Embedding Community Governance: Could New Zealand Local Government Become a World Leader? A conversation starter

By Peter McKinlay

Introduction

This note is intended as a conversation starter. Its focus is the future for local government in New Zealand as central government introduces a series of major reforms which will remove a substantial part of current core activity from local government, especially territorial local authorities, that part of the sector which has the primary responsibility for local service delivery.

Local government reform is part of a wider program of central government led reform focused on well-being and the role of communities. As an example New Zealand’s health and disability sector is currently being restructured with the objective that it should be community-led. This shift in policy, within a country whose public sector has traditionally been very top-down, raises important questions about the role and place of community, questions which are coming to the fore not just within New Zealand but internationally.

The reform process opens up a real opportunity to think about what New Zealand’s communities need from local government and local governance. It’s a great chance to stop, think, and learn from how local government and local governance has evolved in other developed country jurisdictions.

New Zealand’s local government reform provides an opportunity to compare and contrast two different approaches to community governance; one, the emerging New Zealand approach, which starts almost with a clean sheet exploring how to enable strong communities of place able to take an holistic and inclusive approach to shaping their preferred futures, and the other, common in other developed country jurisdictions, which starts with building on long-established practice of working with community organisations as a primary means of developing a practice of community governance.

The scene has already been set for doing this. The New Zealand government has instituted a review of, and local government is in any event looking closely at, what the future for local government should be post-reform (the review is being undertaken by an independent panel known as the Future for Local Government Review Panel). At the heart of the review, and of many councils’ own considerations, is the question of how councils work with their communities, and what role councils should play in helping the communities they serve shape their preferred futures.

It’s a break with the past and raises some fascinating questions not just about the nature of change, but what’s involved in building closer relationships, understanding how to identify and work with communities, navigating the maze of interrelationships which central government agencies have with each other and with service deliverers... It inevitably places the spotlight on traditional bureaucratic value values of commonality of entitlement and service delivery on
the one hand and the inherent diversity of circumstance and preference amongst the many different communities which make up any society.

**Context**

The past 30 or so years have been characterised by major swings in central government policy in relation to local government, with the pendulum moving from a strong emphasis on community, to treating councils primarily as local infrastructure companies, and then back again. Consistent, however, through this period and indeed the whole history of local government in New Zealand have been to realities. The first is that local government has had no or minimal responsibility for delivery of major social services. This contrasts with local government in the rest of the developed world where it is very common for councils to be responsible for the delivery of significant parts of major social services. The second is that New Zealand’s style of government has been inherently centralist and top-down with most decision-making concentrated at the heart of government, a culture and understanding which makes shifting to a more community focused approach particularly challenging.

In jurisdictions where major social service delivery is part of the role of local government, there is a natural and indeed necessary reason for councils to be very closely involved with a wide range of interests within their communities. Often these will be individuals or entities in the Voluntary, community and social enterprise sector (as it is known in the UK) simply because those individuals or entities are an important part of the delivery network through which councils work. In New Zealand there is no such imperative and as a consequence much less involvement between councils and communities/community groups.

**Opportunity**

From preliminary scoping for this note, it is obvious there is a great deal which New Zealand councils can learn from their counterparts internationally around working with and enabling strong communities. Perhaps paradoxically though, the very fact New Zealand councils have had so little reason for working with their communities may turn out to be a strength which could propel New Zealand into world leadership in council facilitated community governance. We've already had exchanges with a number of colleagues in other jurisdictions which suggest this possibility could turn out to be real, and make a very valuable contribution to thinking and practice globally.

At the heart of this opportunity is one question we are very keen to explore with people from other jurisdictions. As discussed later in this note, there is much evidence that in jurisdictions where councils play a significant role in major social service delivery, engagement with communities is treated primarily as engagement with existing community organisations. Enabling strong communities of place is arguably a very different approach and one which is much more consistent with values of community governance.

**Some scene setting**

Despite New Zealand councils generally being treated primarily as though they are local infrastructure companies with some regulatory and local arts, culture
and recreation activities added on, New Zealand councils have what in all likelihood is the strongest statutory mandate in the developed world for the promotion of local democracy.

The statutory purpose of local government is a combination of enabling local democratic decision-making and action by and on behalf of communities and promoting community well-being (economic, cultural, social and environmental) now and in the future. That purpose is reinforced by a separate provision stating that the role of a local authority in relation to its district or region is to give effect to the purpose of local government.

