

# BRIEFING TO THE INCOMING MINISTER



**Building on the power of shared experience**



MINISTRY OF SOCIAL DEVELOPMENT  
*Te Manatū Whakahiato Ora*



**Office for the Community  
& Voluntary Sector**

**Tari mō te Rāngai ā-Hapori, ā-Tūao**  
*Administered by the Ministry of Social Development*



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## **Part 4: How the Office for the Community and Voluntary Sector Works**

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## OVERVIEW

In New Zealand, around 97,000 community and voluntary organisations undertake a vast array of activities and functions. Ninety per cent of these have no paid staff and rely completely on New Zealand's more than one million volunteers.

Defining this sector precisely is often difficult. The United Nations defines community and voluntary organisations as being:

- Organised: have a structure of some kind
- Non-profit: do not make a profit for owners or directors
- Private: are separate from government
- Self-governing: control their own management
- Not compulsory: participation is voluntary.

While we often refer to the “community and voluntary” or “non-profit” sector as a single entity, it is far from that. The sector is made up of 12 subsectors ranging from sport to environmental protection, social services to the arts and health to international aid. Each of these subsectors is structured quite differently, creating diverse governance arrangements. Sector organisations function at local, regional and national levels and the interests of population groups such as Māori, Pacific peoples, youth and older adults cut across all the subsectors, providing another level of complexity.

You will work with a very diverse and complex sector as Minister for the Community and Voluntary Sector. The portfolio involves a range of issues that affect the whole sector in its relationship with government. These include the independence of the sector, funding and resourcing, engagement on policy development, service delivery planning and support for volunteers.

The Office for the Community and Voluntary Sector will provide you with advice across all of these policy areas and support you in your role as a champion of the sector.

This briefing gives you an overview of the sector's contribution to the economy and society. We look at the challenges for government of working with this diverse and complex sector and how you as Minister might best support government and the sector to work together.

We look forward to working with you.

Alasdair Finnie  
Director  
Office for the Community and Voluntary Sector

## EXECUTIVE SUMMARY

The contribution of the community and voluntary sector to society and the economy goes beyond the delivery of public services. It makes a significant contribution of 4.9 per cent to Gross Domestic Product (GDP). Community participation and volunteering brings people together in social networks and communities. It also provides opportunities for people to express their interests, values and culture. Importantly, the sector expresses our national identity and what it is to be a New Zealander.

Government agencies understanding of and their engagement with the sector remain uneven. Progress on long-standing issues needs to be accelerated.

The Office for the Community and Voluntary Sector (OCVS) supports government to work effectively with the community and voluntary sector and helps the sector in its interaction with government. While located within the Ministry of Social Development, OCVS works across the whole spectrum of social, cultural, environmental and economic activities.

Community and voluntary sector organisations provide a platform for over one million volunteers to contribute to society. With total revenue exceeding \$8 billion, these organisations offer citizens access to public services outside the state sector. They also provide a voice for many parts of our society, particularly for those who are disadvantaged.

New data enables us to quantify the sector's impact and to examine the contribution of volunteers. Building on this new data, an opportunity exists to improve government's engagement with the non-profit sector.

There are opportunities to strengthen the community – government relationship into the future. This will involve a focus across government on building better relationships based on some of the good-practice that exists in some areas.

It will be important to make further progress on the types of funding relationships that exist. Work is already underway on this in the social services sector as part of the Pathway to Partnership programme.

Encouraging volunteering and charitable giving is another area of focus, and there will be opportunities for government to support this over the next few years.





PART

# 1

Overview – The  
Situation Today

97,000  
organisations

Over 105,000 paid  
staff and over one  
million volunteers

Contributing 4.9%  
of GDP

One of the largest  
and most distinctive  
non-profit sectors in  
the world

New Zealanders are involved in a vast array of activities with non-profit organisations. An army of volunteers supports these organisations, and together they jointly contribute 4.9 per cent to Gross Domestic Product (GDP).

