



Quick guide to the Office for the Community and Voluntary Sector

An introduction to:
The community and voluntary sector
The OCVS
Our key projects
Our work programme



Defining the sector

The New Zealand community and voluntary sector (the sector) is diverse; its organisations differ in size, structure, legal status and purpose. Various terms are used to describe the sector, including third sector, non-profit sector, non-government or 'NGO' sector. Examples of non-profit institutions include cultural societies, sports clubs, social service institutions, private schools and hospitals, churches, environmental groups, trade unions and political parties.

A non-profit institution is defined as being:

- organised, to the extent that it can be separately identified
- not-for-profit, it does not distribute any generated surplus to those who control it
- institutionally separate from government
- self-governing, or in control of its destiny
- non-compulsory, whereby membership and participation are voluntary.

History of the sector in New Zealand

The emergence of non-profit organisations in New Zealand has its roots in pre-colonial and colonial society. The proliferation of non-profit organisations such as churches, sporting groups and social services occurred during the decades from the 1880s to the end of the First World War. From the late 1930s, the welfare state expanded, resulting in the realignment of non-profit activities. A third period of non-profit sector development, from the 1970s to the 1990s, included a major reconfiguration of the sector's relationship with the state after 1984. Throughout this time, iwi/Maori organisations were active both through their own traditional associated forms and through organisations blending Maori kaupapa and Anglo-Saxon traditions. In 2003, the establishment of the Office for the Community and Voluntary Sector (OCVS) indicated the government's increased recognition of the importance of the sector.

Key data

The sector makes a significant contribution to the economic and social wellbeing of New Zealand. Our most recent statistical data on the sector was released by Statistics New Zealand in 2007, drawing on an analysis of 2004 information.

Non-profit institutions contributed 2.6% to New Zealand's GDP in 2004.

- This equates to \$3.64 billion of value added to the New Zealand economy in 2004.
- In total, non-profit institutions received \$8.04 billion of income, of which 61% (\$4.87 billion) came from sales of goods and services; 33% (\$2.66 billion) came from memberships, donations and private and government grants.

When volunteer labour is included, non-profit institutions' contribution to GDP increases to 4.9%.

- The hours worked by volunteers equated to an extra \$3.31 billion of value added to the economy, bringing the economic contribution of non-profits to \$6.95 billion. In the context of the wider economy this total contribution of non-profit organisations is larger than the construction industry, and roughly equivalent to the direct contribution of the tourism industry.

Over one million (1,011,600) volunteers gave more than 270 million hours of unpaid labour to non-profit institutions in 2004.

- This represents 31% of the New Zealand population aged 12 or over. On average, New Zealand volunteers volunteered 5.1 hours per week, which significantly exceeds Australia (3.2 hours), Canada (3.1 hours) and the USA (2.4 hours).

As at October 2005, 97,000 groups identified as non-profit institutions.

- Of these institutions, 45% were culture, sport or recreation organisations, 12% social services and 10% religious groups.

Non-profit institutions had 105,340 paid employees as at October 2005. Only 10% of all non-profit institutions employed paid staff.

- This reflects the high number of volunteers required to run the majority of the sector. Parts of the sector with more paid staff (social services, education and the larger sporting bodies) tend to be more visible to government, as they often have more time available during work to engage with policymakers.
- Communicating with the diverse and volunteer-led part of the sector is a key challenge for the OCVS.



Current challenges for the community and voluntary sector

The sector faces a number of interconnected challenges. Many of these challenges were raised in the 2007 Community-Government Forum, and were considered when OCVS developed its work plans for 2007/08 and 2008/09.

Changing the culture of government - working well together is essential

Community and voluntary organisations are seeking a more respectful and collaborative relationship with government agencies. This requires an active commitment within government agencies to implementing the 2001 *Statement of Government Intentions for an Improved Community-Government Relationship*.

