An exploration into the local government-central government relationship

Prepared for: The Panel for Review into the Future for Local Government

December 2021
Contents

This report provides a glimpse into how people are experiencing the local government-central government relationship in their current roles. The participants of this research all had extensive careers, with most having both central and local government experience.

This report aims to do something a bit different and refresh the thinking for the Review Panel about this long-standing challenge. We hope the style of presentation gives food for thought, a new perspective and sparks some creative problem solving.

The report structure is:

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Disclaimer

As with all qualitative research, this is a subjective process and we, as ThinkPlace researchers, were the creators of this final narrative. We employ a reflective practice that helps reduce bias and to ensure that what we heard is reflected respectfully and fairly. This report is but one point of view expressed in a particular way – there are many truths. The views expressed in this report are not necessarily shared by the Review Panel.

Acknowledgements

We would like to acknowledge the help of the Panel and the Panel team in quickly identifying the long list of participants for this research. This was a massive effort to bring this research together in a short timeframe, during lockdowns and before Christmas.

We would especially like to thank each of the 17 participants who kindly gave us an hour of their time to share their thoughts so freely and frankly. We treasure your stories. Thank you for leaning in.

Ngā mihi nui ki a koe
BACKGROUND

A review into the future of local government is underway with a purpose to identify how our system of local democracy and governance needs to evolve over the next 30 years to improve the wellbeing of New Zealand communities and the environment, and actively embody the Treaty partnership.

The Minister of Local Government is seeking recommendations from the Review that look to achieve:

- a resilient and sustainable local government system that is fit for purpose and has the flexibility and incentives to adapt to the future needs of local communities;
- public trust/confidence in local authorities and the local regulatory system that leads to strong leadership;
- effective partnerships between mana whenua and central and local government in order to better provide for the social, environmental, cultural, and economic wellbeing of communities; and
- a local government system that actively embodies the Treaty partnership through the role and representation of iwi/Māori in local government, and that seeks to uphold the Treaty of Waitangi (Te Tiriti o Waitangi) and its principles through its functions and processes.

An interim report entitled, Ārewa ake te Kaupapa | Raising the platform, reflects early and key learnings from across the sector. In that report, some of the key tensions noted were:

1. The current system of local government is under pressure – some local authorities face significant funding and capacity issues, and all face onerous compliance requirements.
2. The relationship between local and central government is characterised by misunderstanding and mistrust. It needs work to build trust, so both can maximise their contributions to local wellbeing.
3. Current arrangements place too many consultation and engagement demands on iwi and Māori without improving Māori wellbeing.
4. Current arrangements do not ensure that diverse communities are adequately represented or involved in decision-making. As a result, local authority decisions do not effectively represent all community interests.
5. Current approaches to local governance are not fully meeting business sector needs or effectively fostering innovation at a local level.

There have been long-standing tensions in the relationship between local and central government, with many anecdotes and negative characterisations that persist and are now viewed as entrenched, intractable beliefs.

To explore more about this (contentious) relationship between local and central government, ThinkPlace was commissioned by the Review team to do some insights research with a small, purposive sample of government officials, iwi leaders and employees. The Review team wanted to hear firsthand about these tensions in more detail and explore the impacts and experiences on some key people across the sector.

The findings of the research are summarised in this report. The insights will also be used in upcoming wānanga | workshops where attendees can grapple with these findings and explore new ideas.
RESEARCH METHOD

Setting intent and the research aims

The Panel team, facilitated by ThinkPlace, articulated the main aims of the research. The guiding statements for us were:

- To illuminate some of the entrenched beliefs about the relationship between local and central government
- To find a way to workshop these insights to create new solutions for change
- To surface a deeper understanding and help unlock those “stuck” problems towards transformational change
- Nudge the conversation past some of the established ideas of what could solve the problem
- Present the insights in a way that will have “cut-through” and provide fresh perspectives for the Panel to ponder.

Participant sample

The Panel team put together a potential participant long-list. This list comprised known officials who are either in central or local government, who are iwi leaders, or are central or local government employees. This list was gathered based on those who have had extensive experience, but also represented a geographic spread, different ethnicities, and genders.

The participants were invited by the Panel team, but ThinkPlace took over booking the interview appointments. That way, no one within DIA or the Panel team ultimately knew who was included in the final sample and who was interviewed.

Seventeen people were interviewed. The participant sample was skewed towards most being currently in local government roles. However, about half of the participants had also had extensive career experience in central government.

It is unknown why more local government invitees accepted the offer for an interview than central government candidates, but it’s likely the subject matter was more topical to people in local government. However, this participant sample was well-matched to the line of inquiry and fit the purpose that the Panel aspired to learn from. The sample included:

- From the South Island (6)
- Women (9)
- Māori (5)
- Current role in a local/regional government or iwi (13)
- Front line roles (4)
Interview technique

ThinkPlace and the Panel team co-designed the interview conversation guide. The interviews were semi-structured allowing the participants flexibility to tell us their story within a guided framework. Before the interview, an email was sent to the participants outlining the questions at a high level.

The main aim of the conversation was to get to a deeper level than the political and/or decision-maker opinion/advice level and to instead explore personal experiences about, and the impacts of, the relationship tensions between local and central government. The interview approach was to ask for some “gut-level” feeling words and to ask some creative questions such as, “How would you personify local government? Central Government? And how might those characters interact?” This was meant to move people into a different thought process to “humanise” the issues and to bring in some emotion rather than just thoughts/opinions.