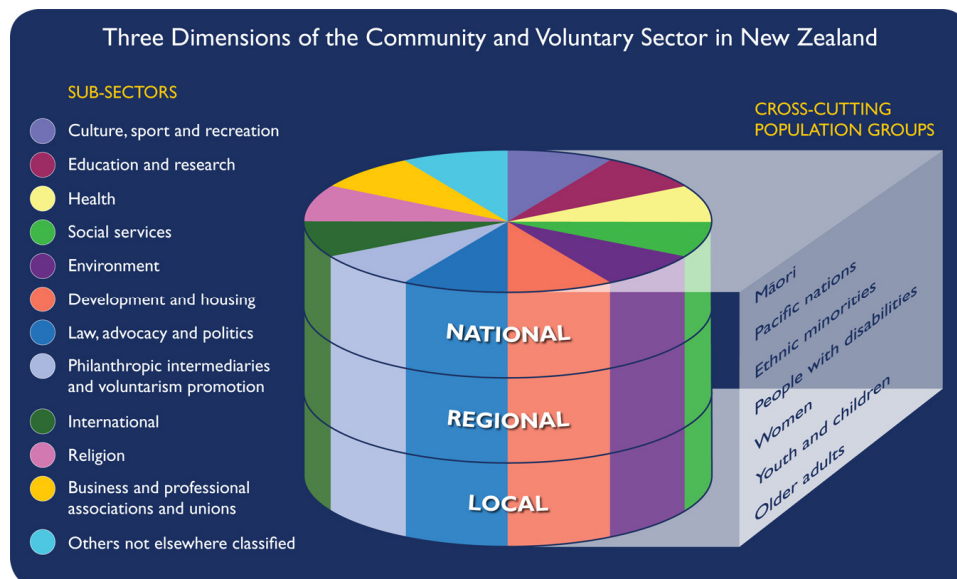
## THE COMMUNITY AND VOLUNTARY SECTOR IS MADE UP OF MANY PARTS

We now know more about this sector than ever before. In August 2007, Statistics New Zealand published the first Non-profit Institutions Satellite Account: 2004, which provides comprehensive information about the size, diversity and contribution of the sector to New Zealand's economy and society. The production of the satellite account was assisted by the Committee for the Study of the New Zealand Non-profit Sector, the OCVS and the Ministry of Social Development.

The satellite account identifies 97,000 non-profit institutions that perform a wide array of functions<sup>1</sup>. Of these, 90 per cent have no paid staff and rely completely on volunteers. The sector employs over 105,000 paid staff and over one million volunteers. New Zealand has one of the largest non-profit sectors in the world in proportional terms; and one of the most distinctive. The sector's scope ranges from service-type organisations to those that provide opportunities for citizens to express their wider interests and values (for instance sport, the arts, religion and environmental protection). Figure 1 shows one way of describing the sector, using 12 'subsectors', all of which have national, regional and local dimensions.

No two subsectors organise themselves in the same way. Each subsector has systems and networks that best suit their own activity. These networks are often poorly understood by government agencies. Only by understanding and working with these networks can government better tailor its engagement with the sector.

**Figure 1. Dimensions of New Zealand's community and voluntary sector**



Exactly what constitutes the “community and voluntary sector” has been particularly difficult to define. In part, this is because the sector encompasses that part of society that is not the market, government or households. This has led the sector to be defined by what it is not, as opposed to what it is.

## THERE ARE MANY COMMUNITY PERSPECTIVES

Non-profit organisations have unique goals, values, and objectives that make them valuable in their own right. Where sector organisations undertake work that is consistent with government objectives, government places an emphasis on funding and support for these organisations. This is especially the case in the sports, health and social services fields, although this has also occurred with some of the larger and/or nationally-organised heritage, arts and culture, and recreation groups.

While the OCVS tends to focus on community and voluntary sector organisations, this only gives us a view of communities of interest and communities of identity. Geographical communities involve citizens volunteering informally within their localities, but also volunteering formally through local organisations. The OCVS can identify important players in the community and voluntary sector and will help you as Minister to work across this vast and complex sector.

*The terms 'community and voluntary sector' and 'non-profit sector' are generally used interchangeably*

### Examples of well known community and voluntary sector organisations

**Social services:** NZ Federation of Voluntary Welfare Organisations, Red Cross

**Health:** Cancer Society, Mental Health Foundation

**Culture and recreation:** Recreation NZ, NZ Football, NZ Opera Society

**Education and research:** Kohanga Reo, Royal Society of NZ

**Development and housing:** Student Job Search, NZ Housing Foundation

**Environment:** NZ Royal Forest and Bird Society, NZ Fish and Game Council

**Religion:** Anglican Church, The Salvation Army

**Grant-making and volunteerism promotion:** Volunteering NZ, Philanthropy NZ

**Law, advocacy and politics:** Wellington Community Law Centre, Citizens' Advice Bureaux

**International aid:** Council for International Development, World Vision

**Business and professional associations, unions:** Institute of Chartered Accountants

*Sector organisations have unique goals, values and objectives*

The interests of population groups cut across all parts of the sector. For instance, people with disabilities have interests in sport and the arts, social services, health, environmental protection and so on.