There are funding and resourcing issues

Issues vexing community-government funding relationships include partial and short-term funding, compliance costs, thinly spread funding across multiple providers, and varying requirements of different government agencies. Various initiatives promise to ease this situation, but there is more work to be done.

Encouraging active citizenship

Volunteers and donations are vital to ensuring that community and voluntary organisations can meet their goals. It is important to consider barriers and incentives to giving of time and money. Supporting active citizenship also means ensuring that community members can influence decision-making that affect their lives.

Good policy engagement is needed

Community and voluntary organisations seek meaningful engagement in government decision-making. Consultation processes exhibit many weaknesses, and good practice needs to be more widely understood. A more participatory democracy that involves citizens in dialogue and deliberation would create more enduring solutions to complex problems.

Building the capacity of the sector is important

A diverse and strong civil society depends on community and voluntary organisations having the capability and capacity to meet community needs and to mediate with the State. This requires resources and skills, strong sector networks and leadership, and supportive government policies. Government and the community and voluntary sector are continuing to work together to tackle these challenges.



How we work

- The Office for the Community and Voluntary Sector (OCVS) was established in September 2003 to address overarching issues affecting the community and voluntary sector, and to raise the profile of the sector within government.
- Our vision is for a vibrant, independent and strong community and voluntary sector, working in partnership with government, for a healthy, sustainable, democratic society.
- We work across government with the aim of achieving excellent relationships between government agencies and community, voluntary and Maori organisations.
- Our work to inspire co-operation and superb relationships between government agencies and the community and voluntary sector is grouped into five key work areas or 'pillars':
 - Building knowledge
 - Building good practice
 - Building capacity
 - Encouraging participation
 - Overcoming policy barriers.
- We strive to work in the spirit of the *Statement of Government Intentions for an Improved Community-Government Relationship*, which commits government to developing relationships with community, voluntary and iwi/Maori organisations that:
 - enable mutual interests to be achieved through co-operation
 - respect the independence of community, voluntary and iwi/Maori organisations
 - recognise and respect the principles of the Treaty of Waitangi
 - demonstrate effective two-way communication
 - involve leadership within the community sector and from government ministers
 - acknowledge and support the positive role played by umbrella, national and strategic collective bodies
 - embrace innovation and creativity
 - respect and recognise cultural diversity
 - are founded on public accountability and appropriately flexible good practice.
- Our Encouraging Participation work is driven by the *Government Policy on Volunteering* which envisions: "A society with a high level of volunteering, where the many contributions people make to the common good through volunteering and fulfilment of cultural obligations are actively supported and valued."

Structure

The OCVS is part of the Social Sector Strategy Group in the Ministry of Social Development.

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Building better government engagement

We are working with a collaborative reference group to identify ways to improve government engagement with community and voluntary organisations and citizens in policy and service development processes.

At the 2007 Community-Government Forum, participants called for the public service to improve consultation processes and create a more respectful and collaborative culture of engagement. In response, we are undertaking work to improve government understanding of:

- good practice in building relationships
- methods of dialogue and deliberation
- the value of collaborative approaches to decision-making.

Through this work are developing a programme that is likely to include seminars, web resources, training courses, induction and recruitment resources, secondments and exchanges, and other initiatives to build participatory democracy. The project involves representatives from the community sector and government agencies. Insights and guidance from this project will be available on the Good Practice Participate online resource (www.goodpracticeparticipate.govt.nz).

Improving funding and accountability of non-government organisations

We are working across government to improve funding and accountability arrangements with community and voluntary organisations. This work will build on initiatives undertaken in other parts of government that impact on specific parts of the sector, particularly the Ministry of Social Development's Sustainable Social Services NGO Sector project. The OCVS-led project will have wide application across all government agencies that fund the community and voluntary sector.

Over the past two decades, Government funding practice has sharpened its focus on accountability. Over 90% of all public funding to community and voluntary groups is now being paid as a contract for service. Many community and voluntary sector organisations report that the contracting culture is counter-productive and undermines the potential for strong working relationships between government and the sector.