All participants were interviewed via Zoom. With permission, the interviews were recorded for ease of analysis and to capture direct quotes.

A note on privacy and quotes

Due to the nature of the inquiry, we promised all participants they would have anonymity to speak freely. Therefore, all participants will be mentioned by number only with no identifying information. Where possible, quotes are verbatim. But to help readability, some quotes have been paraphrased.
FINDINGS

To “humanise” the findings for the Panel and to get to a deeper understanding of the relationship as requested in the project’s intent, the analysis team viewed the participant stories in the context of some local government (LG) and central government (CG) relationship dynamics.

To begin our analysis, we identified some of the critical elements of a good relationship:

<table>
<thead>
<tr>
<th>Communication</th>
<th>Partnership focused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Showing up/being present</td>
<td>Having a shared vision</td>
</tr>
<tr>
<td>Listening</td>
<td>Having belief in someone</td>
</tr>
<tr>
<td>Empathy</td>
<td>Commitment</td>
</tr>
<tr>
<td>Respect</td>
<td>Balance</td>
</tr>
<tr>
<td>Trust/safety</td>
<td>Support</td>
</tr>
<tr>
<td>Equality</td>
<td>Upholding mana</td>
</tr>
<tr>
<td>Conflict resolution skills</td>
<td>Care</td>
</tr>
</tbody>
</table>

Interestingly, many participants spoke about the relationship with similar language, or they would begin a sentence with words like, “As for any relationship…” or “Like most relationships…” and they would describe some of the factors listed above and how this impacts their interactions between LG and CG. When those good relationship elements are violated, tensions arise, and trust gets shaken.

To provide an overall sense of the participants’ mindsets, the following table summarises each participant’s thought or two. Note that some are direct quotes, but some statements are paraphrased or summarised by the analysts.

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Central government has no natural relationship with local government.</td>
</tr>
<tr>
<td></td>
<td>There is a ‘central government knows best’ vibe and they have made up their mind.</td>
</tr>
<tr>
<td>2</td>
<td>All services get delivered into local communities, with place at the centre.</td>
</tr>
<tr>
<td></td>
<td>Aligned objectives and appreciation of what it takes to jointly deliver is missing.</td>
</tr>
<tr>
<td></td>
<td>The speed of change is just mind-blowing now.</td>
</tr>
<tr>
<td>3</td>
<td>There are different drivers that get in the way. Central government must please upward</td>
</tr>
<tr>
<td></td>
<td>whereas local government focuses on the community and getting the most out of limited</td>
</tr>
<tr>
<td></td>
<td>resources. Central government acts superior to local government.</td>
</tr>
<tr>
<td>4</td>
<td>We are in the middle of a perfect storm; it just keeps coming at us every day. We are</td>
</tr>
<tr>
<td></td>
<td>exhausted, tired, fatigued.</td>
</tr>
<tr>
<td>5</td>
<td>It’s like the left hand doesn’t know what the right hand is doing.</td>
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<tr>
<td></td>
<td>Central government always seem to create new instead of looking to what exists and going</td>
</tr>
<tr>
<td></td>
<td>from there.</td>
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<tr>
<td></td>
<td></td>
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<td>---</td>
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</tr>
<tr>
<td><strong>6</strong></td>
<td>My biggest fear is by continuing to centralise there is nothing left for local government. My job is to pass empathy and understanding both ways. We don’t know if we’re being hugged or suffocated to death.</td>
</tr>
<tr>
<td><strong>7</strong></td>
<td>Local government is community minded and central government is policy minded. Being in central government is easier for decision makers – they have more mandate and power. It feels like we’re just on the receiving end in local government.</td>
</tr>
<tr>
<td><strong>8</strong></td>
<td>The lack of trust shuts down any meaningful conversation. You cannot divorce local government from central government – they are the same.</td>
</tr>
<tr>
<td><strong>9</strong></td>
<td>Decentralised local governments are inefficient. Local governments do a staggering breadth of work. The demands from central government are huge without support.</td>
</tr>
<tr>
<td><strong>10</strong></td>
<td>What’s seen to be done by central government is more important than what’s getting done. This review implies there is something wrong with local government only.</td>
</tr>
<tr>
<td><strong>11</strong></td>
<td>Central government has a lack of understanding of local government’s role. Local government works better with crown entities as they have an appreciation of delivery and seem to have higher trust in one another.</td>
</tr>
<tr>
<td><strong>12</strong></td>
<td>It works best when central government understands they don’t have to take the lead role all the time. They have other roles of value, and true co-design is needed to address the big adaptive challenges we are all facing.</td>
</tr>
<tr>
<td><strong>13</strong></td>
<td>The frustration is such that I’ve done enough head banging. I need to shift to where I can make a real difference, which is not in local government. Each has different masters; local government is driven by community, but central government impose priorities that aren’t tailored to local need.</td>
</tr>
<tr>
<td><strong>14</strong></td>
<td>The communities at the local level should be feeding into the central government, not the other way around.</td>
</tr>
<tr>
<td><strong>15</strong></td>
<td>Middle management close the doors and some of the ‘lifers’ need to retire. It can be a rollercoaster; high when winning then slammed down to earth and the door slammed in your face.</td>
</tr>
<tr>
<td><strong>16</strong></td>
<td>Central government is paternalistic towards local government. Local government must respond to central government because they hold the purse strings. Local government could use some capability and capacity building to run big projects effectively.</td>
</tr>
<tr>
<td><strong>17</strong></td>
<td>Local government is close to the community, so we need that strong engagement in the regions. But there are way too many local councils, so if there was less local government it would be easier. There is a lot of misalignments between LG and CG.</td>
</tr>
</tbody>
</table>
Insights into the relationship; a deeper glance into the dynamics

We asked people to talk about the relationship dynamics in depth, using examples, and this section is a summary of the salient things they told us. During the analysis, we kept this question in mind: what does this mean for the relationship?

