

LOCAL GOVERNMENT FORUM

19 March 2014

BUSINESS GROUPS WELCOME COUNCIL REGULATIONS

Ratepayers will be pleased with the adoption of new financial performance regulations for local government, said Michael Barnett, Chair of the Local Government Forum, a group of business organisations with a keen interest in local government policy.

Mr Barnett was commenting on the Government's announcement today that councils will be required to report against seven benchmarks addressing the affordability, sustainability and predictability of local authority finances.

"The benchmarks are a key aspect of the *Better Local Government* reforms, which are designed to improve the efficiency and effectiveness of local government", said Mr Barnett.

"Although I have yet to see the detail of the benchmarks, on the face of it they are a great idea and they should help identify problems a lot sooner than has been the case to now.

"They should help ratepayers better understand their councils' spending, borrowing and stewardship of infrastructure and they will also be important for triggering any future assistance or intervention measures that the Government might make in response to a financial problem faced by a council.

"It would be interesting to know how much sooner the regulations would have picked up the issues with Kaipara District Council's debt blow-out and whether they might have resulted in earlier action before the extreme option of government-appointed commissioners.

"It is encouraging that the local government sector is also welcoming the new regulations and that Local Government NZ is committing to work with the Government on interpretation and publication of the data. We look forward to this resulting in useful and meaningful information that helps deliver greater transparency and accountability," said Mr Barnett.

For more information:

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ABOUT THE FORUM

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

For more information on the Forum, see www.localgovtforum.org.nz