This project takes a whole-of-government and whole-of-sector approach to government funding practice, and will enable community people and officials to shape issues and good practice. Insights and guidance resulting from the project will be available on an ongoing basis through the Good Practice Funding online resource (www.goodpracticefunding.govt.nz).

Promoting Generosity - a project to inspire giving in all its forms

This project is jointly spearheaded by representatives from Philanthropy New Zealand, Volunteering New Zealand and the OCVS. Representatives from the community and private sectors and other government agencies, including Department of Internal Affairs, form part of the wider working hub and advisory group. Together we're exploring ways that each of the sectors can encourage individuals and businesses to participate in their communities and local community organisations by giving time, money or in-kind donations.

Many community and voluntary organisations state that a lack of resources and volunteers impacts on their ability to achieve their goals. An increasing body of research suggests individual and company generosity is most likely to occur when it:

- is promoted in a number of ways
- recognises the unique character of a local community and the wide diversity of potential donors and volunteers within it
- creatively uses multiple strategies to cultivate giving within diverse populations.

In 2002, Government made a commitment to support volunteering through the *Government Policy on Volunteering* and associated work programme. The OCVS reported on this work programme in mid-2008, and identified a few outstanding tasks awaiting completion; including publishing research on Pacific peoples' cultural obligations around unpaid work.

This new initiative will develop and implement a multi-sectoral plan to further encourage giving and volunteering.



Study of the New Zealand non-profit sector

The OCVS, in conjunction with a committee of academics and representatives from government and the non-profit sector, provided input to an international comparative study of the non-profit sector, led by Johns Hopkins University, which includes more than 40 countries from around the world. New Zealand's involvement began in 2004 on the initiative of the Community Trusts network.

This project is a significant, ground-breaking initiative which, with the publication of *The NZ Non-profit Sector in Comparative Perspective* and *The History of the Non-profit Sector in NZ* in mid-2008, has substantially improved our understanding of the community and voluntary sector in New Zealand.

The project involved developing contextual information on the nature of New Zealand's non-profit sector and statistical data provided by the *Non-Profit Institutions Satellite Account 2004* (published by Statistics New Zealand in 2007). This has improved the visibility of the non-profit sector both within New Zealand and at an international level.