We would like to underscore our view that if the Panel wants to transform the relationship, we believe in the need to uncover the fundamental beliefs about the relationship, and then explore how to challenge, and ultimately change, those long-held viewpoints.

From a system’s change perspective, mindsets are a critical factor to explore and consider. If left unchallenged, they become major blocking conditions to the system working optimally or can even prevent system change altogether. Our behaviour follows from our beliefs and biases, which is why it’s worth exploring mindsets before attempting to change the system. Often, change agents only stay at the “explicit” level described in the FSG’s model below. Note that transformative change requires shifts in mental models, along with relational changes and the equalising of power dynamics.

Six conditions of System Change

FSG’s The Water of Systems Change by Kania, Kramer and Senge, June 2018
Mindsets and beliefs

Some of the mindsets of the participants are summarised in the following paragraphs.

CG in the regions isn’t the same as "Wellington"

We heard that the regional relationships with CG are better than the Wellington ones, and in fact, some said that Wellington is distinct and shouldn’t be lumped in with the operational, regional arms of CG when exploring the relationship tensions. There is a shared kaupapa in the regions, and more community knowledge, with both being more operational rather than policy-focused like Wellington. Some participants in LG felt essentially ignored by Wellington, or that Wellington CG was just aloof and distant in general.

"Wellington talks a big game, but don’t really collaborate."  (P09)

The best people go to Central Government

Participants who had worked in CG then went to LG roles felt the sting of the perception that LG people are not as smart or skilled as those in CG, or LG are “2nd tier” to their CG counterparts. Very intelligent, senior people described this feeling of inferiority when moving to (usually very senior) LG roles.

There were also comments that LGs struggled to have the capability and capacity necessary to undertake significant projects, particularly within the smaller councils. One CG participant said, “We’d fund projects where there is better capability.”  (P16)

Why is local government the only one being reformed?

The act of LG reform implies that it alone needs fixing, whereas some expressed to us that the whole of government needs reforming. One frustrated participant remarked, “A local government review is the stupidest thing I’ve heard of”  (P10), noting they agree reform is necessary, but not solely in local government.

In general, the LG participants were not in denial that LG needed to change or improve, but they highlighted that they are not the only ones that need to transform to realise a better future. The participants want to ensure the future isn’t just placed on local governments to change. The same participant as above summed this up by saying, “We need a future of our communities, not the future of local government.”  (P10)

Another participant who was pro-change said, “It’s past its used by date – we need to do it right, though, and take the people with us.”  (P02)
“The breadth of what local government does is staggering.” (P09)

Regardless of where the participants work, they often spoke about how much LGs do. Two participants used the phrase, “working on the smell of an oily rag” to describe how LGs run. Another one referred to LGs as “scrappy”, meaning having to putting things together from the little resource they have, often celebrated as “number 8 mentality” but in effect delivering low-quality solutions as a result.

The participants noted that LGs must do a huge range of things in a reactive environment with severe pressure, whereas CG agents have more time to be specialised and sink their teeth deeply into one or two things. This situation could lead to a “Jack of all trades, master of none” scenario and perpetuate the stereotype that LG workers are generalists and less skilled than CG workers who are specialists in their areas.

In addition, LGs must prove what they’re doing for CG reporting requirements, which were described as overly demanding. This contributes further to the power imbalance felt at the local level and it heaps on lots of work.

**CG policymakers are more theoretical and don’t understand what it takes to do something on the ground, and CG is out of touch with local priorities**

This notion is working at odds – LG is closer to communities and the resident issues whereas CG is more theoretical and removed. We heard that theory and policy are more “malleable” when carried out in the communities, whereas CG approaches things more rigidly. One commenter said, “…the policies and laws of CG aren’t grounded in reality.” (P13)

The participants said that essentially everyone is trying to achieve the same goal of doing what’s best for people and that most public servants are trying to make a positive difference in the world. However, LG is more “in tune” with their communities. We heard, “Local government thinks, ’What’s good for our city?’ whereas central government thinks, ’What’s good for NZ as a whole?’” (P07). Another described this as a difference in priority setting, with LG setting local priorities and CG setting national ones. But the question is then, who decides what the top priorities are for everyone? We also heard that, “CG imposes the priorities onto the LGs, and if LG doesn’t work with those priorities, they’re non-compliant.” (P13)

Another participant said that while usually there is generally a good, shared intent, tensions are created because LG is trying to provide the human-level insights to CG, but those get outright dismissed for the bigger, broader outcomes that CG is trying to achieve.

**LG and CG have different masters**

Closely related to the above is the idea that LG and CG have different “masters”; LG works for the community ratepayers and CG works for the Minister. One person told us that, “Our ratepayers don’t
**Want sector improvement** (P09), highlighting that it’s difficult to achieve change when one gets pressure from the local community. However, we also heard that LG has more control to act quickly in their communities and be more flexible, whereas CG can’t act as easily.

