



Cabinet Economic Growth and Infrastructure Committee

In Confidence

EGI Min (09) 6/10

Copy Number:

Minute of Decision

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Improving Local Government Transparency, Accountability and Fiscal Management

Portfolio: Local Government

On 8 April 2009, the Cabinet Economic Growth and Infrastructure Committee:

- 1 **noted** that to implement the government's priorities outlined in the Speech from the Throne in local government, work will be undertaken on:
 - 1.1 Auckland governance;
 - 1.2 a clearer process to determine the allocation of functions and costs between central and local government;
 - 1.3 local authority decision-making, transparency and accountability;
- 2 **noted** that while the Local Government Act 2002 (the Act) seeks to promote transparency and accountability in local government, in practice few new mechanisms have been introduced to apply those principles;
- 3 **agreed** that the Department of Internal Affairs review the transparency, accountability and financial management mechanisms within which councils make decisions;
- 4 **noted** that any proposed changes should also apply to Auckland local government, unless there are sound reasons for it not to, and that this work will be adjusted to address any relevant matters raised by the Royal Commission on Auckland Governance;
- 5 **noted** that, in the course of this review, other minor changes to the Act that will advance the government's policy agenda, or lower local government compliance costs, may be identified;
- 6 **noted** that no public discussion document is proposed on these proposals, as public views are well known, but that targeted consultation will be undertaken;
- 7 **invited** the Minister of Local Government to report back to the Cabinet Economic Growth and Infrastructure Committee by 31 August 2009 with specific proposals to improve local authority transparency, accountability and financial management, and any other proposed minor changes to the Act;

- 8 **noted** that a bid has been made to include a Local Government Bill in the 2009 Legislation Programme;
- 9 **noted** that the Minister of Local Government will co-ordinate publicity on this work, and that the Minister intends to release the paper under EGI (09) 44 at an appropriate time.

Janine Harvey
Secretary

Reference: EGI (09) 44

Present:

Hon Bill English (Chair)
Hon Gerry Brownlee
Hon Dr Nick Smith
Hon Anne Tolley
Hon David Carter
Hon Tim Groser
Hon Steven Joyce
Hon Phil Heatley
Hon Kate Wilkinson
Hon Maurice Williamson
Hon John Carter
Hon Rodney Hide
Hon Peter Dunne

Officials present from:

Officials Committee for the Cabinet Economic Growth
and Infrastructure Committee