

ACT Local Government Policy

Goal

Reduce the rates' burden on householders and businesses and ensure local government focus on only those activities that cannot be done better by others.

Background

Local government clearly lacks focus. It neglects the efficient performance of its core responsibilities while assuming others that are better handled by either central government or private initiatives, because of problems of information and incentives.

- Local government rates have been rising well in excess of the rate of inflation.
- The Resource Management Act is unwieldy and costly and compliance with it has become a bureaucratic nightmare.
- Councils rely on prescriptive controls rather than efficient outcomes.
- The power of general competence is being abused as local governments run businesses and increase taxes to deliver social welfare.
- Money wasted on grandiose expenditure projects that would be better done by the private sector.
- There is a reluctance to define core activity.
- Vulnerable to interest group capture. Special interest groups get money for programmes yet everyone ends up paying for them
- Dictatorial powers that remove freedom and choice
- Conflicting roles and responsibilities.
- A lack of technical competence within councils.

Local governments need to change, and to do so quickly.

Principles

Focus on Core Activity

- Commercial activities are best performed by the private sector because they have more incentive to innovate and deliver better services. Local government should progressively shed ownership of its commercial activities.
- Local government should be confined to the core activities that produce general public benefits, such as regulation, flood control and roads

Transparent and Unbiased

- The bias against development held by many councils is stifling innovation and growth
- Councils capture by narrow interest groups (e.g. anti-motorist groups) is unfair to all.

Quality of Outcomes

- Clearly specified objectives produce better outcomes than prescriptive regulatory controls.

Policy Detail

- Local government will be required to shed its commercial activity, thereby eliminating the need to separate regulatory and commercial functions between local and regional councils.
- Roads and piped water will be supplied on a fully commercial basis.
- Abolish the local government power of general competency.
- Require councils to focus on their core functions.
- Ensure there is much greater scrutiny of regulations that undermine property rights.
- Promote contracting out of many council services.
- Lower the cost of complying with the Resource Management Act and other regulatory regimes.
- Review the two-tier structure of local government.

If you believe that your rates are too high and local government spends your money wastefully, then give **ACT your Party Vote.**