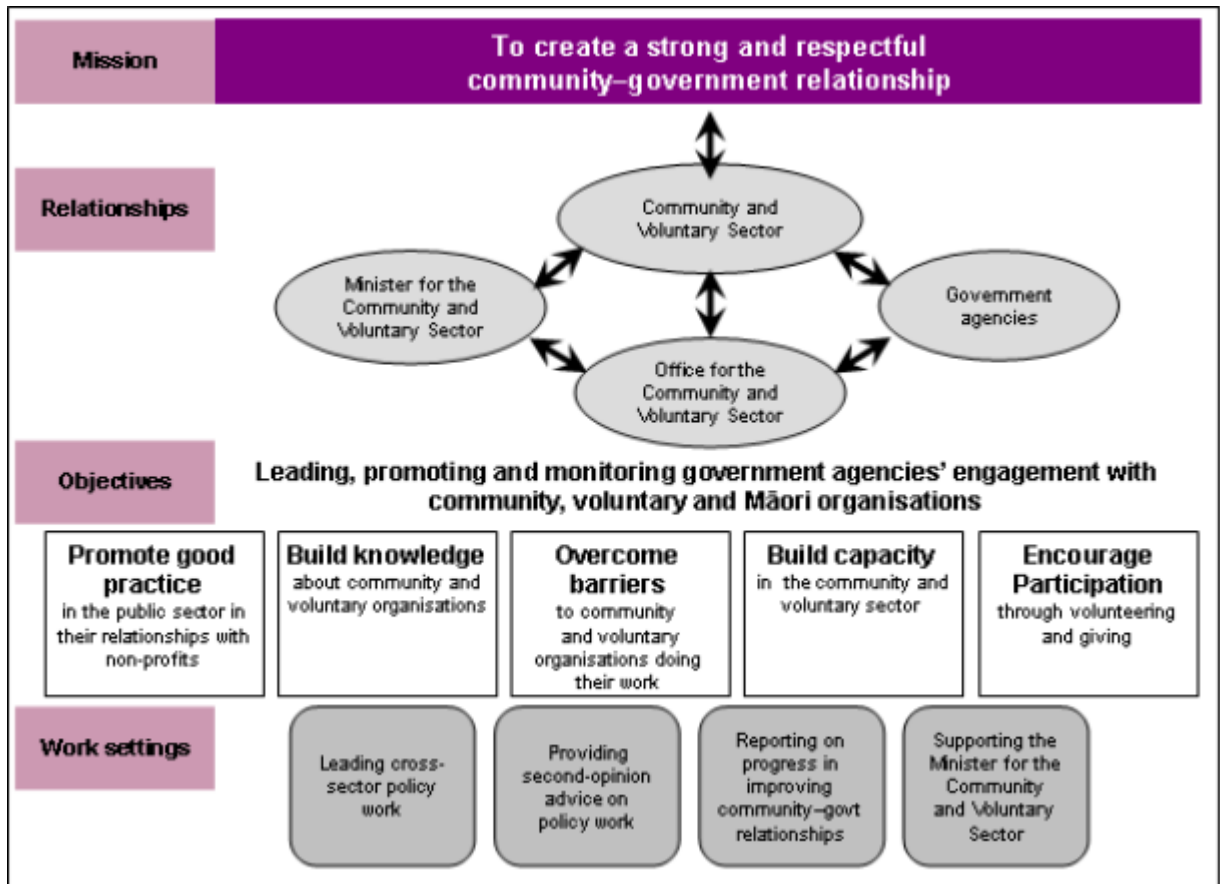
The working paper *Defining the NonProfit Sector: New Zealand* was published on 29 September 2006. As well as being a significant milestone for the Study of the New Zealand Non-Profit Sector project, the paper captures the diversity, origins, and challenges of this vital sector of New Zealand society. The paper has four main sections: historical background, legal treatment, major types of non-profits and the structural-operational definition.

Key OCVS publications *(some published as part of the Study of the NZ Non-Profit Sector)*

- *A Non-profit Sector Bibliography* (2008)
- *The NZ Non-profit Sector in Comparative Perspective* (2008)
- *The History of the Non-profit Sector in NZ* (2008)
- *How do New Zealanders give? - Towards an understanding of generosity in Aotearoa NZ* (2008)
- *Government support for Volunteering 2002-2008* (2008)
- *Mahi Aroha: Maori Perspectives on Volunteering and Cultural Obligations* (2007)
- *Defining the Nonprofit Sector: New Zealand* (2006)
- *Keeping it Legal E Ai Ki Te Ture – Legal Responsibilities of Voluntary Organisations* (2006)
- *Managing Well – Resources for Community and Voluntary Organisations* (2005)
- *Government Policy on Volunteering* (2002)
- *He Waka Kotuā – Joining Together on a Shared Journey: Report of the Community-Government Relationship Steering Group* (2002)
- *Statement of Government Intentions for an Improved Community-Government Relationship* (2001)
- *Communities and Government – Potential for Partnership: Summary Report of the Community and Voluntary Sector Working Party* (2001)

Websites:

- www.ocvs.govt.nz
- www.keepingitlegal.net.nz
- www.goodpracticefunding.govt.nz
- www.goodpracticeparticipate.govt.nz



Three Dimensions of the Community and Voluntary Sector in New Zealand

SUB-SECTORS

- Culture, sport and recreation
- Education and research
- Health
- Social services
- Environment
- Development and housing
- Law, advocacy and politics
- Philanthropic intermediaries and voluntarism promotion
- International
- Religion
- Business and professional associations and unions
- Others not elsewhere classified

CROSS-CUTTING POPULATION GROUPS

