

Briefing to the Incoming Minister

**Supporting the Community and
Voluntary Sector for the Wellbeing
of all New Zealanders**

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for the Wellbeing of all New Zealanders*

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Introduction

Increasingly, governments around the world are recognising the important role of the community and voluntary sector, and promoting policies that acknowledge and support the sector's unique contribution. Community, voluntary and Māori organisations enhance societal wellbeing by:

- providing services in diverse areas such as social services, conservation, emergency services, education, environment, health, sport and recreation, arts and heritage
- enabling citizens to develop local solutions to local problems
- building networks and relationships between people and organisations
- providing avenues for the expression of diverse voices.

Community and voluntary organisations can do things that governments cannot do. Governance structures within the sector are often less complex than those of governments. A community and voluntary organisation can try something new with relative ease – one decision by the governing board can do it. A group of individuals can establish a network or start up a community service with no formal structure. Greater flexibility provides opportunities for innovation and risk taking.

This relative freedom means that community and voluntary organisations often lead social development. For example, the women's refuge movement was started by a group of Christchurch women sheltering battered women in their own homes. These brave women changed attitudes to domestic violence, and refuge services now operate throughout New Zealand with government and philanthropic support.

Community and voluntary organisations form in response to emerging needs in the community. They provide an early warning system for governments if there is a problem. Information and advice from the community and voluntary sector improves the quality of government policy responses.

A substantial amount of funding flows to the community and voluntary sector from government in the form of contracts for services and grants. Well placed funding can create a wealth of voluntary contribution. Government agencies and the community and voluntary sector are interdependent and this adds impetus to calls for good relations between the sectors.

The importance of the community and voluntary sector to government agencies was demonstrated with the signing of the Statement of Government Intentions for an Improved Community–Government Relationship (December 2001). The Statement of Government Intentions is widely recognised in the sector and is often referred to by community organisations when they talk to government agencies.

This briefing provides an overview of issues for the community and voluntary sector and the role and activities of the Office for the Community and Voluntary Sector (OCVS).

A primary role of the OCVS is to support and advise you. We will ensure that you are well informed about community and voluntary sector issues and trends, and we will provide you with advice regarding opportunities for leadership.

We look forward to working with you.

Brenda Ratcliff
Director
Office for the Community and Voluntary Sector

Key messages

- The community and voluntary sector provides an array of services and activities that are vital to the social, economic, environmental and cultural wellbeing of New Zealand. Government agencies and community and voluntary organisations depend on each other to achieve their goals.
- We need to make sure that government and community and voluntary organisations work well together. To do this, we need to:
 - create opportunities for dialogue between government agencies and the community and voluntary sector so there is good understanding of each other's needs and priorities
 - improve the day-to-day practices of government agencies so that funding arrangements provide a good balance between accountability and the reduction of unnecessary costs and constraints.
- Information about the community and voluntary sector in New Zealand is weak, making good decision making and resource allocation difficult. We need to improve data so that trends are identified, the contribution of the sector is understood, and government support is well directed.
- Many community and voluntary organisations and government agencies rely on unpaid work. Some organisations report increasing difficulties attracting volunteers. Government has a role in fostering volunteering.
- We need to engage with the philanthropic sector to make sure that government activities support this type of giving now and in the future, and to identify ways for government and non-government funding to complement each other.
- Participation of community and voluntary organisations in policy development within government and in the wider community will ensure that policies, laws and practices are informed by the sector's knowledge and expertise.
- We need to support capacity-building projects for the community and voluntary sector so that organisations can sustain their vital contribution to social development.

part one

The situation today – an overview of the community
and voluntary sector

Part one : The situation today – an overview of the sector

What is the community and voluntary sector?

Various terms are used to describe the community and voluntary sector in New Zealand, including third sector, non-profit or not-for-profit sector, and non-government organisations (NGO) sector. In addition to formal, registered organisations, there are many informal, unregistered groups, such as walking groups, book clubs, play groups for young mothers and social sports groups.

The OCVS has adopted the internationally-recognised Johns Hopkins University Centre for Civil Society Studies description of organisations that comprise this sector. These organisations are ones that:

- have some degree of internal organisational structure, meaningful boundaries, or legal charter of incorporation
- are non-profit, ie they do not return profits to their owners or directors and are not primarily guided by commercial goals
- are institutionally separate from government, so that while government funds may be received, the organisation does not exercise governmental authority
- are self-governing, which means the organisations control their management and operations to a major extent
- are not compulsory, which means that membership and contributions of time and money are not required by law or otherwise made a condition of citizenship.

Community and voluntary organisations take different roles within the community. For instance, they may focus on:

- providing services to strengthen communities
- offering mutual aid and self-help for members of organisations

The community and voluntary sector is non-profit, separate from government, and non-compulsory

Māori organisations don't always identify as part of the sector

- researching and advocating on behalf of individuals or groups
- expressing and fostering culture and identity.

Māori organisations do not always identify as part of this sector, although they encounter many issues similar to generic community organisations (eg in relation to government contracting practices). Instead, Māori organisations frequently look for a relationship with government that is based on the Treaty of Waitangi, particularly if the organisation has a tribally-linked identity.

What is civil society?

Civil society can be defined as the environment in which people freely associate with each other to meet their needs and aspirations. Civil society is strongly linked with non-profit organisations and networks, and with the associations and networks between the family and the state in which membership and activities are voluntary. Just because an association is voluntary does not mean it is good. Civil society is usually associated with social institutions that support and protect democracy and respect for human rights.

The sector contributes to a strong and vibrant civil society

A vibrant civil society promotes creative problem solving because all viewpoints are subject to scrutiny and this strengthens public debate. The community and voluntary sector contributes to civil society by providing the networks and organisations through which people act together and present their ideas for public discussion. Governments have an interest in protecting and building the capacity of the community and voluntary sector to play this role.

Key players

The environment in which community and voluntary organisations operate is changing.

Local government

Local authorities are now formally required to work alongside their local communities and community organisations. The Local Government Act 2002 introduces a requirement for local authorities to identify community outcomes using a process discussed with other stakeholders, and to engage the public to identify and prioritise those outcomes.

The business sector

Sponsorship has become a tool for both the voluntary and business sectors to meet their own goals. It includes sport sponsorship, and support for community groups, such as through reduced costs for internet and phone connections. Sponsorship activities are generally highly visible, but rarely cover core operating costs. Some businesses have developed policies to support their staff in their private volunteering activities.

