

# (Derby, M., 2015)

Story: Local and regional government

## Page 5. Reforming local government

### Community services

From the 1970s local and regional, as well as national, government was obliged to respond to increasingly well-organised and vehement community-based campaigns over many of their policies and decisions. Partly as a result of this grassroots activism, city and town councils expanded to provide a range of community activities and services. The first Citizens Advice Bureau opened in Auckland in 1970, and others followed to form a nationwide network. Pensioner housing, crèches, community centres and adventure playgrounds became part of the urban landscape, and councils developed close links with community welfare programmes.

### Local Government Act 1974

The Local Government Act 1974 was a systematic attempt to rationalise the host of fiercely independent local government bodies. It abolished the historic distinction between urban local authorities (boroughs and towns) and rural authorities (counties), placing both systems under a network of united councils. As towns and boroughs expanded to absorb their surrounding rural areas, it was no longer necessary to transfer the newly acquired land from the county to the urban local authority. The two types of local authorities were finally given identical voting rights. The 1974 act also gave increased powers to the Local Government Commission.

### Bringing it together

Brian Elwood was chair of the Local Government Commission during the dramatic amalgamations of the late 1980s. These included combining the various councils in the lower Hutt Valley into one, despite strong local opposition. Elwood said, 'In order for a community's history to be preserved, it is no longer necessary for that community to be serviced by an ... independent service organisation',<sup>1</sup>

### Reforms of the late 1980s

The fourth Labour government, elected in 1984, and its immediate successors, implemented the most sweeping reforms of local government in more than a century.

Labour had not offered voters a detailed manifesto for local government, and instead developed its proposals during its first term of office. It revised the Local Government Commission into a board appointed by the local government minister, Michael Bassett, a former Auckland city councillor. Only a majority vote by residents and ratepayers could overturn the board's recommendations. In 1989 around 850 single- and multi-purpose local bodies were consolidated into 86 multi-purpose local authorities, including regional councils with broad environmental responsibilities.

In this period central government services were restructured on the basis of neo-liberal economic theory, and local authorities faced similar restructuring. In the past an elected mayor and councillors

5<sup>th</sup>

had controlled both the long-term policy and day-to-day operational functions of their local authority. The town clerk and city engineer were typically the most important paid employees, respectively responsible for administration and infrastructure. From 1989 a non-elected chief executive officer became the employer of staff, leaving elected councillors to focus on policy. The commercial operations of councils were separated from their non-commercial activities and run as Local Authority Trading Enterprises.

## New financing for local bodies

The Local Government Amendment Act 1996 introduced new and more rigorous financial management of council activities. The Local Authorities' Loans Board was abolished, allowing local authorities to borrow directly from banks and financial institutions. They were required to prepare and follow long-term financial strategies – 10-year plans outlining their expected income and expenditure. As part of the move towards greater fiscal responsibility, many councils switched from charging a single sum per property in rates, to individual charges for specific services such as water supply, libraries or waste treatment.

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### Footnotes:

1. Quoted in Susan Butterworth, *Petone: a history*. Petone: Petone Borough Council, 1988, p. 243.

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