Community well-being, and indeed well-being generally, is rapidly becoming the principal focus of public policy. This has resulted in the New Zealand government adopting a well-being budget, an initiative which requires departments to justify their spending proposals in terms of the anticipated impact on well-being, and the way in which community is now becoming focus of specific central government policy initiatives. The most prominent currently is a major reform of New Zealand’s health and disability sector with the purpose that it become a community led sector (although as yet without any clear definition of what that might mean).

The Review Panel has just released its interim report the purpose of which is to set out what it sees as the priorities for the review and how it intends to work. It’s placing a very strong emphasis on community governance as a couple of extracts will demonstrate. First, it has drawn a sharp distinction between local government and local governance

Next, the Panel has made it clear it sees the review as an opportunity to rethink the nature of local governance, stating:

It is an opportunity to look beyond fixed structures and roles, to design a system of local governance that is built on relationships; is agile, flexible and sustainable enough to meet future challenges, even those that are large and unpredictable; has the right mix of scale and community voice; harnesses the collective strength of government, iwi, business, communities and others; maximises common benefit and wellbeing; and creates the conditions in which communities can thrive into future generations. Nonetheless, we see opportunities for immediate steps that can benefit the local governance
system and local communities while paving the way for future reform. These include opportunities to build capacity and trust among partners in local governance, to strengthen innovation across the local governance system, and to leverage existing local government strengths.

The Panel’s terms of reference require it to deliver a draft report on 30 September 2022 to enable public consultation, and to present its final report to the Minister for Local Government on 30 April 2023. Unusually for a government established Review, the Panel recognises that there is much change which could start being developed immediately and is encouraging local government to do so, stating:

Nonetheless, we see opportunities for immediate steps that can benefit the local governance system and local communities while paving the way for future reform. These include opportunities to build capacity and trust among partners in local governance, to strengthen innovation across the local governance system, and to leverage existing local government strengths.

A number of councils have already decided that, rather than wait for the final report from the Review Panel, they should be looking now at how they can best shape their own futures as enablers of local governance. The Review Panel in its interim report has endorsed this approach, stating “we see opportunities for immediate steps that can benefit the local governance system and local communities while paving the way for future reform. These include opportunities to build capacity and trust among partners in local governance, to strengthen innovation across the local governance system, and to leverage existing local government strengths.”

The various policy initiatives which central government has been taking, and the imperative councils now face to consider what their future role should be, have together set the scene for what could be a highly innovative period of rethinking, at the level of individual councils, of the nature of local government and local governance and how councils best serve the interests of their communities.

**Enabling resilient communities: some Immediate Questions**

Some general points of understanding about future direction have already got reasonably widespread acceptance. The first is that when councils think about empowering communities, they’re really thinking about communities of place (among other things this is consistent with the centuries-old practices of New Zealand’s indigenous population, Maori). Next, they are also thinking about inclusiveness especially as problems of social exclusion are highlighted by the ongoing impact of the Covid 19 pandemic.

Beyond those points much is yet to be decided; indeed the questions councils need to ask are still to be determined. There are a number which are bound to arise. The first is how does the council recognise a community? A further question which extends to the whole role and purpose of local government is the nature of the mandate for local government and local governance. Is the

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1 Currently, a number of New Zealand councils have what are known as community boards which are an elected form of sub-council governance whose purpose is primarily to act as advocates to the council on behalf of the community within statutory boundaries which are all determined by the local government commission (a statutory entity whose role includes determining council boundaries following a set of statutory criteria which don’t necessarily have anything to do with residents’ understandings of what community they live in).
mandate derived primarily from statute - in the developed world councils are typically constituted in accordance with legislation specific to local government - or is it something inherent; a natural imperative within communities to want to exercise choice about decisions which affect their place?

The former, the statutory mandate approach, is easy to understand. Governments legislate (sometimes constrained or required by constitutions as for example in US and Australian states) and councils have whatever powers the legislation confers on them. The idea of an inherent mandate is more complex in large part because there is no specific document or documents which underpin the concept of inherent mandate. Communities of place, often relatively small, have always sought to assert opportunities to share in determining the decisions affecting their place (the historical reality of course is that often the assertion was by local elites of one kind or another, rather than by the community as a whole).

In New Zealand, and presumably other jurisdictions as well, this distinction matters not so much in terms of the formal powers of councils as it does in terms of how people think about where decisions are best taken. The statutory approach implies government has the right, whenever it sees fit, to intervene in local government, changing its powers to suit government’s purposes. The inherent mandate view implies that the power to change the role and powers of local government should be regarded as primarily vested in communities.

**The New Zealand Point of Difference**

New Zealand councils as they explore what it means to understand their primary role as one of working with and enabling strong communities (consistent not just with current policy changes but with the purpose and role of local government set out in their enabling legislation) are very aware there is a relative dearth of experience within New Zealand, but a real depth of experience in other jurisdictions, some within and some outside the formal structures of local government and local governance.

