

LOCAL GOVERNMENT FORUM

21 July 2008

BUSINESS GROUPS WELCOME ROADING REVIEW

The Minister of Transport's announcement of a comprehensive independent review into the allocation of costs of roading will be welcomed by the business community, said Don Nicolson, Chair of the Local Government Forum.

"Roading is a very important function of local government and for many local authorities roading is the main item of spending. It is therefore very important that the costs of roading are allocated fairly and that spending on transport infrastructure is efficient," said Mr Nicolson.

"Forum members have long been concerned about the funding of roads and with the Road Transport Forum it commissioned a comprehensive report on road funding and charging.

"The report *Efficiency and Equity in the Funding of Roading Expenditures* by economic consultancy McKenzie Podmore finds that there are significant shortcomings to the charging and funding of roads, both in terms of efficiency and equity. This is concerning because of the importance of transport to the business community and for its international competitiveness, which in turn impacts on the living standards of all New Zealanders.

"This report, which has been provided to the Ministry of Transport, should be a key resource for the independent review, which should also look at other forms of funding such as tolls", said Mr Nicolson.

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For a copy of the full McKenzie Podmore report please contact Nick Clark (ph 03 357 9459, email nclark@fedfarm.org.nz)

The Local Government Forum comprises of business organisations with an interest in promoting efficient and effective local government. Its members include Business New Zealand, Electricity Networks Association, Federated Farmers of NZ, NZ Business Roundtable, NZ Chambers of Commerce, and NZ Retailers Association.