

LOCAL GOVERNMENT FORUM

6 April 2009

LOCAL GOVERNMENT REFORMS LONG OVERDUE

The news that Cabinet is to consider reforms designed to reduce the cost of local government is most welcome according to the Local Government Forum.

“The local government sector has expanded its sphere of activity too widely in recent years and it has not had sufficient disciplines on it to contain its expenditure, said Chair of the Forum, Charles Finny.

“The rating burden from these excesses has fallen disproportionately on to the business and farming sectors.

“The range of reforms being floated by local government minister Rodney Hide, aimed at controlling local Government spending and keeping rate rises to a minimum, are long overdue.

“There has been inadequate scrutiny of local government expenditure in recent years and there is a real need for more effective monitoring of its performance and activities.

“The key role of local government should be to provide local public goods that cannot be more efficiently provided by the private sector. Most local authorities have strayed far beyond this. The end result has been an explosion in rates.

“We support the idea of requiring local authorities to make greater use of referenda if they wish to undertake significant new activities beyond their core role.

“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,” Mr Finny concluded.

For further comment please contact Charles Finny on 027 544 1547