Philanthropy and gift-giving

Newly developed community-based funders, such as Community Trusts, are joining traditional philanthropic organisations to generate a significant contribution towards the funding of community organisations. Donations are typically cause-related and will sometimes cover core operating costs. A new type of philanthropic organisation is emerging in New Zealand: the Community Foundation. These foundations hold and manage funds from multiple sources, including endowments.

The gaming industry provides over half a billion dollars for community purposes. This industry includes the Lotteries Commission and trusts that distribute profits from gaming machines to community and voluntary organisations. Some community organisations believe they face a moral dilemma when considering gaming as a funding source.

Central government

Some central government agencies have already established formal arrangements for dialogue with community and voluntary organisations in their areas of concern. This may involve dedicated liaison staff, regular

The community and voluntary sector actively engages with local and central government, business, funders and philanthropists

Data on the sector is weak but we are working to improve it

information sharing, and engagement in policy development and/or resourcing for sector umbrella groups.

Central government agencies are also seeking ways of engaging more effectively with geographic communities. For instance, the Ministry of Social Development is increasing its local and regional presence. The Ministry of Social Development is leading Local Services Mapping, a project that brings together community providers, regional government agencies and local authorities to identify current services and community needs and to prepare an action plan that participants agree to implement.

Describing the community and voluntary sector

Data on the sector in New Zealand is weak, making good decision making and resource allocation difficult. Community and voluntary organisations wishing to raise the profile of the sector and access research funds will be greatly assisted when the sector can be more accurately described. To improve information about the sector, the OCVS is working with Statistics New Zealand and other agencies to collect statistical data.

From 2005, Statistics New Zealand will be developing satellite accounts for non-profit organisations and households to supplement the current system of national accounts. National accounts show the main forms of income and expenditure in the New Zealand economy. Satellite accounts expand the core system to allow an area of particular social or economic importance to be analysed more closely.

Over time the satellite accounts for the community and voluntary sector will provide a more coherent picture of the sector, including its size, its structure and revenue, and the numbers of paid staff and volunteers. We will be able to analyse the contribution of community and voluntary organisations to the economy. This is a major development both for the community and voluntary sector and for government, as it will provide a solid platform for future policy development.

Currently, we know that in July 2005 there were 15,691 charitable trusts and 20,887 incorporated societies registered with the Companies Office. These figures do not include iwi and Māori organisations registered under the

Māori Trust Boards Act 1955, the Māori Community Development Act 1962 or Te Ture Whenua Māori Act 1993. Moreover, many other organisations exist without formal legal structures.

The 1999 New Zealand Election Study found that 38% of New Zealanders belonged to sports clubs, 31% to hobby groups, 30% to church groups, and 23% to community service organisations.

How is the community and voluntary sector funded?

Philanthropy New Zealand published information in 1996 and 2002 on funding to the sector. Table 1.1 below presents information compiled from that NZAPT study. Gaps and difficulties with data collection mean that the amount shown is a conservative estimate of the funding managed by the sector.

The sector received over \$1.6 billion in funding in 2002 – as a conservative estimate

Table 1.1 Sources of funding

Source	\$ 1996	\$ 2002	Comment
Central government	669,950,000	920,595,000	Data from 11 agencies only. Difficulty distinguishing non-profit from for-profit.
Personal donations	258,825,000	281,905,620	Minimum estimates. Based on IRD data.
Philanthropic trusts	70,736,837	142,801,284	2002 data is more comprehensive and includes more accurate figures for community trusts and power board trusts.
Gaming machine trusts	not estimated	131,241,000	Data obtained from published reports of five trusts.
Lottery Grants Board	108,305,800	91,381,417	2002 data excludes funding of individuals, local authorities and universities.
Local government	26,000,000	28,200,000	Figure extrapolated from survey responses received from 62% of councils.
Bequests	25,353,120	37,689,180	Based on Public Trust data.
Total	1,159,170,757	1,633,813,501	

Many activities could not happen without volunteers

These figures are incomplete. A substantial amount of funding flows to the community and voluntary sector in the form of contracts for services sought by the Crown. For instance, the Ministry of Health directs over \$2 billion in this form. Some, but by no means all, of this contract for services funding will be included in the central government category in Table 1.1.

Extent of volunteering

Most of the recent information about volunteering has been gathered in an ad hoc fashion. From a variety of sources, we know that:

- over 8,500 urban and rural firefighters and 2,400 volunteer ambulance personnel provide emergency services to communities
- over 7,000 refugees, asylum seekers and migrants receive English language support from volunteer teachers
- the Department of Conservation (DOC) estimates that voluntary labour given to DOC projects on DOC land is valued at \$1.8 million per annum and there are approximately 3,000 community groups actively involved in other ecological restoration work
- over 5,000 volunteers were assisted into volunteer positions by volunteer centres around the country in 2004/2005
- in 2000/2001, 2,750 Citizens Advice Bureaux volunteers contributed over 675,000 hours of voluntary work.

In September 2004, the New Zealand Federation of Voluntary Welfare Organisations released a report, *Counting for Something, Value Added by Voluntary Agencies* (VAVA). This report, commissioned from PricewaterhouseCoopers, provides an insight into the value of the voluntary contribution of 10 major social service organisations. The report estimated that voluntary workers, managers and board members of the organisations worked a total of 7,630,238 hours over a 12-month period. This equates to 4,063 full-time workers per year. A conservative estimate of the value of this work in 2002 is \$126 million.

Trends in volunteering

The 2001 Census showed that a higher proportion of females than males aged 15 and over engage in voluntary work (18% compared to 15%). Also, a higher proportion of Māori than non-Māori engage in helping outside the home.

The Time Use Survey (1999) indicated a rising level of voluntary activity up to 65–74 years. People who are not in the paid labour force, and women who are in part-time paid employment, put approximately twice as much time into formal unpaid work as people who are employed full-time.

The 2006 Census will retain the question on unpaid activities, which will enable comparison with the 2001 data. A repeat of the Time Use Survey, scheduled for 2008/2009, will provide further trend data on volunteering in New Zealand.

