

LOCAL GOVERNMENT FORUM

27 March 2009

BUSINESS SAYS 'NO' TO BIGGER SOCIAL ROLE FOR 'SUPER CITY'

Central government should reject any bigger social role for Auckland local government, said Charles Finny, Chair of the Local Government Forum.

Mr Finny was commenting on today's release of the report of the Royal Commission on Auckland Governance.

"Councils should steer clear from social policy and the redistribution of income and wealth. This is because they generally do not have the information necessary to implement income distribution policies; that such actions might clash with national income distribution goals. Council programmes such as housing would impose costs on ratepayers that would otherwise fall on taxpayers.

"On Monday the Local Government Forum will be releasing a paper *Income and Wealth Redistribution: Should it be a Role of Local Government?* This very timely study confirms the findings of a 1988 report by central government officials which concluded that councils should focus on public goods provision and that the explicit redistribution of income and wealth should remain the responsibility of central government.

"Members of the Local Government Forum will be carefully considering the large and detailed report of the Royal Commission and its many recommendations.

"The Forum welcomes the Government's commitment to make its response a high priority and we are looking forward to discussing next steps with the Government", said Mr Finny.

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About the Local Government Forum

The Local Government Forum comprises organisations that have a vital interest in the activities of local government. Its members include Business New Zealand, the Electricity Networks Association, Federated Farmers of New Zealand, New Zealand Business Roundtable, New Zealand Chambers of Commerce, and New Zealand Retailers' Association. The Forum was established in 1994 to promote greater efficiency in local government and to contribute to debate on policy issues affecting it.

The Forum's members are each significant representatives of ratepayers in their own right but the Forum's perspective is to advance community welfare through the advocacy of sound public policy. We believe that local government can best serve the interests of the community and ratepayers by focusing on the efficient provision of public goods at a local level.