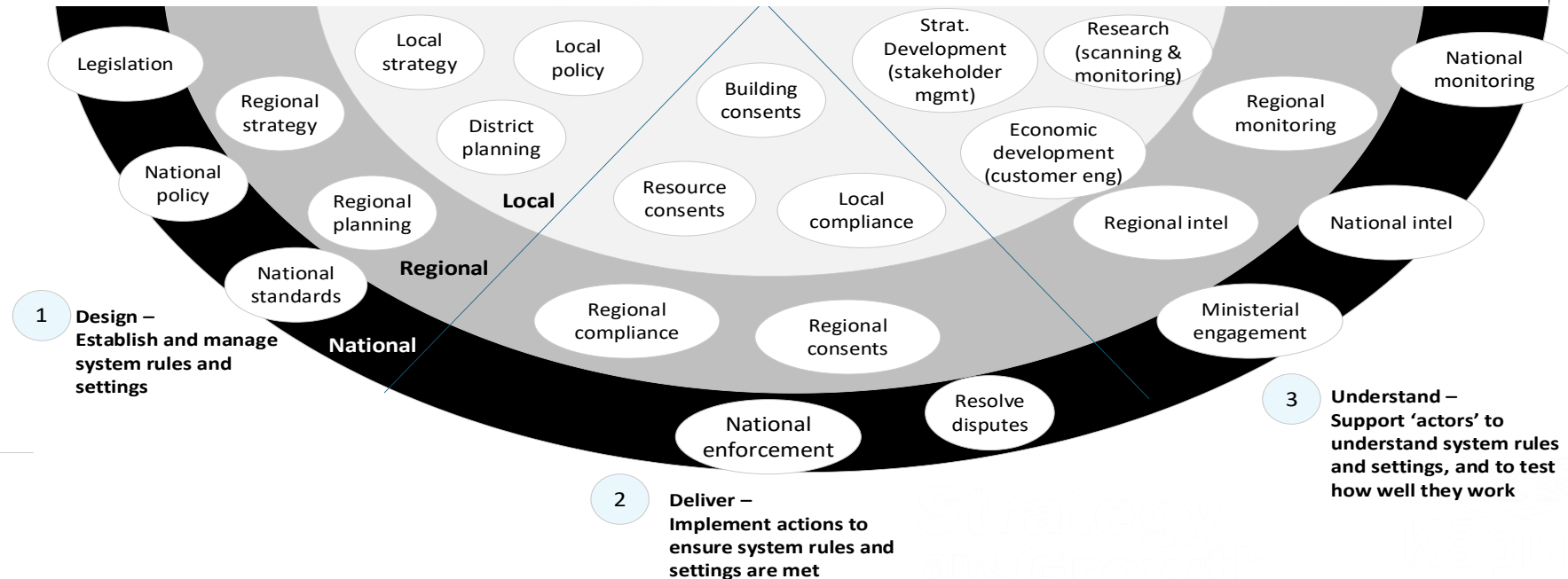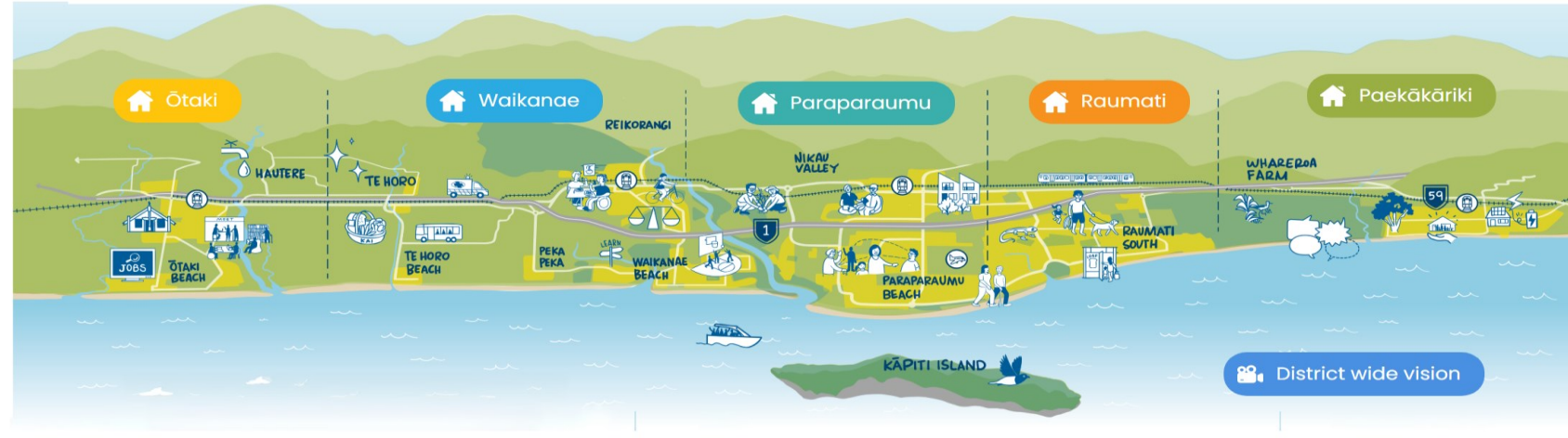
The NZ Regulatory System:

Legislation mandates activity at national, regional and local level.

Across all levels, our work falls within three areas – 1) design, 2) deliver or 3) understand.

The mechanisms set within the system enable decision-makers to set and manage the boundaries or requirements for those making changes to the way we "live, work, and play" in communities in a consistent and fair way.

The ultimate outcome of this work, is that we drive sustainable development over time.

Ōtaki · Waikanae · Paraparaumu · Raumati · Paekākāriki

District wide vision

Legislation · Local strategy · Local policy · Strat. Development (stakeholder mgmt) · Research (scanning & monitoring) · National monitoring

Regional strategy · District planning · Building consents · Economic development (customer eng) · Regional monitoring

National policy · Local · Resource consents · Local compliance · Regional intel · National intel

Regional planning · **Local**

National standards · **Regional** · Regional compliance · Regional consents · Ministerial engagement

National · National enforcement · Resolve disputes

1 Design – Establish and manage system rules and settings

2 Deliver – Implement actions to ensure system rules and settings are met

3 Understand – Support 'actors' to understand system rules and settings, and to test how well they work

Setting the scene:
our past informs the future ... however, we are working in a changing context

Strategy and Growth | **Kāpiti Coast** DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

Purpose and scope of the review

This review will assess how well our system is operating across the three components of the regulatory system, and better understand the maturity of our local functions within the system. The outcome of our work will…

- Create a common understanding of our role within the system and determine what good looks like at the local level.

- Identify where we are now, where we want to be and how we get there.

- Design a continuous improvement assessment, that is common across our functions and comparable with other organisations (similiar to what we do).

- Develop a maturity improvement plan that prioritises key focus areas and measures our progress to address issues and opportunities, and in short to provide an alternate response to the 'Morrison Low review'.

- Prepare for changes to the objectives within the regulatory system, as set by national direction.

- Understand, but not fix the challenges that we currently experience in our day-to-day work at a local level. We will implement a reasonably paced, and affordable, programme to improve our maturity over time

- Ensure that we are able to engage with new and incoming expectations from the Minsitry for Regulation.

The case for doing something now ....