*Continuing to find appropriate ways to engage with the sector is a priority*

Internal governance arrangements differ dramatically across the subsectors. In most cases, a group of umbrella organisations or federations carries a mandate to speak for its constituents. Each subsector's regional and local arrangements are similarly diverse, with local and regional bodies feeding into national federations or collectives.

Ensuring government uses the appropriate avenues to engage with the sector remains a priority. The sector's complexity means that government needs to use a range of channels when working with individual subsectors or the sector as a whole. The increased use of cross-sector forums provides significant opportunities for government to engage with the sector and to foster collaboration on matters of shared interest.

### NON-PROFITS HAVE TWO FUNCTIONS: "SERVICE" OR "EXPRESSIVE"

We can categorise the different subsectors according to two broad functions<sup>2</sup>:

- service functions – these involve the delivery of direct services such as education, health, housing and community development; and social services
- expressive functions – these involve organisations which provide avenues for the expression of culture, arts, religion, civic promotion, advocacy, recreation and sport, environmental protection; and business, labour, religious, and professional representation.

*Government tends to pay more attention to service-type organisations*

While expressive-type organisations comprise the vast majority of non-profit organisations and have the most volunteers, government agencies have tended to pay closer attention to the service-type organisations, especially when contracting with non-profit health and social services.

Expressive non-profit organisations, however, play a critical role in creating healthy, cohesive communities and mobilising volunteers. For example, cultural, recreational and sporting associations in New Zealand account for 25 per cent of the non-profit workforce. All expressive activities account for 49 per cent of the non-profit workforce: higher than the average of 37 per cent in other countries for which data is available.

### THE SECTOR IS A SIGNIFICANT ECONOMIC FORCE

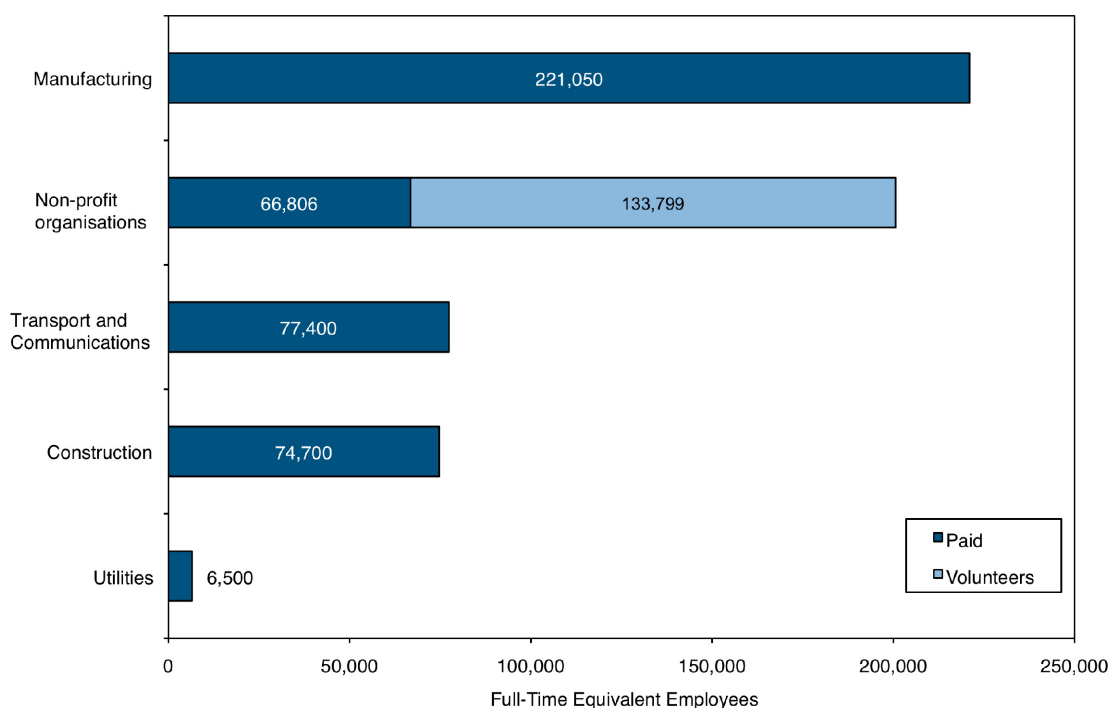
New Zealand's non-profit organisations represent a significant economic force. Until now, little robust data existed to measure the sector's economic impact. The OCVS has been working with government agencies and the sector to address this. Statistics New Zealand's Non-profit Institutions Satellite Account: 2004 gives the most recent data on this sector, for the year ended March 2004. Key findings are:

- **It's a \$9.8 billion industry.** With operating expenditures of \$6.5 billion, the sector also mobilised a volunteer workforce that represented an additional \$3.3 billion of labour. The total expenditures represented by the paid and volunteer effort of non-profit institutions thus totalled \$9.8 billion.