The relationship between government agencies and the sector

The community and voluntary sector and government agencies are interdependent, and good working relationships are therefore important. Consultation with the sector in 2000 identified frustration about government agency relationships with community and voluntary organisations. A range of issues were seen as impacting on the ability of community, voluntary and Māori organisations to do their work effectively. The 2001 report *Communities and Government – Potential for Partnership Whakatōpū Whakaaro*¹ expressed a shared desire to improve the quality of engagement between the sector and government.

To strengthen these relationships, government has:

- signed a Statement of Government Intentions for an Improved Community–Government Relationship (December 2001)
- endorsed a Government Policy on Volunteering (December 2002)
- established the Office for the Community and Voluntary Sector (OCVS) within the Ministry of Social Development (September 2003)

More women than men and more Māori than non-Māori do work classified in the census as volunteering

The Statement of Government Intentions confirms government's support for the sector

- through the OCVS, encouraged government agencies to recognise the importance of effective relationships with the community and voluntary sector in their strategic plans, policy work and service delivery.

The Statement of Government Intentions for an Improved Community–Government Relationship is provided in Appendix 1 and the Government Policy on Volunteering in Appendix 2.

OCVS research has shown that a small number of government departments have taken a distinctly strategic approach to strengthening relationships with the community and voluntary sector. Examples of successful relationship practices by government agencies have been documented and promoted within the public service by way of a seminar series.

- The Ministry of Health convenes an NGO forum twice-yearly where organisations are invited to address current issues for either party. An NGO desk at the Ministry of Health supports the forum.
- The Department of Conservation meets bi-monthly with its key NGO stakeholders to address national issues of common interest.
- NZAID, an agency within the Ministry of Foreign Affairs and Trade, works to a jointly agreed strategic policy framework that sets out guiding principles for relationships with aid and development NGOs, and also funds an NGO umbrella group.

Relationships that involve interdependency are dynamic, and issues affecting relationships change over time. Developing and maintaining good working relationships between government agencies and community and voluntary organisations will therefore involve ongoing work.

This section has provided a description of the community and voluntary sector today, including information on the sector and its relationship with government agencies. The next section outlines challenges facing the sector.

part two

Current challenges for the community
and voluntary sector

Part two : Current challenges for the community and voluntary sector

The community and voluntary sector faces a number of challenges, each of which is interconnected and offers opportunity for leadership.

Developing greater capacity in the sector

The August 2002 report *He Waka Kotuia*² identified that the day-to-day struggle to survive faced by many community and voluntary organisations was seen as a key factor in the sector's difficulty in relating to government. Other challenges currently faced by organisations at a local and national level include:

- managing the accountability expectations of government funders
- managing the risks and liabilities arising from complex legislation, regulations and government policies
- competing demands for people's time, eg in balancing paid and unpaid voluntary work and, in some areas, a shortage of volunteers
- confusion between governance and management and a need to focus on capabilities in planning, training and funds management
- lack of core funding for administration and capability development
- lack of adequate access to information and communications technology, inhibiting community organisations from taking full advantage of government and business sector e-services
- the demands of participating in multiple government-led consultations and policy conversations
- insufficient resources to help community and voluntary organisations to get their issues on the government agenda.

There is debate about whose role it is to build the capacity of the sector. Some leaders from the community sector argue that capacity building for the sector should be implemented solely for the sector, by the sector, with government funding provided to support this. Other approaches involve partnerships between government agencies and sector organisations, and

Community and voluntary organisations face challenges with accountability, funding and managing risk

government agencies providing information resources and other supports. We consider that effective capacity building will involve a combination of all of these approaches, with flexibility needed in determining what is most appropriate in any situation.

Government agencies can help sustain sector organisations by improving their own practices. An example is the Ministry of Social Development's Funding for Outcomes project, which aims to model streamlined funding arrangements where community organisations have multiple contracts with government agencies. There is often, however, a lag between the development of these responses and the benefits being clearly felt by the sector.

A number of organisations have a role to play in supporting capacity building within the community and voluntary sector. With new initiatives and new players emerging, the respective roles are still to be worked through. For instance:

- the role of the new Charities Commission includes a focus on education and advice to assist organisations to meet their regulatory obligations
- the OCVS and the Ministry of Social Development's Family and Community Services team are together undertaking a stocktake of resources available to support the development of the internal capacity of community and voluntary organisations
- Te Puni Kōkiri has a capacity-building fund that supports Māori organisations delivered through its regional offices and advisory staff
- the Ministry of Pacific Island Affairs offers Pacific peoples' community organisations and groups assistance in accessing government programmes and resources to build their capability and capacity
- the Community Sector Taskforce, a cross-community sector initiative, is engaged in leading work to build the capacity of the community and voluntary sector.

Good communication between these organisations will ensure their work is complementary, with each initiative building on each other. For success in this work, it is important that initiatives are not perceived as top-down but rather that government is seen as a supportive partner in helping the sector to enhance its own development.

Government needs to help the sector to enhance its own development

Volunteering needs support

Some community and voluntary organisations report shortages of volunteers. Empirical data is not yet available to confirm whether such observations are a trend, or whether there are particular areas of the community sector that face such difficulties. It is clear, for instance, that volunteering is changing in response to new demands for volunteers (such as school Boards of Trustees), the impact of electronic communications, and the changing recreational pursuits and networking behaviour among younger people. We need to improve our understanding of volunteering in New Zealand.

We need a better understanding of trends in volunteering

In addition, a number of opportunities to support volunteering are worthy of further consideration including:

- continuing to improve funding for volunteer centres
- providing ongoing assistance to organisations to address risk and liability issues associated with their reliance on volunteers
- developing a campaign to support and promote volunteering in association with Volunteering New Zealand and the Department of Internal Affairs
- promoting awareness that Māori and Pacific peoples often view unpaid work as an obligation that maintains cultural identity, rather than a discretionary choice
- government agencies recognising the role of volunteers in their planning, policy and service development
- fostering a volunteering ethos among young people, in conjunction with the Ministry of Youth Development.

The philanthropic sector wishes to engage with government

Philanthropy in New Zealand is at an exciting stage of development. New ways of individual giving are emerging along with new types of philanthropic organisations. The range of organisations offering funding is diverse in style and values and the organisations they fund are equally diverse.

Philanthropists and the organisations representing them are developing a sense of themselves as a sector or grouping with its own developmental needs.