Ministers have advised that upcoming reforms relevant to the regulatory system will look to simplify; and change the emphasis from traditional risk-based approaches to a more enabling and problem-solving basis. We will need to think about how we respond to this.
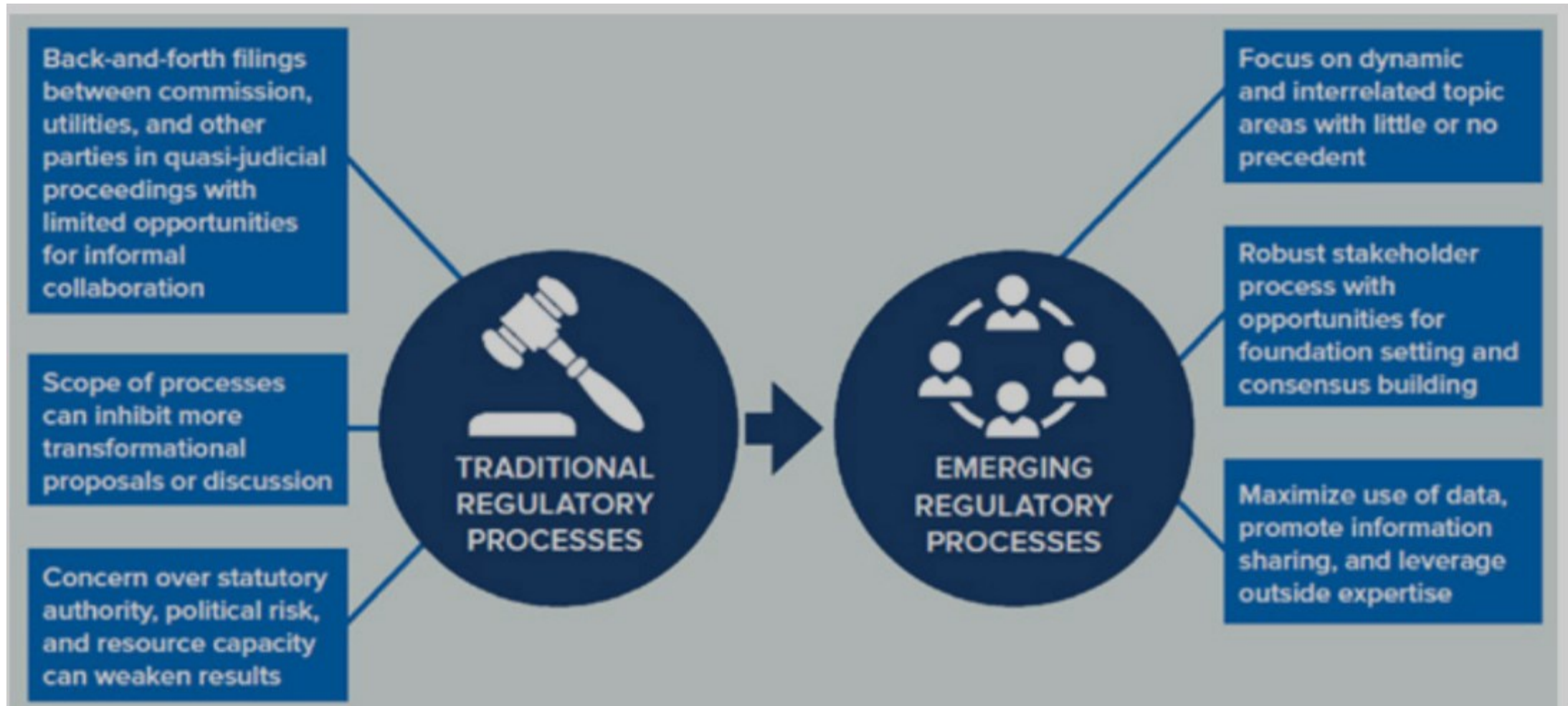
This work is strongly supported by the Ministry for Regulation

- We are engaging with the Ministry of Regulation on our assessment approach – the Ministry have agreed to act as our 'critical friend' as we identify opportunities, challenges and changes to our local regulatory settings.

- Our Council is the first district to conduct an 'end-to-end review' of our local regulatory system and to analyse the component parts of the system. We understand that our work, will inform the Ministry's approach for encouraging other local authorities to conduct similar exercises, with the desire to strengthen the regulatory system relationship between central and local government.

- We have asked the Ministry for Regulation if they will peer review our 'self-assessment material' to ensure that we align to industry standards and government expectations. They have offered to attend Council to share their views, impressions, and lessons learnt to date.