- **Contribution to GDP.** The sector contributed a net value-added \$7 billion or 4.9 per cent of New Zealand's GDP. Of this total, \$3.6 billion represents the monetary value added by the non-profit institutions and \$3.3 billion represents the value added by volunteer work.
- **A significant workforce.** The total non-profit sector workforce numbered over 200,000 full-time equivalent paid staff and volunteers, which represents 9.6 per cent of the economically active population.<sup>3</sup> Measured as a share of the country's economically active population, this workforce places the New Zealand non-profit sector as the seventh largest among the 41 countries for which comparable data is available, ahead of the United States and Australia.
- **A sector with a larger workforce than many industries.** Non-profit sector organisations in New Zealand employ more people than the construction, transportation, and utilities industries combined, and more than 90 per cent of the number employed in the manufacturing sector (Figure 2).

*New Zealand's non-profit sector workforce is proportionately the seventh largest in the world*

**Figure 2. Full-time equivalent employees in non-profit organisations versus selected industries in New Zealand, 2004<sup>4</sup>**



- **Extensive volunteer input.** Overall, the volunteer effort translated into nearly 134,000 full-time equivalent workers, representing 6.4 per cent of the total economically-active population and two-thirds of the sector workforce. The actual number of people volunteering is significantly higher than this as most volunteers do not work full-time. Statistics New Zealand estimates that over one million people, or 31 per cent of the population aged 12 years and over, engaged in some kind of volunteer work for a non-profit organisation in 2004. Māori women have the highest rate of volunteering. Volunteers filled approximately 1.7 million positions; 46 per cent of volunteers did so for more

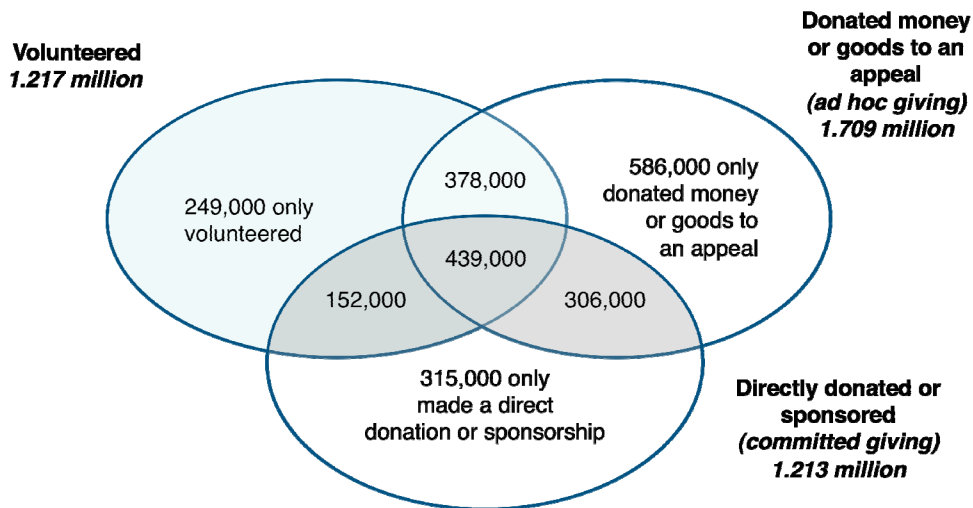
than one organisation. Nonetheless, anecdotally, the demand for volunteers frequently exceeds supply.

### THERE IS A RELATIONSHIP BETWEEN GIVING AND VOLUNTEERING

New data on how New Zealanders donate time and money suggests that over 1.2 million New Zealanders volunteer annually and over 1.7 million donate money or goods (Figure 3).<sup>5</sup>

*Over 1.2 million New Zealanders volunteer and over 1.7 million donate money or goods*

**Figure 3. Relationship between volunteering, ad hoc and committed giving**



Of those people who volunteered, 80 per cent also gave money or goods, compared to 60 per cent of the overall population giving money or goods.

*Overall rates of volunteering seem to be stable*

Due to significantly different collection methods, this new data on volunteering and the data from Statistics New Zealand is not entirely comparable. In this respect, we cannot be sure if volunteering is increasing or decreasing. The available data, however, suggests that the volunteering rate (of between 31 and 34 per cent of the population, depending on the source) remained stable during the last decade.