Philanthropy New Zealand is a membership association formed in 1990 to represent private trusts and foundations, and those grant-making trusts created through the sale of community banks and energy utilities. This organisation has developed proposals for a leap forward in the climate for giving in New Zealand and in non-government funding practices. Leading individuals and organisations in the philanthropic sector are talking about increasing their sector's evaluation capacity and encouraging philanthropists to maintain and develop their skills and preparedness to fund innovation in the community and voluntary sector.

Those involved with philanthropy wish to engage with government regarding the issues and trends affecting their sector, and how they can collaborate with government while retaining their independence and unique role. Discussion would be likely to involve topics such as sharing evaluation expertise, and the research required to inform discussions on tax policy and how to promote philanthropy.

Providing support for leadership within the sector

Another factor in the community and voluntary sector's difficulty in relating to government and in leading development within the sector is the limited availability of resources to support sector leadership structures. Community and voluntary organisations often rely on funds from donors or members, rather than fees for services. Budgets are often tight, with little funding available for activities not

considered directly relevant to service delivery. Management time is spread thinly across a myriad of organisational maintenance tasks, strategic development and networking at local, regional and national levels. There are many examples of skilled strategic planning and networking within the sector. However, creating the critical mass needed for whole-of-sector development is a challenge given the pressure to prioritise service delivery.

Umbrella organisations in some parts of the sector, such as in the arts, heritage, aid and development, environment, and social services, aim to represent their members' concerns, build sector capacity, and inform members about government initiatives. The financial base of most of these umbrella groups is weak relative to the size of their task. Fees for membership of umbrella organisations are generally token because member organisations would struggle to pay substantial fees.

Government support for the leadership structures within the community and voluntary sector contributes to the development of the sector and improves government agency communication with the sector. Support can involve contributory funding, joint projects, best practice consultation processes and sharing of information and skills, including staff exchanges and shared training.

Need to improve government practices

The 2000 Review of the Centre, led by the State Services Commission, and the Managing for Outcomes framework provide an impetus to improve community–government relationships. They express an expectation that all public service departments will adopt a more strategic and outcomes-focused approach to management, an approach that requires collaboration between agencies and sectors. OCVS research has identified a number of government agencies that are actively focusing on improving their relationship with community and voluntary organisations.

Community and voluntary sector participation in policy debate

There is a strong desire within the community and voluntary sector for participation in policy development and debate, within government and in the wider community. Government has an interest in encouraging this

Resourcing sector leadership is a challenge for the sector

Community organisations bring important information to policy discussions

involvement because sector organisations are close to community concerns, and bring important information into policy discussions.

The extent to which sector organisations can be funded by government to lobby or advocate on policy issues arose during October 2003. Questions were asked in Parliament about a small number of Ministry of Health (MoH) contracts that required community and voluntary organisations to lobby Members of Parliament concerning specified legislation. These contracts were widely seen as being inappropriate, and they have since been amended.

The MoH experience has heightened awareness of the issues for both government and the community sector associated with funding, or receiving funding for, policy advice and representational activities.

Assessing the impact of policy on the community and voluntary sector

Legislative and policy changes are sometimes made without reviewing their impacts on the community and voluntary sector, and developing a mitigation strategy if this is practicable. For example, further health and safety legislation may impact on the ability of community and voluntary organisations to attract volunteers.

Funding practices

Many community and voluntary organisations depend on government funding, so this is a critical interface. Community and voluntary organisations encounter high compliance and transaction costs associated with managing multiple funding contracts. Inefficiencies occur when government agencies operate independently of each other. For example, with multiple auditing, different government agencies are often asking for similar information from one community organisation. As noted earlier, Funding for Outcomes has been set up to resolve these difficulties by identifying where integrated contracts are most appropriate and by ensuring that tools are available to make this happen.

Simple improvements to contracting practices could also enhance funding arrangements. These could include automatic inflation adjustments to contract prices if service specifications are unaltered, and the introduction of penalties for late payment by contracting departments.

There are fundamental issues to be addressed. Contracting and grant-making practices are at opposite ends of the accountability continuum. Contracts generally require detailed reporting on specified activities, whereas grants require a lower level of reporting.

There is exploratory work to be done to establish possibilities for contributory funding when government supports organisations to meet their own developmental or policy goals. Contributory funding may have particular value when the funded organisation is not directly acting as an agent of government. Contracts may be most appropriate when government is funding services it could deliver itself but chooses to deliver through non-government organisations. This exploratory work involves identifying international best practice and reviewing current contracting and grant-making practices.

Building government capacity

Government has increased its investment in the capability and capacity of government agencies and of the community and voluntary sector. For example, the Charities Commission has been funded to assist community and voluntary organisations to register as charities. The 2005 Budget also provided \$6.5 million to be spent over four years on the recruitment, training and retention of volunteers in the sport and recreation area.

Recent reviews of the Treasury's *Guidelines for Contracting with Non-Government Organisations for Services Sought by the Crown* suggest that some government agencies may still have capability and capacity issues that impact on their funding activities. The State Services Commission has identified a need across government for training and opportunities for discussion regarding contracting practices, and initiatives are planned to achieve this.

Preliminary findings from MSD evaluations underway on integrated contracting suggest that too few staff manage large numbers of contracts in some agencies.

This section has outlined a number of challenges facing the community and voluntary sector. The next section identifies opportunities for action.

part three

Opportunities for action

Part three : Opportunities for action

We are responding to challenges for the community and voluntary sector by:

- working with the sector to build capacity
- building knowledge
- overcoming policy barriers
- building good practice in the public service.

Building the capacity of the community and voluntary sector

A strong community and voluntary sector will have the capacity to represent its views to government and meet its own objectives for members and clients.

Community and voluntary sector leadership

For many years, governments have funded community and voluntary leadership organisations, such as umbrella organisations representing arts, social services and recreation. These organisations act as a conduit for communication between government agencies and the sector, disseminate government and sector information, and sometimes act as partners in the delivery of new programmes or initiatives.

In recent years, the notion of a national leadership organisation or process for the whole community and voluntary sector has emerged. A proposal for a national entity has been developed by the Community Sector Taskforce. This taskforce was created by the Community–Government Relationship Steering Group in September 2003.

The purposes of a national entity have been described as:

- identification of cross-sector issues and action to address these, including the provision of advice to government
- leadership of initiatives to build the sector's capacity.