Despite having common goals, the shared drivers of LG and CG are significantly challenged because they work to please different people, and that “…the goal of a CG politician is to stay in power.” An iwi representative pointed out that, “All politicians come with their own agendas” (P08), regardless of whether they are LG or CG.

**CG has the power to stop an initiative in its tracks**

For LGs, this might mean projects that have been carried out over many months or years, involving relationship building with key partners, with iwi and with community, get canned overnight. Further, LG participants described gathering evidence as to the need for something, or the continuance of a project, and then without consultation or questions, CG makes a decision that is counter to the evidence that they gathered. Frustratingly for some, this meant halting important wellbeing, environmental or economic development opportunities in their regions. This was sometimes attributed solely to the Wellington politicians’ lack of political will or fluctuating priorities. One participant admitted that while frustrating, they said, “Well, it’s just the reality of politics.” (P02)

**“It’s both better and worse than it has ever been.” (P06)**

Some commenters thought that the relationship had been improving, with one person saying that CG was getting better at listening and not having all the answers. Another described improvement overall but said, “The highs are getting higher, and the lows are getting lower.” (P05) Other participants voiced these extremes, often feeling just greater pressure in general with all the sweeping changes they’re dealing with.

One participant described the relationship at its best when CG teams come into the region and work side by side with them to tackle problems, “standing in the middle of the field with us.” (P01) However, the good work can run up against challenges when CG agents must stay in their own “swim lanes” and don’t have the mandate to work outside of their departments.

**Personifying the relationship**

To explore how the participants viewed the relationship between LG and CG with a bit more passion, we asked them to personify the two. We asked a question such as, “If LG/CG were a person, what would they be?” We wanted to ensure the participants accessed their gut instincts, so we attempted to shift them towards thinking creatively and emotionally about their experiences rather than just telling us about their restrained opinions on the topic.
<table>
<thead>
<tr>
<th>Central</th>
<th>Local</th>
</tr>
</thead>
<tbody>
<tr>
<td>A person in a business suit who is slightly arrogant, not listening and with fear-based ambition</td>
<td>A person with heart, connected to the community and listening</td>
</tr>
<tr>
<td>A person who is confused, inconsistent, unknown, anonymous but with the right motivation</td>
<td>High-profile, accessible, connected and who has a strong sense of ownership</td>
</tr>
<tr>
<td>An inflexible, well-meaning know-it-all who recognises they need to go to a psychologist because they haven’t reached their full potential as a human being</td>
<td>Pragmatic, well-meaning, short-term, and reactive and scrappy (e.g., scrapping to get the job done with few resources like no. 8 wire mentality) without as much expertise</td>
</tr>
<tr>
<td>A complex policy wonk who makes a difference</td>
<td>A listener – quite brave, reaching out, thick-skinned and time poor</td>
</tr>
<tr>
<td>An angry parent</td>
<td>A naughty, naughty child</td>
</tr>
<tr>
<td>A distant uncle, shows vague interest, zooms in for a hug then disappears</td>
<td>A 12-year-old who is an odd-child; nearly an adult one moment, confident with flashes of being older, but then seeks validation and approval</td>
</tr>
<tr>
<td>But Auckland Council is a 22-year-old who has moved out of home, who won’t be pushed around but needs a loan to buy a house and is frustrated they can’t be independent</td>
<td></td>
</tr>
<tr>
<td>A narcissistic, insecure bully</td>
<td>A beaten wife</td>
</tr>
<tr>
<td>A person with schizophrenia, disorganised, disillusioned, and patronising</td>
<td>A retired, European farmer with a desire to retain power</td>
</tr>
<tr>
<td>Goliath</td>
<td>David</td>
</tr>
<tr>
<td>Someone with multiple personalities</td>
<td>(Not answered)</td>
</tr>
<tr>
<td>Disconnected, aggressive, doing it to LG, destructive</td>
<td>Racist, colonising and in denial about their own abilities and has tunnel vision</td>
</tr>
<tr>
<td>Big picture thinker and parental; caring but not connected</td>
<td>High-profile, invested in the community</td>
</tr>
<tr>
<td>This person wears a suit and lacks emotion and sees the Minister as the person who is the most important to satisfy</td>
<td>A hard-working, under-resourced volunteer and neighbour who works to satisfy the community</td>
</tr>
<tr>
<td>A person who buffers</td>
<td>A change agent</td>
</tr>
</tbody>
</table>
Uncle Bill – we do it this way and don’t need to change; I know best
Some are amazing change agents.

A cool activist cousin, or an aunty in her 50s who wants the best but is scared
Or it could be a crazy, racist, awkward uncle who says embarrassing things

A coach, trying to encourage people to think and work like a team. Bringing expertise but does not do the doing

Joe Public; small, passionate, territorial, competitive (maybe a team member)

The Crown

A shape shifter

The personification exercise was useful to access deep feelings the participants had about the relationship. Clearly there are power dynamics at play (real or perceived), and it is curious how often people used words to describe the inconsistency of behaviour such as crazy, schizophrenic, shape shifter, confused. There are also nods here to how people might behave because of the unequal relationship dynamics, e.g., being a “naughty child”.

We believe these personified characters could be used by the Panel team to creatively consider and provoke. For instance, one could ponder questions such as...