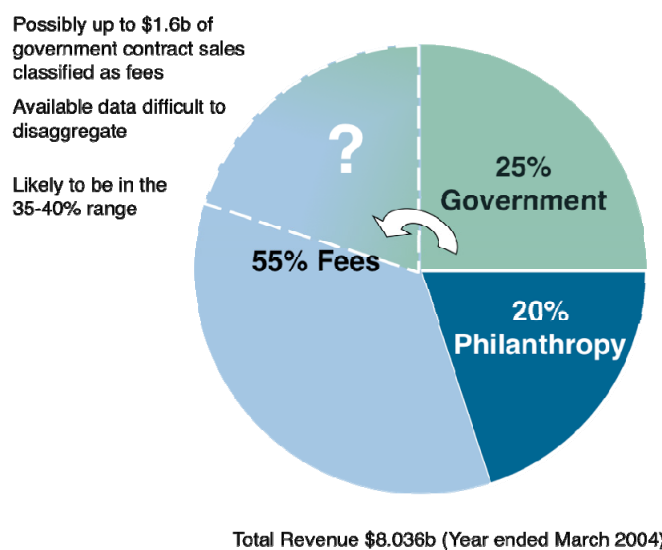
Given the ad hoc nature of data on volunteering in New Zealand and internationally, the International Labour Organisation (ILO) has agreed to a proposal to recommend the inclusion of volunteering in labour force surveys, subject to ratification at the International Congress of Labour Statistics in November 2008. This provides a significant opportunity for New Zealand to lead the development of statistics in this area by being one of the first countries to include voluntary labour in the Household Labour-Force Survey.

## MEASURING FUNDING FLOWS IS PROBLEMATIC

The measurement of government funding flows to non-profit organisations remains an area for further work. In 2007, a Department of Internal Affairs survey revealed an estimated \$1.25 billion of public funding went to the sector. Preliminary data gathered by the OCVS suggests government funding to the sector in 2004 was around \$2 billion, but we believe that it could be as high as \$3.6 billion, or 45 per cent of total revenue (Figure 4). This difference is almost entirely due to unclassified contracts from District Health Boards (DHBs).

*Government funding to the sector could be higher than currently reported*

**Figure 4. Estimated sources of revenue to the New Zealand non-profit sector**



Monitoring payments to non-profit organisations would provide a direct measure on how government resources the sector. Specifically, it would provide the scope and scale of contracting or grants as funding tools, and trends in the use of multi-year funding arrangements.<sup>6</sup> Statistics New Zealand's Annual Enterprise Survey, which provided the main source of data for the Non-profit Institutions Satellite Account: 2004, is currently being redesigned to identify revenue from government contracts.

*Philanthropic giving in New Zealand is high by international standards*

We are working with other government agencies to establish a system to accurately monitor public funding to the sector.

The amount of philanthropic giving in New Zealand is significant. A 2007 report from Philanthropy New Zealand, which relied in part on Inland Revenue data, suggests that funding flows to the sector from philanthropic sources totalled around \$1.25 billion in 2006. However, data sourced from the satellite account, which relied on results from the Annual Enterprise Survey, estimates philanthropic giving at \$1.6 billion. Different measures of individual citizens' donations account for the main discrepancy between these sources.

With the recent lifting of rebate caps on charitable donations, greater incentives exist for individuals and corporates to report all their donations. This will improve the quality of the Inland Revenue data. Over time, we expect better data to resolve these inconsistencies.

Recent events on world financial markets mean that philanthropic funds under management in these markets may see reduced returns in the short term and, therefore, fewer funds available for donating to community purposes. The credit crunch may also have flow-on effects, with the possibility of a decrease in giving by individuals. It is too early to tell, however, what those effects might be and what parts of the community and voluntary sector they might affect the most. This issue is being addressed by OCVS's Promoting Generosity project, which is discussed in *Part 3*.

## WE CAN MEASURE THE SIZE OF THE SECTOR

Different measures help us to understand the size and scope of the non-profit sector. For instance, the social services and health subsectors employ 44.2 per cent of all non-profit staff, and comprise 35.4 per cent of the non-profit contribution to GDP excluding volunteers (Figure 6 and Figure 7). By contrast, the culture and recreation, social services and religion subsectors have the greatest numbers of organisations (Figure 5).