Proposals to enhance sector leadership include a national leadership organisation and/or forums between ministers and the sector

Forums would provide a platform for future progress

Another way to improve communication between government and the sector is to create a process for dialogue rather than an organisation. A forum between Ministers and the community and voluntary sector, similar to the current central government forums with local government, could be held once or twice a year. To support these meetings, individual Ministers would convene sub-sector forums within their portfolios. For example, the Minister and/or Ministry for the Environment would formally meet with sector organisations in their area of operation. This process would identify issues and people to go forward to the whole-of-sector forums.

A forum process would encourage sector-wide participation, and confirm each government agency's responsibility to relate directly to the community and voluntary sector. However, forums could not replicate the role of a leadership organisation. A formally constituted organisation exists in its own right and over time builds up skills, knowledge and credibility. It can attract non-government funds, and build up a range of services in response to sector needs.

These approaches, ie the creation of an organisation or of a process, are not mutually exclusive. Both would provide opportunities for the community and voluntary sector to collaborate on common issues.

Another area of action could be to review the adequacy of government support for sub-sector leadership organisations already in existence. The task of identifying issues common to the whole community and voluntary sector and developing solutions would be easier if existing bodies had funding available for this purpose.

The OCVS supports the forum process as it has strong potential to achieve a systematic improvement in the way government agencies engage with the community and voluntary sector. The forums would be useful as a stand-alone process and could also act as a platform for other developments, if these were of clear benefit.

For example, a whole-of-sector forum could be serviced by a secretariat made up of officials and non-government representatives. This secretariat could develop a joint programme of work to be implemented by both government and non-government organisations either in combination or separately, and ratified at the whole-of-sector forum. The forums could also support the creation of a national organisation for the whole sector or a

review of funding for current umbrella organisations, if there were a strong will in either of these directions.

The OCVS is currently working with the sector to achieve the objective of supporting strategic leadership across the community and voluntary sector.

Managing risk and liability

Community and voluntary organisations are seeking new ways to assess and mitigate the risks they face. There is a sense of increased responsibility associated with applying the Health and Safety in Employment Amendment Act 2002 to volunteers.

In 2004, the OCVS reported to Cabinet on plans to convene focus groups to discuss options for addressing risk and liability issues in community organisations. The OCVS has developed a resource kit for the sector on managing risk and liability issues in conjunction with the New Zealand Federation of Voluntary Welfare Organisations.

The OCVS risk and liability project involves outreach to sector organisations aimed at identifying issues, and increasing skills and knowledge in this area. The need for this work is likely to be ongoing due to the extent of concern in the community.

I am very keen to obtain the new kit as it looks extremely useful for organisations like ours.

(Community-based participant in seminar on the draft kit)

Helping with organisational development

The OCVS is also working with the Ministry of Social Development's Family and Community Services team to undertake a stocktake of information and resources related to organisations' internal systems in areas such as human resource management, accountability mechanisms, business planning, training, research, and IT systems. Gaps, needs and opportunities will be assessed with a view to instigating further initiatives, such as mentoring schemes, a help line, training resources, further best practice guides, or leadership programmes. The stocktake will be published as a directory for use by sector organisations to locate resources and advice.

We provide resources and support to help the sector manage risk and liability issues

Don't do it for us – give us the space and resources to do it for ourselves.

(Community organisation representative speaking about capacity building at consultation meeting)

Engaging with the philanthropic sector

The OCVS is establishing a dialogue with leaders in the philanthropic sector in preparation for the development of policy advice regarding how government can best assist the sector.

Government remains the most important source of funding for community and voluntary organisations. The centrality of government funding means that government agencies have opportunities to contribute to strategic development through dialogue with the sector and non-government funders.

Building knowledge

As previously noted, data on the sector in New Zealand is weak. To improve data on the community and voluntary sector, the OCVS is working with Statistics New Zealand and other agencies to collect statistical data on the New Zealand sector.

Data from this project will provide New Zealand with the baseline information needed to join the Johns Hopkins University Comparative Study of the Non-Profit Sector. The OCVS has signed a Collaboration Agreement with Johns Hopkins University, which manages the international study. Both the Statistics New Zealand work and the Johns Hopkins University relationship are overseen by an Advisory Committee for the Study of the New Zealand Non-Profit Sector, which is co-ordinated and supported by the OCVS. Committee members include people from Māori and community organisations, academic institutions and research backgrounds. Funding for involvement in the international study has come from both government and philanthropic sources. The first results are expected in 2007.

Other OCVS research-related work includes:

- co-convening, with the Association of Non-Governmental Organisations of Aotearoa (ANGOA), the quarterly community sector research forum

We are engaging with the philanthropic sector

We are taking part in projects to improve data collection

- commissioning research into the fulfilment of cultural obligations by Pacific peoples and concepts of volunteering
- attending meetings of community sector representatives and academics to explore proposals to establish a collaborative research centre for non-profit sector research
- publishing research into the fulfilment of cultural obligations by Māori and concepts of volunteering.

Unpaid participants in Māori and Pacific organisations do not generally perceive themselves as “volunteers”. Volunteering in the conventional pākehā sense is seen as involving one’s own free will. For many cultures, participation is seen to involve a strong element of obligation.

Recognising that the relationship between fulfilment of cultural obligations and the practice of volunteering needs to be further researched, the OCVS has commissioned two reports. *Tohu Aroha: Māori Perspectives on Volunteering and Cultural Obligations*, reviews national and international literature and information collated from interviews with Māori. It concludes that Māori volunteer to maintain mana (prestige) and embrace whakawhanaungatanga (family connection) within the extended and immediate whānau (family). This report will be published in 2005.

In 2005, a second research project will investigate the participation of Pacific communities in volunteering activities. Funding for this research was successfully secured by the OCVS during December 2004 Cross Departmental Research Pool (CDRP) process administered by the Ministry of Research, Science and Technology.

Together these research projects will assist policy development and implementation when:

- collecting data on volunteering
- allocating funding to support volunteering
- developing policies that impact on volunteering.

Overcoming barriers to progress

The OCVS identifies ways that government agencies can better support the community and voluntary sector to do its work.