- If these are the expressions of the relationship as it is, what characters would we like to see instead?
- Would we like to see less of a patronising relationship and more of a sisterly/brotherly or a tuakana/teina type of relationship? If so, how do we achieve that?
- What personifications would put people at their harmonious best?
- Are we okay with the characterisations as they are now? Do we just work with the dynamic as it is or try and transform it?
Descriptive word cloud

We asked people to describe the interactions between LG and CG in a word or two. Note that we took the liberty of summarising sentences into fewer words. The blues represent when the LG/CG interactions are at their best, and the reds are when it’s struggling. The lighter coloured text are the summarised concepts whereas darker are verbatim. Here is what they said:

collaborative
cross party support
tension
certainty
genuine co-governance
egos left at the door
built on trust
optimistic
change
respect
passionate
partnership
classroom buy-in
proud
hope
transformation
shared aspirations

disgraceful bun fight
reactive lack of understanding
siloed
apathe
motivated
arrogance
tension
certainty
egos left at the door
change
optimistic
genuine co-governance
frustrated
collaborative
fragmented efforts
cross team buy-in
consistent
positivity
change
optimistic
passionate
partnership
classroom buy-in
proud
hope
transformation
shared aspirations

contradictory
patronising
hierarchy
unfortunate
lack of empathy
policy focussed
fragmented efforts
cross team buy-in
consistent
positivity
change
optimistic
passionate
partnership
classroom buy-in
proud
hope
transformation
shared aspirations

delusional
patronising
hierarchical
fragmented efforts
politics
chasm
lack of empathy
lack of understanding
unfortunate
reactive adverse agendas
agendas
adversarial
hierarchical
variable
disenchanting
paternalistic

frustrated
PAIN POINTS

The following is a summarised list of the conditions we heard that get in the way of a good relationship between LG and CG:

- CG having the power to stop projects
- Lack of trust that LG can do its job
- Belief that LG is inferior, 2nd tier, under-skilled
- LG working for the community, CG working for the ministers
- Lack of a shared goal or shared vision
- CG having to stay in their “swim lanes” instead of working on a problem across silos
- Lack of rangatiratanga for Māori
- The dominance of the CG being Wellington-based and far away
- Fragmented efforts towards the goal
- Lower LG resources to do all the jobs
- Pressure on LG to report everything they’re doing to CG
- CG not having a good understanding of the communities
- Imposing too many rules, killing creative solutions to shared problems
- Individuals sticking to their own agendas
- Changing priorities, lack of clear priorities, lack of shared priorities
- Lack of empathy for the breadth of work being undertaken in LG
- Reactive environments for both LG and CG

To bring these pain points to life, here are two distilled scenarios that we heard. Note these are amalgamated stories to illustrate a point and to protect participant identities.

Amalgamated Story One

We heard from our LG participants that they might have a very pressing issue to solve or a great idea for development in their regions that requires multiple stakeholders and a massive investment of time and money. A project is put into place – CG agrees and/or funds, stakeholders are engaged, relationships are built, trust is growing, and hope is abundant. Pledges get made to the communities of interest and the stakeholders. The community is on board with the project, as there are many long-term economic and/or wellbeing benefits for people in the region.

Then unexpectedly, the project gets stopped by a CG agency for reasons that don’t fully make sense or are not carefully explained. It might mean that CG priorities have shifted, but LG is left holding the damaged relationships in the community, and furthermore, the project that was based on community need and desire hasn’t been realised.
Amalgamated Story Two

LG and CG have a shared problem and they plan to collaborate in the region rather than flying into Wellington. The LG entity is excited that CG representatives from a few different departments will be joining them in their community, and they believe that being on site will give the CG team the best view of the challenges they are trying to solve. Everything starts out well with the teams working shoulder to shoulder around a table, deeply examining the issue and bringing their best skills to work towards a solution.

But tensions arise for the CG team when some of the LG workers use their time together to bring up many of the concerns they face with CG, which seem to be a long list of things that are too complex to tackle on top of their current challenge. In addition, the LG team is frustrated by the CG team, who wear business attire to community events, making them stand out and having a sense of formality that isn’t great for rapport building, thus undermining a bit of community trust. Ultimately, the attempt at collaboration wanes because the problem is too complex, and it runs across too many CG departments. The CG team doesn’t really have the mandate to work cross-agency, leaving the LG entity with a bunch of great ideas, but nothing to implement that will ultimately help the problem.
THOUGHTS ABOUT A THRIVING FUTURE

At the end of the interview, we asked participants to reflect on ways it could be better. Sometimes participants described the elements of a functional relationship, and some gave opinions about more tangible aspects of a change process. Note that the comments also included their current experience of elements that work well; it’s not just an aspirational list.

The comments below reflect there is an appetite for change:

“We need to have a process that enables courageous and authentic engagement between governments and iwi.” (P08)

“The good relationship comes when leaders see a democratic action as by and for the people.” (P07)

“We would forget who we work for but know who we work for. We would just be working together.” (P06)

“You come and go in three-year cycles, but we [Māori] stay here forever.” (P02)

“I feel like government departments and councils together have the capacity for great things, yet we are not taking advantage.” (P05)

Relationship elements

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respect</td>
<td>Chewing the fat and naturally picking up the phone</td>
</tr>
<tr>
<td>Time to build a good relationship</td>
<td>Rangatiratanga for Māori</td>
</tr>
<tr>
<td>Having a strengths-based relationship</td>
<td>More appreciation of what we are all trying to achieve</td>
</tr>
<tr>
<td>Being prepared to listen to an opposing point of view</td>
<td>Different voices feel listened to and legitimised</td>
</tr>
<tr>
<td>A willingness to change</td>
<td>LG to not view CG as a threat</td>
</tr>
<tr>
<td>Courageous conversations</td>
<td>Challenge each other to do better</td>
</tr>
<tr>
<td>Conflict resolution, learning to cope with disagreements</td>
<td>Support</td>
</tr>
</tbody>
</table>