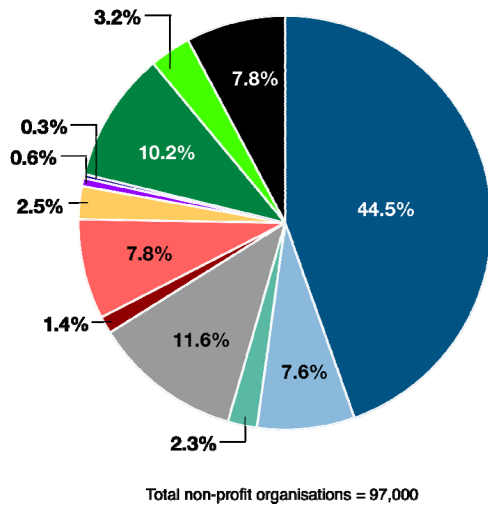
When we contrast employees with volunteers (Figure 7 and Figure 8), culture and recreation organisations account for only 16 per cent of all employees, but account for 30.2 per cent of voluntary positions. Leisure and recreation volunteers alone contributed \$959 million to GDP for the year ending March 2004.<sup>7</sup>

This highlights the expressive/service split in the New Zealand non-profit sector. Expressive organisations are generally smaller, more numerous, rely more heavily on donations for income, and engage more volunteers relative to paid staff. Service organisations tend to be larger, less numerous, rely on contract funding and have fewer volunteers relative to the number of paid staff.

*Leisure and  
recreation volunteers  
contribute \$959  
million to GDP*

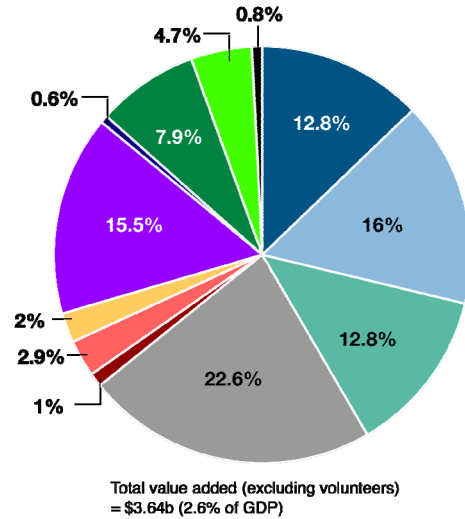


**Figure 5. Percentage of total non-profit organisations, by subsector, October 2005<sup>8</sup>**



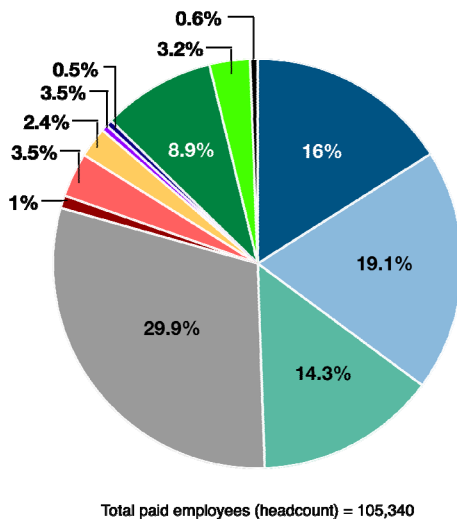
- Culture and recreation
- Environment
- Education and research
- Development and housing
- Health
- Law, advocacy and politics
- Social services
- Grant-making, fund raising, and voluntarism promotion
- Not elsewhere classified
- International
- Religion
- Business and professional association unions

**Figure 6. Percentage of total non-profit sector contribution to GDP, by subsector, October 2005<sup>9</sup>**

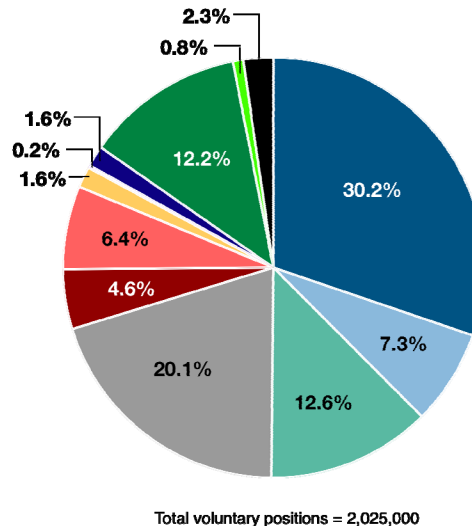


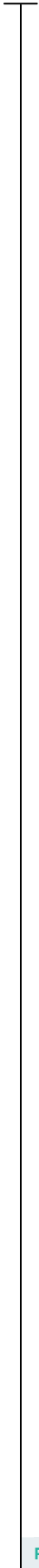
- International
- Religion
- Business and professional association unions
- Not elsewhere classified

**Figure 7. Percentage of total paid employees in the non-profit sector, by subsector, October 2005<sup>10</sup>**



**Figure 8. Percentage of total voluntary positions in the non-profit sector, by subsector, 2007<sup>11</sup>**





PART

# 2

Current Challenges

*Differences in sector and government perspectives need to be understood if common goals are to be achieved*

Government agencies sharing good practice and working together and with the community and voluntary sector will help the sector provide services and do good work.