As a result, there is now a very real interest in learning from the experience of councils and others in jurisdictions where working more closely with communities has been part of practice for many years. An excellent illustration of just how deeply embedded practices of engaging with communities has become is found in a recently released report from Portland State University’s Hatfield School of Government: Building Local Government Capacity for Community Engagement: a Survey of the Field of Practice in Oregon. Although the title implies the focus is purely Oregon, the report itself is a tour de force of the experience and practice of community governance across the United States. The introduction to the report observes:

> The report places Oregon within a larger comparative context. Intentional efforts to strengthen government capacity for community engagement occur worldwide. Over the past two decades, a growing field of study and practice has sought to describe and categorize these efforts, and to understand the factors that make them successful.

The PSU report is just one of a number of recent reports which detail practical experience of engagement between councils and communities. Another which puts a strong emphasis on the role of councils in enabling communities is the recent report from the Association for Public Service Excellence’s local government commission
2030, Local by Default, which seeks to provide a comprehensive overview of changes required to enable local government in England to realise its full potential.

One strong theme which emerges from the PSU and APSE reports, and many other recent reports from think tanks looking at the role of local government and the relationship between councils and communities, is that working with communities is understood in practice to mean working with various community bodies. This seems to be the result of the way relationships between councils and their communities have been built up over many years through councils’ service delivery roles. There’s been by contrast relatively little if any experience of working with communities in the sense of working with communities of place.

This seems to be despite the emphasis in the work of a number of high profile think tanks on the importance of ‘voice choice and control’ for communities over decisions which affect their place. Two good examples of this are the think tank Locality’s report “People Power Findings from the Commission on the Future of Localism” which emphasised the importance of localism being understood as about voice choice and control, and the rationale behind the Carnegie UK trust’s adoption of democratic well-being as one of its four well-being domains, described on its website homepage as “Democratic wellbeing: We all have a voice in decisions that affect us.” In discussion with the trust’s lead on well-being work the reason for adopting democratic well-being as one of its four domains was that in all of the trust’s work across the UK and in Europe, people having a voice in decisions that affected their place was an important element in community well-being.

New Zealand local government is free of the significant and interlocking attachments which councils in most other jurisdictions have with different community organisations within their districts. What might be seen as a weakness through some eyes becomes a strength when looked at in terms of a council’s ability to focus on enabling communities of place.

New Zealand’s point of difference in enabling strong (resilient) communities is that both current policy settings from central government, the growing emphasis on well-being, and the lack of any strong tradition of how to work with communities collectively clear the way for councils to focus specifically on empowering communities of place.

It’s a contrast with what appears to be the case in virtually every other developed country jurisdiction. This should mean that as New Zealand councils embrace the future of enabling strong communities of place, within a context of promoting community well-being, they could become an international model for the practice of local governance. At the very least, New Zealand provides an opportunity to compare and contrast two different approaches to community governance; one which starts almost with a clean sheet exploring how to enable strong communities of place able to take an holistic and inclusive approach to shaping their preferred futures, and one which starts with building on long-established practice of working with community organisations as a primary means of developing a practice of community governance.

Among the potentials for what looks likely to become the New Zealand approach are:
• The opportunity to foster and enable a sense of place within individual communities including building a practice and culture of horizontal engagement (most engagement involving communities is vertical engagement - entities, typically councils and government agencies, seeking to have conversations with individuals or organisations within the community but without those individuals or organisations themselves interacting with their fellows to determine whether (what) community consensus exists).

• Building a set of arrangements able to take an holistic approach to dealing with the many and diverse issues characteristic of most communities thus avoiding the silo approach typical of traditional policy-making around service delivery.

• Facilitating inclusiveness - a real danger with an approach to working with communities which defaults to working with existing community organisations is that the people who may be in the greatest need are those who are least likely to have voices within established community organisations. This may be especially important when dealing with complex issues which are best handled through a ‘whole of community’ approach. This includes issues such as loneliness, social dysfunction and how to build a consensus which requires serious trade-offs between different major priorities such as, for example, the balance between maintaining an acceptable level of public services, and a government’s ‘social licence’ to raise the required revenue.

Cross-country collaboration

The purpose of this note is to start a conversation about the nature of community engagement, community governance and community empowerment. The hope is to build on the difference between New Zealand local government’s current relationships with the communities it serves and the way relationships in other jurisdictions function and what this means in turn for enabling community governance.

There is much for New Zealand to learn from others and for others to learn from New Zealand as the importance of enabling the voice of communities becomes ever more pressing.

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