Tangible factors

<table>
<thead>
<tr>
<th>Element</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Iwi and community leading the charge and CG could act on what they learn (rather than the current model of the other way round)</td>
<td>Different ways of working/thinking to get the outcomes for communities</td>
</tr>
<tr>
<td>More role consistency</td>
<td>Resources aligned to implementation</td>
</tr>
</tbody>
</table>
An example of working with the natural relationship tension

Participants also spoke of the tension they experienced in the LG and CG relationship, and they expressed it in different ways. Some thought it was a negative tension while others saw it as a natural tension to be managed. One participant stated the natural tension results from, \textit{"The difference between national priorities and community priorities."} (P02) They went on to say that while the relationship dynamic can be disappointing at times, "It’s the reality of politics.” It can be useful to view the natural tension they described as a polarity. Polarities are situations in which both conflicting viewpoints are true.

While most participants could easily see the upsides (+) and downsides (−) of their ‘pole’, or position, in the system, and articulate the downsides of the other side’s ‘pole’ (LG or CG), only a few were able to clearly articulate the upsides of both. These people were able to do so as they had combined

| Focus on a shared outcome, having joint priorities, focus on common goals | Create a community-led CG partnership |
| Fewer local entities | Collaborative problem solving from the outset and at every step |
| Mana whenua first, then LG could come in | Integration and getting the best out of both systems |
| Use independent chairs for meetings | CG to have more expertise and to value working with LG more |
| Having a whole of government reform or constitutional review | Consistency in LG across the country, not the current patchwork quilt |
| Simplicity | Councils to come to the table as a unified region |
| Lack of duplication | Mandate sharing |
| A smart, innovative pace | Locally led, locally delivered, centrally supported |
| Meaningful contribution with real influence for people | New tools to solve modern problems like for climate change |
| More LG efficiencies and support for them to happen | |

Polarity diagram describing the natural tension between Local and Central Government
experience in central and local government or had led large multi-stakeholder initiatives where collaboration was imperative to success. They described their approach to understanding conflicting points of view and turning them from sources of conflict into opportunities for win-win thinking and action. These people could be described as savvy convenors, working within the system and its relationships to harness resources for the collective good.

In her guide to mapping systems, Daniela Papi-Thornton explains the importance of the convenor role in complex systems and how they connect different nodes in the system to work towards shared goals, learning, or collaboration and improve the impact of their collective efforts.

The participants we spoke to who displayed this convening ability saw LG and CG not as opposing parties but as interdependent parties. When tasked with tackling a challenge that cuts across multiple areas, these convenors demonstrated in their descriptions how they strive to maximise the upsides of both LG and CG, while minimising the downsides.

The following scenarios are adapted from real experiences shared with us:

There is a large regional initiative of national importance where fourteen different stakeholder groups had to come together to significantly improve road safety. Everyone involved had a different view of the problem’s root cause based on their role, experience, and the data they had on hand. A leader from either local or central government is tasked with delivering fast and sustained results.

Scenario one: A convenor-orientated lead is appointed. The first thing they do is gather all the parties together to share their points of view, their data, and their motivations for addressing the challenge. Once all available data and motivations are on the table, they create a shared problem definition and vision. They also take time to surface the unique roles and contributions each party can make, and allocate roles based on this, not on hierarchy. Only then do they co-develop an integrated plan of action and move forward. The lead is motivated by building a coalition, collective uncovering of the root cause and leveraging unique individual stakeholder powers. You might hear them say that “a good start is half the work”.

Scenario two: A non-convenor-orientated lead is appointed. The first thing they do is develop a Terms of Reference internally, commission road safety research and attempt to get the problem definition as complete as possible prior to communicating it further. Once they have done this, they send the Terms of Reference to the other thirteen stakeholders for comment and then gather them together with the intent of developing a shared plan of action. As a result, the other thirteen stakeholders start the joint effort with subtle, unspoken differences in their points of view on the problem. They think they are aligned but are not. The lead is motivated by getting going and achieving quick, visible wins. They believe other stakeholders will appreciate their efforts to proactively develop the Terms of Reference and think everyone has clarity of the problem they are addressing.

While the motivations of both parties are good, scenario one will deliver a shared outcome sustained over time. The experience shared with us had a convenor-orientated person as the leader. This person
was aware of the natural tension between the fourteen stakeholders but also recognised the imperative of a collective effort to tackle the challenge. Not only did this leader achieve a great outcome, but it is one that still has the support of all those involved.

