

# LOCAL GOVERNMENT FORUM

20 July 2012

## **LOCAL GOVERNMENT REFORMS MUST PROCEED**

Local government reforms designed to focus councils on core activities must proceed, according to Local Government Forum chairman, Michael Barnett.

The Local Government Forum is a group of business organisations with an interest in local government policy. The Forum's members include Business NZ, Electricity Networks Association, Federated Farmers, NZ Chambers of Commerce, NZ Initiative, and NZ Retailers Association.

"Our call comes in response to media reports that this week's Local Government NZ conference in Queenstown has resolved that all 78 councils will 'pressure the Government to keep the "four community wellbeings" enshrined in legislation", said Mr. Barnett.

"From 1992 to 2002 local government rates increased by less than 4 percent per year, but since 2002 this rate of increase has grown to nearly 7 percent per year. If rates had increased at the same rate as the preceding decade, the average household would be paying \$500 per year less in rates and the economy as a whole \$1 billion per year less.

"In the Forum's view the four wellbeings has been a factor behind the explosive growth in council spending, rates, and debt over the past decade and it makes sense for the Government to address the purpose of local government.

"The Local Government Act Amendment Bill will make the purpose of councils to meet the current and future needs of communities for good-quality local infrastructure, local public services, and performance of regulatory functions in a way that is most cost-effective for households and businesses.

"I find it hard to understand how anyone could take exception with this purpose. It is exactly what local government should be about. It will be music to the ears of anyone who has seen their rates skyrocket over the past decade.

"This is not about bashing local government. It does a tough job and has to manage its statutory obligations and the demands from vocal interest groups to do more and more and spend more and more.

"We believe these reforms will actually help by giving councils more clarity about their purpose and giving them greater ability to say 'no'.

"We urge the Government to stand firm," concluded Mr. Barnett

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