## **GOVERNMENT AND THE COMMUNITY AND VOLUNTARY SECTOR OFTEN HAVE SIMILAR GOALS**

The community and voluntary sector relates to government, households and the market in many different ways. International experience shows that the wealthiest, most stable societies are those where a strong voluntary sector, state and market co-exist.<sup>12</sup>

Relationships between the sector and government are complex. The nature of government's interests, the structure and capacity of the part of the sector concerned, and historical dealings influence these relationships.

Governments and sector organisations often have similar goals (e.g. eliminating family violence), and so have a reason to collaborate. However, government and sector organisations often have different aims and are accountable in different ways. How the sector wants to operate may not always sit comfortably with government's primary goal of the efficient and effective use of public resources. These differences need to be understood if common goals are to be achieved.

From a government's perspective, relationships with the sector often centre on service delivery. Government contracts non-profit service providers, seeing them as being closer to their communities than government agencies or private businesses.

## **WORKING WELL TOGETHER IS ESSENTIAL**

Ministers rightly expect public servants to co-ordinate their efforts and to involve stakeholders, including those in the community and voluntary sector.<sup>13</sup>

Many non-profit organisations see the development of mutually-respectful working relationships with government as a key concern to them. An improved relationship does not mean the absence of tension, but it does imply good working mechanisms to address this. Recognition of the importance to New Zealand of a strong, independent sector that does more than simply provide goods and services on behalf of the State is central to the development of a productive relationship.

## **THE SECTOR HAS ITS OWN VOICE**

Non-profit organisations strongly assert their independence, and value their role as advocates for citizens. Organisations maintain that their independence enables them to respond specifically to local needs and to innovate. Many sector organisations contracted by government are concerned not to weaken their advocacy functions.

*A mutually respectful working relationship with government is important to the sector*

They maintain a right to speak out, irrespective of the funding arrangements that exist with government.

## GOOD ENGAGEMENT IS NEEDED

The government cannot tackle many of the complex issues facing society by itself. However, the sector is repeatedly telling us that public servants need to be better at developing effective sector relationships.

A stronger commitment from government agencies to build good practice in engagement is needed. This includes a better understanding of the sector's culture and values, genuine and effective consultation and more collaborative approaches to decision-making. Useful initiatives include the establishment of forums for discussing relationship issues with community and voluntary organisations, specialised stakeholder engagement positions, and partnership projects.

*Complex issues facing society cannot be tackled by government alone*

## THERE ARE FUNDING AND RESOURCING ISSUES

The transactional “purchaser-provider” view of relationships encouraged by some current contracting practice is too simplistic. Most non-profit organisations are not simply service providers. These organisations enlist many volunteers who give of their time because they believe in the purpose and values of the organisation.

*Most non-profit organisations are not simply service providers*

The level of funding and the funding arrangements (e.g. by contract or grant) significantly affect relationships between community-based providers and government. While government may prefer to use community-based providers, it must also be confident about the public benefit arising from the use of public funds.<sup>14</sup>

Community organisations and government officials have identified a number of funding issues confronting the sector. These include the need to make greater use of multi-year funding; insufficient funding (i.e. partial, short-term and project-related arrangements); increased competition for resources; the linkage of government funding to government rather than sector goals; and unpredictable shifts in government priorities and policies.

Specific initiatives, such as Pathway to Partnership (within part of the social services subsector), provide a useful model of ways to address some of these concerns. Pathway to Partnership involves provision of full funding for contracted essential services, and the use of relational contracting. In this respect, the initiative represents a crucial testing ground for new models of contracting and engagement with community providers.

Achieving multi-year funding arrangements as the norm remains an important issue. In particular, it provides non-profit service providers with greater stability and flexibility, enabling them to plan for improved services and to respond more rapidly to unexpected challenges. Reducing the need to reapply for funding every year will minimise transaction costs on both sides.

