

LOCAL GOVERNMENT FORUM

EMBARGOED UNTIL 1.00 AM THURSDAY 27 NOVEMBER

Report Calls for Councils to Focus on Core Services

Local authorities have strayed, at great cost, far beyond their core role of providing certain vital services to their local communities, according to a new report released today by the Local Government Forum.

The report, entitled *Local Government and the Provision of Public Goods*, examines the services provided by councils. It assesses which services can be regarded as essential activities that can only practicably be provided directly or under contract by local bodies (these are termed public goods) and which can readily and more efficiently be provided by the private sector.

Local Government Forum chairman Don Nicolson said the report would be a valuable tool for everyone involved in local government, particularly given the reality that demands for services are unlimited, but resources are scarce.

"Local authorities have got into the habit of steadily expanding their brief to provide a whole range of services that could easily be provided by the private sector. The end result has been an explosion in rates.

"Part of the problem is confusion over what a 'public good' actually is. It is not whatever might be deemed 'good' for people, or anything at all that might be regarded as in the public interest.

"A public good, for example street lighting or civil defence, is something that no-one else would provide because it can't be 'user-paid'. You couldn't stop non-payers from using it, nor could you limit access to it to those who've paid. As a rule of thumb, if it is feasible and cost-effective to charge directly for a service it is not a public good.

"The role of local government is clearly spelt out in legislation: it is to uphold local democratic processes, set rules and regulations to govern local activities, and ensure the provision of certain local services and infrastructure, with recourse to local taxation and charges to recover costs.

"If local bodies are to serve their communities well they should be clear about which are the vital services they need to provide, and they should excel at them.

"Many other services communities need are in the nature of private goods and can be provided more capably either in partnership with private firms or by the private sector exclusively", said Mr Nicolson.

The report provides helpful criteria for determining what functions should be performed by local government and recommends stronger legislative constraints to ensure that decisions that are made are consistent with local authorities' core roles.

"We see this as an essential primer on public goods that everyone involved in local government should read", said Mr Nicolson. "We are meeting with the new Minister of Local Government Hon Rodney Hide today to offer our support for a reform programme that streamlines local government and gets rate burdens down."

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