Our advisory work also includes:

- strategic policy advice regarding the role and operations of the Charities Commission
- guidance on how government agencies can appropriately support the participation of community and voluntary organisations in policy development and debate
- an overview of government actions to reduce barriers to volunteering in legislation, policy and practice, such as putting policies in place that support the private volunteering activities of public servants
- second-opinion policy advice on a range of issues, such as implications for the community and voluntary sector of the Ministry of Economic Development's review of the Financial Reporting Act 1993.

The OCVS acknowledges the value that is added to policy discussions by community and voluntary sector organisations, and is looking for ways to enhance that contribution. Underpinning this work is government concern to preserve the neutrality of the public service, and some uncertainty about how to appropriately support the advocacy role of community and voluntary organisations. Managing this tension requires skill and judgement. We are considering approaches to funding that will achieve an appropriate balance.

The OCVS is also actively involved in the Ministry of Social Development's Funding for Outcomes project, which is developing and testing better-integrated approaches to government contracting with community and Māori service providers.

Building good practice in the public service

The primary purpose of the OCVS is to advise on the overall state of the relationship between government agencies and the sector, and to promote good practice by government agencies in their interaction with community and voluntary organisations. Key areas include improved funding arrangements and participation in policy development.

In November 2004, the OCVS provided its first report for Cabinet consideration on the current scope, nature and scale of departmental relationships with the sector. The report highlights examples of excellence that show some departments making good progress. Departments whose work in strengthening relationships with the community and voluntary sector is well advanced reported strategies and action plans that are driven by “champions” at senior management level, and that are well understood throughout the department.

Following this report, Ministers agreed that, in 2005, the OCVS would undertake a new programme of interactive seminars and workshops across government on good practice in action. This initiative is built around the work of a number of demonstration agencies who share their experience and learning. The first of these seminars, Building Strong Relationships – Partnerships that Work, was held in April 2005.

The Ministry of Social Development-led programme, Strategies with Kids – Information for Parents (SKIP), is an initiative welcomed by community organisations as an excellent example of a respectful and trusting relationship. SKIP focused on achieving a shared vision of programme outcomes with community stakeholders and shared decision making. The project uses processes based on community traditions and behaviours, collaboration, and capacity building. Funding comes with built-in monitoring and reporting requirements. Community organisations report improved parenting practices, and greater awareness of positive parenting.

The second seminar focused on the policy rationale for engagement between government and the sector, and was held in June 2005. Interest in the seminars is strong and we have received positive feedback from participants.

We are promoting good practice through workshops and websites

The case studies inspired me to convey lessons learned from the seminar within my agency.

(Seminar series participant)

The OCVS also promotes good practice. We are:

- maintaining the Good Practice Participate and Good Practice Funding websites (www.goodpracticeparticipate.govt.nz and www.goodpracticefunding.govt.nz). These websites are designed to help public servants engage successfully with community, voluntary and Māori organisations. They include information on how to encourage participation and examples of good funding practice.
- working with the State Services Commission to develop strategies aimed at enhancing the skills of public servants when they engage with communities. These include developing options for training and community secondments, and for supporting state employees' private volunteering activity. We are working on a new approach that allows staff from the state sector to be seconded to the community and voluntary sector and vice versa, without substantial costs being incurred by the sector.
- developing strategies for effective communications and engagement with Māori organisations.

This section has discussed the opportunities for government action in response to the challenges facing the community and voluntary sector. The next section provides information on how the OCVS works and how we fit into the structure of the Ministry of Social Development.

part four

How the Office works

Part four : How the Office works

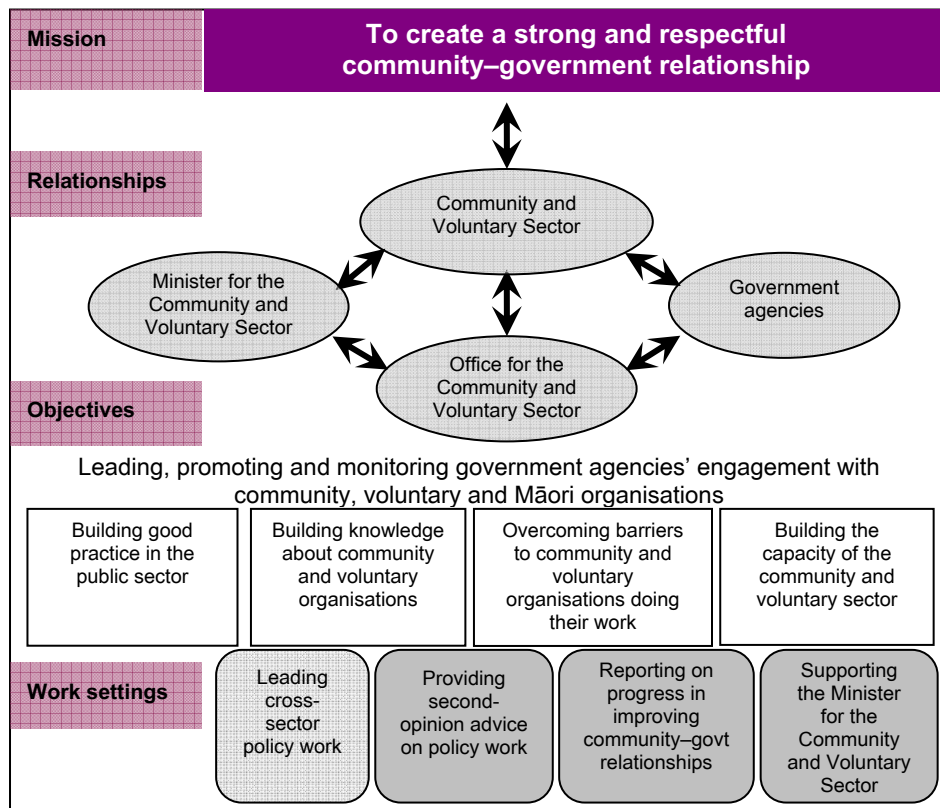
Our role

The Office for the Community and Voluntary Sector 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. We work across government, drawing on good practice examples with the aim of achieving excellent relationships between government agencies and community, voluntary and Māori organisations.

The Office was established in 2003 to address overarching issues for the sector

Through this work, the OCVS contributes to the Ministry of Social Development's goal of ensuring that "communities, hapū and iwi are able to determine and achieve their vital and unique social, economic and cultural goals".