- The Ministry has advised us to "build a strong system map, outline our 'harm framework', and to ensure we set a regulatory function baseline before leaping to organisational redesign or a regulatory strategy". This advice has informed our approach and how we scope the different phases of work to successfully achieve our desired future state.

Improving our effectiveness:
evidencing the issues, and driving informed improvement

Strategy and Growth | **Kāpiti Coast DISTRICT COUNCIL**
Me Huri Whakamuri, Ka Titiro Whakamua

Improving operation of our local regulatory system

This four-phase programme introduces a maturity assessment framework aligned with national and international standards:

1. **Current State Assessment:** Evaluate existing regulatory functions and systems across Council using qualitative and quantitative data to identify strengths, issues, overlaps, and gaps.

2. **Future State Vision:** Define the desired future regulatory system, address service gaps, incorporate stakeholder feedback, and benchmark against best practice.

3. **Draft Report & Improvement Plan:** Summarise findings and develop a targeted improvement programme for Strategy and Growth functions.

4. **Implementation Roadmap:** Outline a staged plan to deliver the improvement actions.

A broad timeline is provided on the next slide.

Phase of our work and timeframes
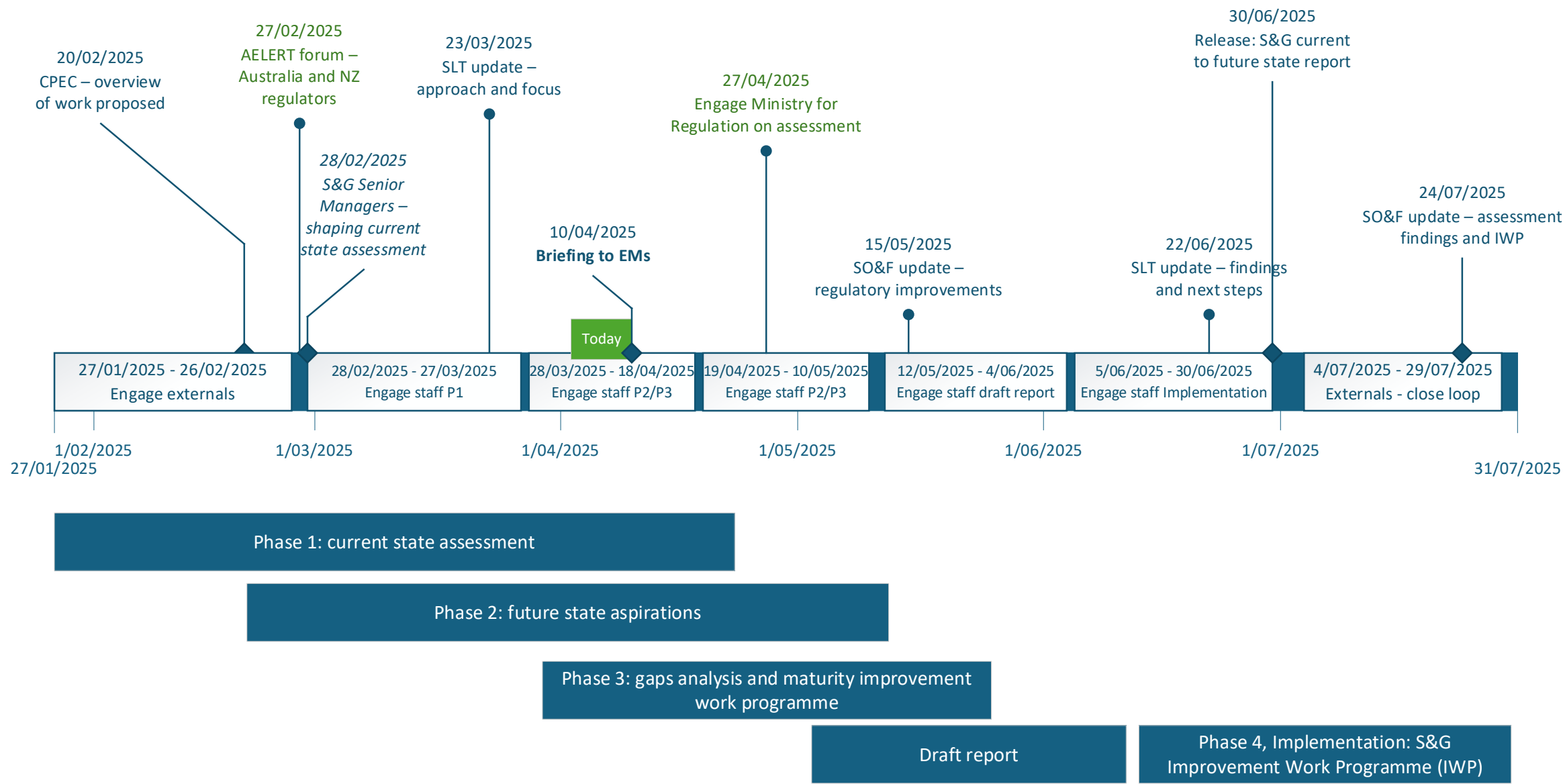
New Zealand is refocusing its priorities for the national regulatory system

