

LOCAL GOVERNMENT FORUM

19 March 2012

‘BETTER LOCAL GOVERNMENT’ REFORMS SUPPORTED

Today's announcement of *Better Local Government* reforms will help focus councils on what matters and should give ratepayers much needed relief, according to Michael Barnett, Chair of the Local Government Forum.

“Since December 2002 there have been huge increases in local government spending (up 97 percent), rates (up 96 percent) and debt (up 400 percent)”, said Mr. Barnett.

“These increases are evidence that councils need greater clarity on their roles and responsibilities”.

“The Forum particularly welcomes the change to the Local Government Act's purpose of local government to focus councils on ‘providing good quality infrastructure, public services and regulatory functions at least possible cost to households and businesses’. By making this change and by introducing a fiscal responsibility requirement the Government will be giving councils greater clarity.

“Since December 2002 the Local Government Act has required councils to actively promote social, economic, environmental and cultural well-being and this has helped generate extravagant public expectations of what councils should be doing and has made it hard for councils to say ‘no’.

“The 2002 experiment of ‘unleashing’ local government has failed and it is time to return to a much more prudent and focused remit for the sector.

“The Government is right to make changes to more easily advance community driven local authority restructuring. Bigger is not necessarily better but there are likely to be areas where mergers could deliver better services at lower cost so streamlining the processes makes a lot of sense.

“It is also good that the Minister is also looking at longer-term issues. The Forum welcomes the establishment of a Taskforce to look into local government efficiency, that there will be an investigation of local government infrastructure development, and that there will be a review of the use of development contributions.

“The Local Government Forum will be looking forward to engaging with the Minister on these reforms to make sure they do indeed result in a ‘better local government’,” said Mr. Barnett.

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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.

Forum 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.