

# LOCAL GOVERNMENT FORUM

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**Media Release  
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## **Select Committee Told Local Government Needs More Constraint**

The Local Government Act Amendment Bill, designed to better focus local government activities, is a step in the right direction but does not go far enough according to the Local Government Forum which presented its submission on the Bill today.

Forum spokesman Charles Finny told the Select Committee considering the Bill that while its aim of focussing local government on core activities is supported there were better ways to achieve this.

“We support the thrust of the Bill, which aims to achieve more focus, but we do not think it goes far enough in doing so. We think that councils should be particularly focused on public goods and we provided committee members with a hierarchy of public and private goods, reproduced below,” said Mr Finny.

“We strongly support measures to improve the transparency, accountability and financial management of local government. The size of the sector and the essential role it plays mean this is crucial.

“Council spending and rate increases have excessively exceeded the inflation rate in recent years as the scope of council activities have spread beyond core business.

“The Bill’s objectives of getting councils to focus on core activities, to get them operating within a defined fiscal envelope, and of improving transparency and accountability are all a step in the right direction, but we think they need to go further if the Bill is to have a significant impact on council activity and therefore spending and rates.

“The Local Government Act Amendment Bill is an opportunity for restraint and prudence to be locked-in,” Mr Finny concluded.

**For more information contact Charles Finny on 027 544 1547**

Click [here](#) to access the Forum’s submission.

Go to <http://www.localgovtforum.org.nz/> for information on the Local Government Forum

## Hierarchy of Public and Private Goods

Figure 1: Characteristics of local government services – rivalry and excludability

		Rivalry in consumption <span>→</span>		
		Public goods		
Excludability of consumption ↓		Low	Medium	High
	Low	Street lighting, street and traffic signs, parks and reserves, civil defence, public health and safety (eg security cameras), and democratic, representative and regulatory functions	Low-use roads, footpaths and cycleways	Remedying marine pollution, biosecurity (pests and noxious plants) and graffiti removal from public facilities and areas
	Medium	Flood protection	Sports grounds, public conveniences and bus ways	High-use roads, tourism promotion, economic development
	High	Museums and galleries	Public libraries, swimming pools, indoor recreation facilities and public venues	Ports, airports, public transport, water and waste water, rubbish disposal, cemeteries, car parks, cinemas and housing
				Private goods

Source: *Local Government and the Provision of Public Goods*, Local Government Forum, 2008