- The Australasian Enviornmental Law Enforcement and Regulators Network (AELERT) met in February 2025 to discuss the changing needs and challenges facing regulatory systems. The focus for discussion was on building regulatory system capabilty through leadership.

- The (new) Ministry for Regulation attended the hui and noted three areas of focus for building system capability – leadership practice; shared resources; and embedding capability through systems (not just people). They noted:

  - A growing need to understand current state operations before targeting system changes.

  - Improving system capability will be driven through maturity assessments at all levels.

  - Whilst G-Reg will remain as an optional resource for individuals, building organisational capability will become a strong focus for New Zealands regulatory system (which MBIE had not previously delivered).

Our assessment approach:
understanding where we are now, and where to next

Strategy and Growth | **Kāpiti Coast**
DISTRICT COUNCIL
Me Huri Whakamuri, Ka Titiro Whakamua

Approach for <u>current</u> state assessment

	Our local functions	Regulatory functions within the system								
		Design			**Deliver**			**Understand**		
		Strategy (strategic property)	**Policy**	**District Planning**	**Building consents**	**Resource consents**	**Compliance**	**Research**	**Economic Development**	**Strategic Development (Housing)**
Maturity assessment components	**Leadership and culture**	• Self assessment and external feedback • Staff feedback • Documentation of protocols and processes								
	Practice and process	• Self assessment and external feedback • Review last 12 months and outline average timeframes, volumes and complexity of work • Assess current connection between functions across the last 12 months • Review documentation on use of discretion and risk across functions/group • Review cost recovery model for services								
	Vision, role and strategy	• Self assessment and external feedback • Review documents of existing strategies and frameworks • Staff feedback on system role clarity and purpose								
	Engagement, visibility and influence	• Self assessment and external feedback • Review of existing network connections and stakeholder engagement plans • Review of engagement collateral, measured by effectiveness in describing what we do and how we do it								
	Capability and improvement	• Self assessment and external feedback • Review of existing training and development programmes and opportunities to increase on-the-job experience • Review of quality assurance and continuous improvement approaches • Review of performance reporting by function, system role and processes								

Approach for <u>future</u> state assessment

Regulatory functions within the system								
Design			**Deliver**			**Understand**		
Strategy (strategic property)	Policy	District Planning	Building consents	Resource consents	Compliance	Research	Economic Development	Strategic Development (Housing)

Our local functions (row label) — **Maturity assessment components** (side label)

Leadership and culture
- Self assessment by senior managers
- Staff feedback on functions within the system
- How we need to connect functions to effectively operate our system
- Benchmarking with requirements set by central government

Practice and process
- Self assessment by senior managers
- Staff feedback on functions within the system
- Outlining what "good" looks like and establishing internal delivery models and standards
- Clarifying the common practice, process and protocols we need to effectively operate our functions and system (given changing national requirements)
- Determine the cost recovery model and practice for services provided (appropriately)