“By harnessing the energy of opposites, creative leaders and their organizations can benefit from new assumptions that replace less effective ‘either/or’ approaches.” - Barbara J. Lombardo and Daniel John Roddy, Cultivating Organizational Creativity in an Age of Complexity.
CONCLUDING THOUGHTS

The participants of this small, in-depth study expressed themselves honestly about some of the tensions between LG and CG they’ve observed or experienced over the years. At the beginning of the Findings section, we listed some qualities of good relationships:

<table>
<thead>
<tr>
<th>Communication</th>
<th>Partnership focused</th>
</tr>
</thead>
<tbody>
<tr>
<td>Showing up/being present</td>
<td>Having a shared vision</td>
</tr>
<tr>
<td>Listening</td>
<td>Having belief in someone</td>
</tr>
<tr>
<td>Empathy</td>
<td>Commitment</td>
</tr>
<tr>
<td>Respect</td>
<td>Balance</td>
</tr>
<tr>
<td>Trust/safety</td>
<td>Support</td>
</tr>
<tr>
<td>Equality</td>
<td>Upholding mana</td>
</tr>
<tr>
<td>Conflict resolution skills</td>
<td>Care</td>
</tr>
</tbody>
</table>

But as we heard in this research, there are dynamics at play that don’t incorporate the best of good relationships, leading to suboptimal outcomes and tension. We propose the following list as a starter for some critical focussing questions to think about during the reform process:

- What happens when one party presents as more elite than the other one? What dynamic does this create? Is this necessary? Acceptable?
- What happens when one party feels they are/are told they are inferior and less intelligent than the other? How might that play out in behaviours?
- What happens when one party doesn’t feel listened to or feels discounted?
- What happens when one’s efforts to achieve something are undermined?
- What happens when the parties aren’t aligned in their priorities? How does this contribute to suboptimal outcomes?

While there was recognition that both parties are usually acting with good intent, the above dynamics can disrupt attempts at being the best they can be in their respective roles.

For true system change to occur, these long-held beliefs need challenging to elicit the ideal, productive behaviours from the key system players. Reforming attitudes takes time, effort and maybe even activism at the grassroots level or the development of champions at senior levels. However, change in beliefs is possible and many societal movements have displayed the human capacity for radical change in mindsets.

Key questions we’d like to leave with the Panel are...

- Is this dynamic acceptable as it is?
- Do you need to do something about it? If so, how?
- Who is best placed to do something about it?
- How might the reforms unlock the best from both CG and LG players?
• What does a modern, functioning LG/CG relationship look like?
• How might these relationship dynamics be impacting the system as a whole? From workforce retention and attraction to policy setting and even legislation?
• How might these entrenched beliefs be blocking the optimum system conditions?
• What creative ways do we have to challenge these long-held beliefs?
HOW TO USE THESE INSIGHTS

We are aware that the Panel has heard a lot about these relationship challenges over time. We hope this report helps unlock some novel thinking about the entrenched beliefs.

In a workshop with key sector experts at ThinkPlace on the 10th of December, we got the opportunity to test some of the thinking in this report. We built the following scenarios (page 22-26), taken from the personifications from the research participants, to take the workshop attendees through a creative activity (refer also to a separate tracker document that captures the events of the day).

The scenarios proved to be a valuable tool for sparking conversation, and even some mild debate. In the main, the attendees weren’t surprised by the dynamics between the personas, but there was some fatigue expressed in seeing the entrenched relationship issues. A few participants did exactly what we hoped for – they started to re-imagine what a better relationship dynamic might be like, and what a more positive persona set might look like.

An idea for a next workshop/wānanga would be to have the participants (or the Panel team) re-write a preferred relationship for the personas and list the beliefs that each has, and the desired set of behaviours. Then participants could grapple with the question: If that is the desired mindset and behaviour, how might we get there? This is a great first step towards re-imagining relationships and working towards ways of influencing a more harmonious, productive relationship.
Central Government (CG) may see Local Government (LG) as...

“a naughty, naughty child”

How CG might see LG
What appears to be their goal?
Passionately doing their job, but in an immature way and not fronting up to their roles and responsibilities.

How this childlike behaviour may appear
• Doesn’t do what they are told
• Rolls their eyes at responsibilities, e.g. reporting
• Engages in blame debates.

How LG sees themselves
What is my goal?
Doing my job without the overbearing parental interference. Making a difference in my community.

How I may display this
• Being accessible, visible and accountable to the community
• Juggling a lot of demands and prioritising those with higher community need
• Coping with a wave of reform-driven change
• Constant focus on ratepayer spend.

Local Government (LG) may see Central Government (CG) as...

“an angry parent”

How LG might see CG
What appears to be their goal?
Meddling and interfering in work with overbearing parental behaviours and approaches.

How this parent-like behaviour may appear
• Instructs and monitors, doesn’t trust that the work will get done the way they like it
• Nags or complains about progress
• Disengages from debates – they don’t need to because they are in charge!

How CG sees themselves
What is my goal?
To keep my projects on track and provide a clear line of sight for the Minister.

How I may display this
• Highly accountable to the Minister
• Highly focused on their remit
• Dealing with complex and important national policy issues
• Acting as the lead or governance party

PLEASE NOTE: These personal pointers are purely provocative prompts designed to dissect thinking not to make content critique. Beyond the labels, ThinkPlace developed the content. They do not quote exact quotes from research participants.
Central Government (CG) may see Local Government (LG) as...

"a retired farmer"

How CG might see LG

What appears to be their goal?
Ignoring modern theoretical and policy knowledge. 'Mucking in' without a plan or governance in place.

How this farmer-like behaviour may appear
• Pragmatic and well-meaning, but short-term focussed and reactive
• Struggling to get the job done with their limited resources
• 'No. 8 wire mentality', but in a bad way when they should seek help.

How LG sees themselves

What is my goal?
Practical, implementation focussed. Able to roll up my sleeves and get things done.

How this may appear
• Informal, casual yet professional
• High-profile, accessible, connected and who has a strong sense of ownership
• Quite brave, reaching out, thick-skinned and yet being very time poor
• A desire to retain some of the power locally.

Local Government (LG) may see Central Government (CG) as...

