

## COHERENCE Needed

The “Good Intentions” report to government on Government-Community Sector Relationships

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As the current government seeks to implement its policies and at the same time reduce overall government expenditure it would do well to consider very carefully a report recently submitted to the Minister for the Community and Voluntary Sector by the Association of Non Governmental Organisations of Aotearoa (ANGOA). The report, entitled “Good Intentions”, reviewed the “Statement of Government Intentions for an Improved Community-Government Relationship” (Statement of Intent) and was led by the former Chief Government Statistician, Len Cook.

The Statement was signed by the Prime Minister, Helen Clark and the Hon Steve Maharey in December 2001. Seven years later the review of the Statement raises serious questions regarding the ability of governments to implement policies, including those endorsed by the Prime Minister, when confronted by an indifferent or unresponsive bureaucracy.

A critical finding of this review was that:

*“The fragmented nature of the state sector with its narrow accountability focus, extensive autonomy, and limited central leadership has few levers to bring about any significant coherence across the public sector in its community relationships.”*

The Government attempted to define, by way of the Statement, how it wanted to conduct its relationship with the community sector. However it did not provide the necessary “teeth” and as a consequence many departments and agencies simply ignored the Statement as was evidenced from interviews with Chief Executives and other senior officials of 15 government departments conducted as part of this review.

The Statement of Intent included six broad commitments to the community sector which can be summarised as: developing respectful relationships; breaking down “silos” through a “whole of government approach; application of the principles of the Treaty of Waitangi; opportunities for involvement in policy development; improving funding arrangements; and facilitation of the development of a strong and effective community sector.

Almost all government departments and agencies have a relationship with the community and voluntary sector. Community organisations deliver health, education and welfare services. But they are also critical in areas such as conservation and international development, arts culture and recreation, emergency services and assisting migrants and refugees. Government funding to the sector now totals approximately one billion dollars annually.

The Review was particularly critical of government contracting with the sector. Contracting was seen as being particularly intrusive the affairs of non governmental organisations while adopting approaches that were unlikely to increase either the value or the effectiveness of services in the long run. The detailed specification and codification of outputs and detailed, standardised oversight of governance grossly oversimplified the nature and variability of the relationships individuals have with organisations from whom they receive assistance. For Māori, many organisations found themselves locked into state dependency rather than the autonomy and independence they were seeking.

Every government agency has there own unique reporting and accountability requirements adding greatly to the transaction and compliance costs particularly for the many organisations in the sector that have contracts with more than one government department.

The Report states that: “Even if there were to be a will to adopt a whole of government approach to simplifying rules, processes and standards, the levers for this do not exist within public sector organisations themselves.” Most public sector organisations lack the capacity to effectively manage through central-managed processes (common to commercial contracts) the scale and complexity of contracts they have established in a genuinely constructive manner. Government agencies it appears have failed to recognise the basic legal differences between the public sector and non governmental organisations.

The initial response to the report from the Minister Tariana Turia has been generally supportive of the recommendations.

It is recommended that the current government adopt a similar Statement of Intent and that it give such a statement real teeth. Chief Executives ought to be held accountable; contracts must be made much simpler, contracts and relationships should be managed locally rather than centrally, training of managers in contract management is required, there should be no requirement to provide information that is not relevant to the contract, and there should be real partnerships established particularly with Maori organisations.

The report recognises the need for critical gatekeepers such as lawyers and finance officers to be well-skilled in how financial arrangements fit relationships that are strongly founded on trust. A focus on case law that supports the development of arrangements based on trust would accelerate the learning here.

The report recommends that all government departments be surveyed annually to determine progress towards meeting the government’s intentions. It also recommends that a disputes resolution process be established, in association with the Ombudsman’s Office, for all government departments.

While this report is concerned with the relationships between government and the community sector, the implications are much broader than that. While it is

not explicit in this report, clearly both the State Services Act and the Public Finance Act, which largely shape the public sector in New Zealand, have contributed to the fragmentation and lack of central leadership within the public sector in this country. Among the consequences are expensive and ineffective public accountability regimes and a failure by government departments to achieve coordination and cooperation necessary to address the most pressing problems this country faces. Compared to 2001 the demands on government to get it right are even more pressing. Perhaps the time is well over due to revisit the very foundations of the public sector in New Zealand.

The Report "Good Intentions" An Assessment of the Statement of Government Intentions for an Improved Community-Government Relationship is available at [www.angoa.org.nz](http://www.angoa.org.nz)

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