Figure 4.1 Strategic focus of the Office for the Community and Voluntary Sector



There is a direct working relationship between the office director and you

Since its establishment, the OCVS has developed a reputation as a reliable and skilful source of policy advice on issues and trends within the community and voluntary sector. We keep in touch with international thinking about the role of the sector and initiatives to recognise and improve its contribution to social and economic development.

Our responsibilities

Supporting you, the Minister for the Community and Voluntary Sector

A key function of the OCVS is to support and advise you. We will ensure that you are well informed about developments in the community and voluntary sector and we will provide advice regarding opportunities for leadership.

As portfolio Minister, you are responsible for the priorities and work programme of the OCVS. There is a direct working relationship between the OCVS Director and you.

The activities of the OCVS are funded from Vote: Social Development. The Minister for Social Development and Employment is responsible for the administrative infrastructure that supports the work of the Community and Voluntary Sector portfolio. The Chief Executive of the Ministry of Social Development is accountable to the Minister for Social Development and Employment for the outputs and performance of the OCVS. This occurs through the formal accountability systems of the Ministry's statement of intent, the Vote: Social Development Output Plan, and the annual report.

Your portfolio also includes responsibility for Vote: Community and Voluntary Sector, which is administered by the Department of Internal Affairs. Funding delivered from this Vote includes community funding delivered through programmes such as the Community Organisations Grants Scheme (COGS) administered by the Department of Internal Affairs. We work closely with our Department of Internal Affairs colleagues in supporting you as Minister for the Community and Voluntary Sector.

The effective management of ministerial correspondence is critical to maintaining credibility with the sector and the public. For this reason, we prioritise our support, including drafting replies to ministerial

correspondence, parliamentary questions, notes for speeches, and requests made under the Official Information Act 1982.

Fortnightly updates and briefings on request ensure you are well informed about current community and voluntary sector issues, in particular those that might arise in Cabinet discussions.

Building strong relationships

We maintain active relationships with a wide range of community and voluntary organisations. We are currently designing and building a database that will ensure we can respond effectively to the many requests for advice about which groups to visit or consult. The database will identify groups with particular interests, and will ensure we are capturing and sharing information to build a more complete picture of our interactions with the sector.

We have key partners across government agencies. A number of these meet formally on a monthly basis as the Community Policy Senior Officials Group (ComPoISOG) convened by the Ministry of Social Development. This Group aims to facilitate a strategic and co-ordinated approach to government agency engagement with the community and voluntary sector.

The following government agencies are represented on ComPoISOG:

- Office for the Community and Voluntary Sector
- Ministry of Social Development's Child, Family and Community Policy team
- Department of Internal Affairs
- Department of Child, Youth and Family Services
- Te Puni Kōkiri
- Ministry of Pacific Island Affairs
- Housing New Zealand Corporation
- Department of Labour.

We work actively with a wide range of sector organisations and government agencies

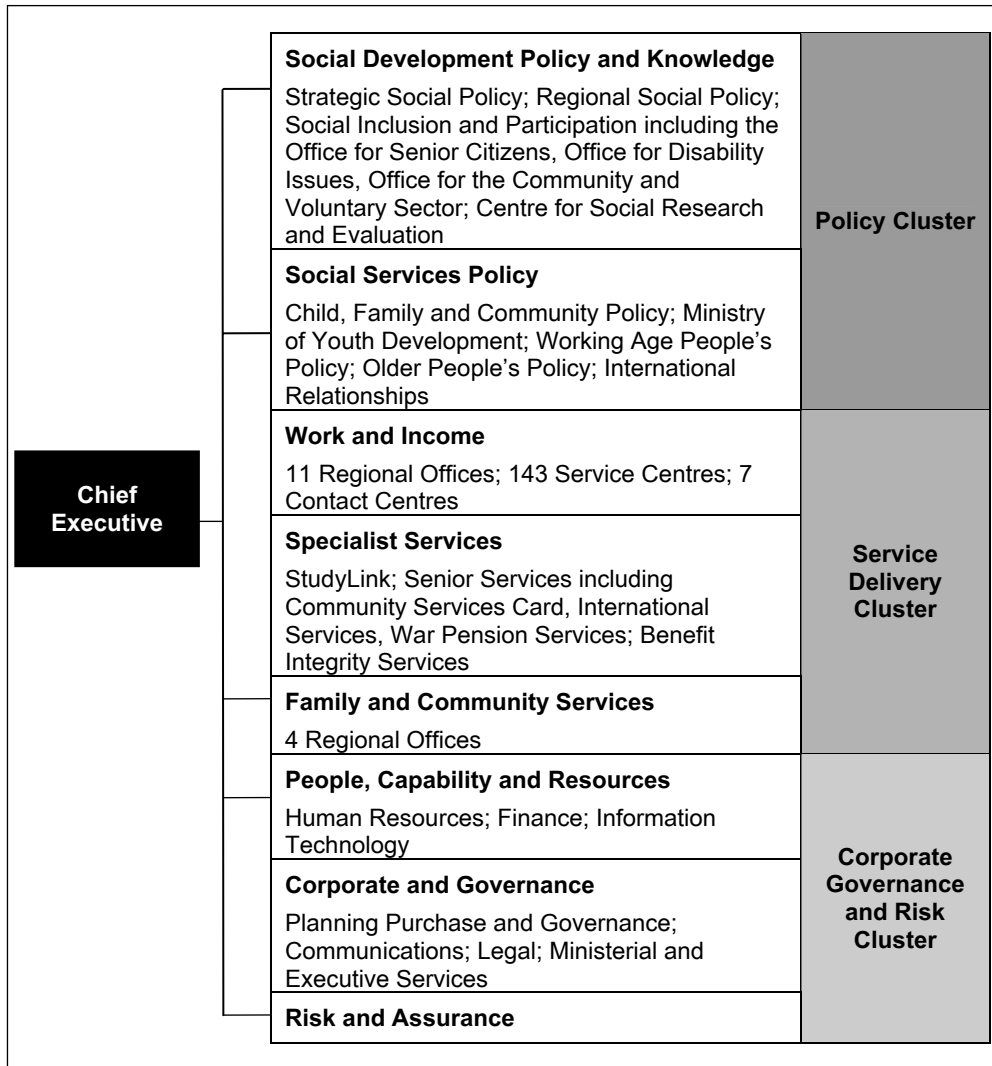
Office structure

The OCVS Director is supported by a team of four senior analysts, one analyst, two communications advisors (one part-time) and an executive assistant.