Vision, role and strategy
- Self assessment by senior managers
- Staff feedback on our role within the system
- Refresh regulatory system strategy and related documents which set the principles for how we operate (by functions vs. as a system)

Engagement, visibility and influence
- Self assessment by senior managers
- Staff feedback on functions within the system
- Outline the communication channels and mechanisms for sharing information
- Clarify and prioritise stakeholder engagement and relationships in local and central networks

Capability and improvement
- Self assessment by senior managers
- Staff feedback on functions within the system
- Application of digital tools and AI to enable efficiency
- Opportunities to work with other (providers) to increase experience and exposure
- Confirm quality assurance and continuous improvement approaches within and across functions/system
- Outline regular reporting intentions on our role (and functions) within the local level system

What we need to know to position ourselves well in the local and national system

We will:

- Identify where there are gaps between the current and future state are in our functions and local level role within the system

- Outline where external feedback indicates priorities to action improvements

- Outline where senior managers and staff in S&G see opportunities to improve how we work across the core components of the local level system *(including "low hanging fruit" for immediate action)*

- Assess the overall priority for addressing gaps or implementing opportunities

- Summarise if improvements are needed and why across our local level system and be a key input into the maturity improvement plan for S&G.

Understanding current processes and practices will be a critical element of our assessment

Our assesement of the current state will determine if our end-to-end processes and practices are fit for purpose, and where improvements are needed to ensure we are an effective and efficient regulator in the national system.

We will:

- Create a high-level overview of the component parts of each process in Strategy and Growth

- Share a common understandng of how we undertake our work

- Identify opportunities and connections across our functions and with others

- Outline what works vs. what doesn't work well, and why

- Understand where feedback indicates effectiveness and efficiency (or ineffectiveness/inefficiency)

- Share our story with others to confirm facts, test assumptions and clarify opinions

"Soundbite" of current progress

Engagement with external stakeholders is complete

During February and March 2025 the GM Strategy and Growth met with the following stakeholders, seeking broad feedback about the local regulatory system – what's working, or not and why:
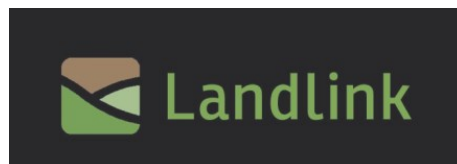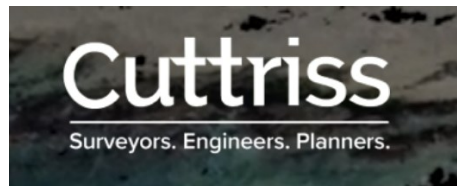
Independent advice - evidencing current issues

We need to a clear, unbiased, evidence-base to understand how the system is functioning in practice.

Our approach is to utilise an independent expert to review a sample of past consent applications over 4 - 6 weeks, focusing on key process points.

Key Review Areas:

1. **Completeness Assessments (Section 88)**
   - Investigate whether applications are being fairly and consistently deemed incomplete or complete.
   - Clarify what best practice looks like amid conflicting feedback from consultants.

2. **Processing Timeframes**
   - Examine time taken from accepting an application to issuing a decision.
   - Assess validity of concerns around delays and unnecessary requests for information.

We will also incorporate findings from our external IAANZ audit of building consent applications to iderntify themes for collective focus.

Findings will guide next steps and provide feedback to the sector on local performance and collaboration.

We will assess the effectiveness of key functions and processes

Design
- Strategy development
- Policy
- Research
- District planning
- Pre-Recovery planning

Deliver
- Consenting
- Property Portfolio Management
- Activated Recovery

Understand
- Ventures and Partnerships
- Development Facilitation
- Pre-application/business start-up
- Governance and Board support
- Tourism and Event support

- We are currently undertaking assessment of each process to identify volumes, timeframes, blockage points, and barriers or opportunities.

- This will be outlined in the report shared later this year.