"a business suit"

How LG might see CG

What appears to be their goal?
Ensuring narrow-focussed and generalised policy is implemented and receives Ministerial approval.

How this suit-like behaviour may appear
• A 'policy wonk' who aspires to makes a difference, but doesn't understand implementation
• Slight arrogance, not listening and has fear-based ambition
• Confused, inconsistent, unknown, anonymous but with the right motivation
• Big picture thinker, caring but not connected.

How CG sees themselves

What is my goal?
Doing professional work that is impactful and makes a difference for all New Zealanders.

How I may display this
• Sticking to my department’s goals and making sure the Minister is well-informed and happy
• Using my best expertise in my knowledge area to get the job done well
• Making decisions with the best evidence and not reacting to the demands of others.
Central Government (CG) may see Local Government (LG) as...

“a teenage activist cousin”

How CG might see LG

What appears to be their goal?
Undermining progress that has been made, due to being tunnel-visioned and unable to see the big picture.

How this cousin-like behaviour may appear
- Sometimes appears crazy, awkward and can say embarrassing things
- At times, confident with flashes of professional acumen, but reverting to unprofessional/immature behaviours
- Won’t be pushed around, but is dependent and expects financial support.

How LG sees themselves

What is my goal?
Constructively challenging and pointing out the obvious to get change to happen.

How this may appear
- A hard-working, under-resourced volunteer and neighbour who works to satisfy the community
- A passionate change agent
- A confident and independent voice
- Being prepared to have a healthy debate.

Local Government (LG) may see Central Government (CG) as...

“a distant uncle”

How LG might see CG

What appears to be their goal?
To be important and to make sure everyone is aware of them. To keep everyone on side.

How this distanced-like behaviour may appear
- Shows vague interest, zooms in for a hug then disappears until next Christmas
- Pointing out that ‘we always do it this way and don’t need to change’
- Clearly thinking that he knows best.

How CG sees themselves

What is my goal?
Ensuring adequate connection with people and their various commissioned work programmes.

How this may appear
- Visit as often as I can
- Checking things are on track
- Giving well-grounded knowledge and advice.
Central Government (CG) may see Local Government (LG) as...  

**“David”**

<table>
<thead>
<tr>
<th>How CG might see LG</th>
<th>How LG sees themselves</th>
</tr>
</thead>
</table>
| **What appears to be their goal?**  
Someone that can be belittled and made fun of. A young man who isn’t capable of taking on a giant. | **What is my goal?**  
Despite being smaller in size, going into battle with a much bigger and stronger opponent. |
| **How this David-like behaviour may appear**  
- Having either low quality or completely lacking the required resources  
- Having a lack of protective covering  
- Blind belief in an invisible authority. | **How this may appear**  
- Assumes the role of an underdog and fights back  
- Stands firm for their beliefs and believes they are fighting for the greater good  
- Can use small resources to devastatingly good effect. |

Local Government (LG) may see Central Government (CG) as...  

**“Goliath”**

<table>
<thead>
<tr>
<th>How LG might see CG</th>
<th>How CG sees themselves</th>
</tr>
</thead>
</table>
| **What appears to be their goal?**  
Exerting power and control. Being so strong that no one dares fight back against them. | **What is my goal?**  
I need to use the mandated power invested in me for the greater good of New Zealand. |
| **How this Goliath-like behaviour may appear**  
- Large and strong, yet not fit to control  
- Disconnected, aggressive, exploitative, destructive, schizophrenia, disorganised, disillusioned, and patronizing  
- Inflexible ‘know-it-all’ attitude. | **How this may appear**  
- Responsible and constructively authoritative  
- Robustly serving the Government  
- Wisely allocating resources and expecting superior results  
- Highly experienced with deep subject matter expertise. |
Central Government (CG) may see Local Government (LG) as...

“a sports team member”

How CG might see LG

What appears to be their goal?
Driven to win the game for their supporters at all cost. Focused only on their team and not other competitors.

How this sports-like behaviour may appear
- Tunnel vision about the importance of their code
- Highly focused on gaining sponsorship and advantages for their team
- Willing to make extreme sacrifices to better their outcomes in the game
- Beholden to their supporters.

How LG sees themselves

What is my goal?
Winning the game right, and there for their team.

How this may appear
- Bring their best game for their team
- Operate as high performing teams that come together around specific goals
- Understand their role, welcome collaboration, understand accountability, have a positive attitude, display flexibility and commitment.

Local Government (LG) may see Central Government (CG) as...

“How a coach”

How LG might see CG

What appears to be their goal?
Driven by the goal to win at all costs. All practices and strategies are executed with a win in mind.

How this coach-like behavior may appear
- Potential to be over-bearing, stepping in to solve problems by advising or directing
- Distracted with coaching several other athletes
- Misaligned levels of care about the goal
- Use fear, humiliation and disrespectful behaviours as “teaching” tools.

How CG sees themselves

What is my goal?
Sharing their knowledge and experience to help improve a team’s performance.

How this may appear
- Some are amazing change agents
- Try to encourage people to think and work like a team
- Forms a barrier between incompatible or antagonistic people or things
- Bringing expertise, but does not do the doing.

PLEASE NOTE: These personalizations are purely provocative prompts designed to disrupt thinking, not to create content critique. Beyond the label, ThinkPlace developed the content. They do not include quotes from research participants.
We are committed to realising your outcomes and goals. And together we will work towards our vision of:

Accelerating change towards vibrant communities, strong economies, sustainable environments and trusted institutions