Relationship to the Ministry of Social Development

As noted in Figure 4.2, the OCVS is located within the Social Development Policy and Knowledge Group of MSD, along with several other units with a whole of government perspective.

Figure 4.2 Where the Office fits within the Ministry of Social Development



Location within the Ministry of Social Development enables us to access a range of corporate support services provided by the Ministry, including expertise in financial and human resource management, evaluation and research, and communication. Our administration and overhead costs are minimised through the economies of scale available to us as part of the larger Ministry.

The inclusion of the OCVS within Social Development Policy and Knowledge enables us to contribute to strategic policy development and ensures that the issues and interests of the community and voluntary sector are considered in the context of the Ministry's social development policies.

The OCVS also enjoys a positive relationship with the Child, Family and Community Policy team and is engaged in staff-sharing arrangements with that team. In addition, Ministry of Social Development's Work and Income business group has an active presence in all New Zealand communities, with Social Development Managers now working alongside Regional Commissioners. Along with the Regional Social Policy advisors, these staff provide insights and feedback to better inform our work.

Our location gives us infrastructure support and input into strategic policy

Working together

The OCVS will provide you with detailed briefings on the challenges and opportunities this briefing has outlined, and any other matters on which you request information and advice.

We look forward to working with you.

Appendix one

Statement of Government Intentions for an Improved Community–Government Relationship (December 2001)

Vision:

Strong and respectful relationships between government and community, voluntary and iwi/Māori organisations.

Government recognises that community, voluntary and iwi/Māori organisations play a unique and vital role in New Zealand society.

An independent and vibrant community sector is essential to a healthy civil society. Government and the community sector depend on each other to achieve shared goals of social participation, social equity and strengthened communities.

The Community and Voluntary Sector Working Party delivered a strong message that government relationships with the community sector need to improve if these goals are to be realised.

Government will be an active partner in building a relationship based on honesty, trust and integrity/tika and pono; compassion and caring/aroha and manaakitanga; and recognition of diversity.

Principles:

Government is committed to developing relationships with community, voluntary and iwi/Māori organisations that:

- enable mutual interests to be achieved through co-operation
- respect the independence of community, voluntary and iwi/Māori 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.

Government commitments:

- **Culture of government**

Government expects public servants to treat all New Zealanders with dignity and respect.

This requires leadership from public service chief executives and senior managers to ensure that all staff have a good understanding of the values, governance arrangements and working realities of the community, voluntary and iwi/Māori organisations with whom they interact.

- **“Whole of government” approach**

Government recognises that community, voluntary and iwi/Māori organisations interact across the range of government ministries and departments. Government agencies will give priority to working together, breaking down ‘silos’ and establishing co-ordinated, inter-sectoral policies and programmes.

- **Treaty of Waitangi**

Government expects its departments and ministries to recognise and apply the principles of the Treaty of Waitangi. Public servants need to be well informed about, and responsive to, Treaty matters. Government agencies will continue to develop and improve public servants’ understanding of the principles of the Treaty of Waitangi, its relevance to the agency in which they work and its application to their own roles.

- **Participation in decision-making**

Government values the contribution of community, voluntary and iwi/Māori organisations to good policy making and delivery of effective services. Government agencies and the community sector will work

together to develop and improve consultation processes through sharing good practice, guidelines, workshops and training.

- **Government funding to community organisations**

Government acknowledges the valuable contribution made by community, voluntary and iwi/Māori organisations to the achievement of shared social, cultural, environmental and economic goals. Government agencies will, together with the community sector, undertake a programme of work to address concerns about funding arrangements, effectiveness, compliance costs and related matters.

- **Strengthening the community sector**

New Zealand's social, cultural, environmental and economic wellbeing requires a healthy and strong community sector. Government will work alongside community, voluntary and iwi/Māori organisations to support and strengthen the community sector.

- **Implementation**

Government is committed to creating a genuine partnership with community, voluntary and iwi/Māori organisations. Building strong and respectful relationships with the community sector will take time and will require hard work, reflection and active engagement.

Government sees a future where the state performs its role as a facilitator of a strong civil society based on respectful relationships between government and community, voluntary and iwi/Māori organisations.

Rt Hon Helen Clark
Prime Minister

Hon Steve Maharey
Minister Responsible for the
Community and Voluntary Sector

December 2001

Appendix two

Given that volunteers make a vital contribution to social development, the economy and the environment, government endorses the following policy on volunteering

Vision

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.

Recognition

Government recognises that:

- volunteers are found in wide-ranging spheres of activity, including sports, arts, heritage, emergency services, social services, health, education, recreation, human rights, tourism, conservation and the environment
- volunteers offer their time and expertise of their own free will, out of commitment to their community, and to fulfil cultural obligations
- the nature of volunteering varies widely depending on different cultural expectations and the nature of the task
- volunteers give their time unpaid and should have the opportunity to gain benefits in return, such as new skills, and a sense of belonging and achievement
- volunteers should not replace paid workers
- volunteering is an essential element of civil society.

Commitments

To support this vision, government is committed to:

- valuing and celebrating the contributions of volunteers
- recognising the contribution that tangata whenua, Pacific and ethnic peoples make to their communities through fulfilment of cultural obligations

- ensuring that volunteers have appropriate protection under law
- ensuring good practice in volunteer programmes which government directly manages
- encouraging community and voluntary organisations to develop and maintain good practice in supporting and involving their volunteers
- reducing barriers associated with volunteering in legislation, policy and practice
- supporting initiatives to increase understanding of, and to disseminate information about, volunteering.

Implementation

Government expects all government agencies to:

- take into account the needs of volunteers and their organisations, and the costs associated with volunteering, when developing policies and delivering services
- consult volunteers and their organisations on policy and operational changes that impact on volunteering
- have policies in place that support the private volunteering activities of staff while ensuring that public servants continue to fulfil their professional obligations.

Endnotes

¹ Ministry of Social Policy (2001) Communities and Government – Potential for Partnership Whakatōpū Whakaaro Report of the Community and Voluntary Sector Working Party, Ministry of Social Policy, Wellington

² Ministry of Social Development (2002) He Waka Kotuia: Joining Together on a Shared Journey Report of the Community-Government Relationship Steering Group, Ministry of Social Development, Wellington