

LOCAL GOVERNMENT BUSINESS FORUM

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Media Release

COUNCILS CALLED ON TO LIFT THEIR GAME

Local Government is a crucial part of New Zealand's society. Ratepayer's equity in the 78 local authorities is a massive \$113 billion – more than the net worth of central government assets and just short of the market capitalisation of all the companies on the NZ Stock Exchange.

More than \$5 billion of rates revenue was collected last year, and rates have increased by an average of 6% a year this century, which works out at 2.6% more a year than the combined average annual increase in inflation and population growth.

This is too much and unsustainable and most communities agree that councils are not delivering the benefits that the general public and business community want.

Local Government NZ's 2017 Reputation Survey shows that just 28% of respondents rate council's performance, spending decisions and value for money – about the same as the previous two surveys in 2014 and 2011.

Yet the importance of the collective effort of local government for the prosperity and well-being of New Zealand is rated at 77% by the general public and 85% of businesses in the 2017.

The concern of the business community is that local government has lost its way and we need to re-purpose and re-charge our attitudes and efforts to leave a legacy to our grandchildren and future businesses showing that we made the effort to put things right.

We like to believe our children and businesses will live in a society with clean water, unpolluted beaches and first-class infrastructure, recreation and town facilities.

Instead we have council's that have bribed rate payers with low rate increases and sat on assets that ignore important infrastructure investments and upgrades that are critically needed.

Meanwhile other councils have imposed double-digit rate increases that include unnecessary extras or questionable 'nice to have' expenditure rather than things that are essential to the good running of basic services.

We have done the work, and it isn't a pretty picture. The problem is bigger than what most people believe and it's plain that it deserves urgent attention.

For some examples of important infrastructure projects councils have neglected and others of questionable expenditure see our full report ((key message summary p.5&6)) at www.fixcouncilfunding.co.nz.

That is why we are supporting the review of local government funding that Government has recently requested the Productivity Commission to look at.

But the issues affecting local government's performance are far wider than funding.

What is driving our group is the long game - how local government can get back on track to performing to best practice levels to meet the needs and expectations of both the business and wider community – the customers of local councils.

Therefore a key consideration will be council's openness to deliver services and infrastructure in new ways that add to New Zealand's prosperity and well-being. Without a responsive attitude and mindset that sees regulations and consent processes as serving customer's best interests – rather than council's – nothing is likely to change for the betterment of New Zealand's communities.

Our campaign is as much about seeking a change of attitudes and behaviour as it is in encouraging councils to fund its activities more effectively and fairly.

• For more information contact Michael Barnett 027 563 1150 or Nick Clark 027 217 6731 or go to www.fixcouncilfunding.co.nz