



JOHN ROBSON

on Tauranga City Council...

When I look at the 'Board' of Tauranga City Council, and compare it to a commercial board, there is one obvious difference - and that is the level of financial literacy.

In my professional experience, the majority of the board of a commercial entity of a similar scale to Council would have proven financial acumen.

Indeed, that would have been a key criterion in the appointment of board members.

Because, as I noted in 2013, if you don't understand finance, then the quality of your decision-making is compromised.

Now, in my first 'column' (July 15) in this series, I promised evidence.

And this week, on SunLive, there was a story on some claims made by three Councillors, which, in my opinion, provides evidence for my concerns re financial literacy.

In an advertorial, it was claimed that "... many Councillors campaigned on the platform to reduce the rates - and that

has been achieved with the debt/revenue ratio currently estimated at year-end to be 197%. This is a reduction from the 244% at the start of the term of this Council".

This statement is wrong in both fact and inference.

- Rates have not been reduced
- A change to the debt/revenue ratio is not definitive evidence of a rate reduction

And while there has been a muted and grudging "back-down" by two of the Councillors, the author of the advertorial maintains they have done nothing wrong.

Which goes some way to explaining the results of the 2016 "Who Do We Trust" report from Victoria University's Institute for Governance and Policy Studies - which indicates that the level of trust in local government is low - and has fallen over the last three years.

It doesn't have to be this way.

John Robson