The publication of good practice guidelines has helped to tackle some of these issues, drawing on significant shifts in funding practice internationally. Of these developments, the most important for government is “full cost recovery”, where government pays the full cost of the services it purchases.<sup>15</sup> Funding the full cost of services provides an opportunity for government to demonstrate tangible evidence of its commitment to improve the resourcing of the voluntary sector.<sup>16</sup>

Similarly, some philanthropic donors are providing general operating support grants for overheads rather than funding only projects. As with full cost recovery, these grants recognise the importance of maintaining the voluntary sector’s infrastructure.<sup>17</sup>

## **VOLUNTEERS ARE AN IMPORTANT RESOURCE**

Over a million New Zealanders volunteer. Volunteering strengthens trust and understanding in the community and it is a critical resource for community organisations. It also gives the volunteers themselves an opportunity to build skills and a sense of belonging in the community. Unpaid work by Māori, which ties strongly to a sense of cultural obligation, is described in the OCVS publication *Mahi Aroha*.<sup>18</sup>

The contribution that volunteers make to non-profit activity is significant. Data on volunteers remains weak, however, and many assumptions about New Zealand’s volunteering behaviour remain untested. International evidence suggests that, despite the pressures of time, people in countries similar to New Zealand are giving and volunteering as much as, or more than, ever before.<sup>19</sup>

The demand for volunteers appears to exceed supply for some organisations. These organisations report difficulties in recruiting and retaining sufficient volunteers to meet their needs. The nature of volunteering and who volunteers is changing. This, in turn, changes the way many non-profit organisations need to operate.

*The nature of  
volunteering and  
who volunteers is  
changing*

PART

# 3

Opportunities for Action

Leadership from the public sector and the community and voluntary sector leaders is essential so we can work together to achieve common goals. Priorities include assessing the strength of working relationships, making the most of opportunities to promote giving and volunteering, and improving data on the sector.

## LEADERSHIP IS ESSENTIAL

The Community and Voluntary Sector portfolio touches almost all other government portfolios ranging from health to education, from sport to the arts and from social development to economic development. Finding ways to create a more productive relationship between government and the sector requires a commitment to joint action across government portfolios and the sector, especially in addressing long-standing issues in sector engagement and funding. This will send a strong signal to the sector of government's commitment to the community-government relationship.

The overall relationship between government and the sector requires leadership at three levels: Ministerial, public service and from the sector itself. Champions for improved working relationships are essential to ensure a shared sense of purpose to get good results for society.

## REVISITING THE STATEMENT OF GOVERNMENT INTENTIONS

The non-profit sector widely supports the principles and commitments contained within the Statement of Government Intentions for an Improved Community-Government Relationship (the Statement), and now considers it the benchmark for how government should relate to them. Testing its effectiveness, however, requires a systematic evaluation of government agencies' responsiveness. Government agencies regularly self-report on a wide range of commitments and this should include their interaction with the community and voluntary sector.

To assess progress, we propose that the OCVS undertakes regular reviews of government agencies' responsiveness to the community and voluntary sector. Initially, this will be by analysing the regular self-reporting that government agencies conduct on a wide range of commitments.

The Association of Non-Governmental Organisations of Aotearoa (ANGOA) is currently leading a government-funded review of the Statement, due for completion in December 2008. This sector-led review aims to determine the extent to which public service staff demonstrate "a good understanding of the values, governance arrangements and working realities" of the sector and how they have implemented the six government commitments detailed in the Statement. This would bring an important sector perspective to the self-reporting of government agencies.

*Improving the relationship requires leadership*

*The sector widely supports the principles and commitments contained within the Statement of Government Intentions*



## WE CAN FURTHER PROMOTE GOOD PRACTICE

To improve community engagement, government agencies need access to good practice guidelines and case studies. The OCVS Good Practice in Action seminars and workshops support government agencies to improve the way they relate to the sector. These are consistently well attended. The OCVS also acts as a hub for two online good practice resources aimed primarily at public servants.

Good Practice Participate promotes good practices for public servants when engaging with other organisations and citizens.

<http://www.goodpracticeparticipate.govt.nz>

Good Practice Funding is a toolkit for improving government agencies' processes and practices when funding the non-profit sector.

<http://www.goodpracticefunding.govt.nz>

The best practice resources mentioned above, provide much needed information to government agencies and to the sector. A national community-government forum in 2007 raised the need for better induction and training of public servants so they can engage effectively with the sector, and for sector input into policy from the initial stages of its development.

To further build public service capability in community engagement, the OCVS established the Building Better Government Engagement project, advised by a joint community-government reference group. A discussion document produced by the reference group outlines options for improving practice across government. Actions include the extension of good practice seminars, as well as the development of new training resources aimed at improving engagement, deliberation and evaluation practices.

Effective community engagement occurs when there is organisational commitment from government agencies to good practice, strong leadership from senior management, staff are supported to develop the necessary skills and innovative practices are encouraged.

*Information sharing  
and promotion of  
good practice  
assists change*

### **Regional funder forums: a collaborative process in action**

Philanthropic and government funders are now more closely engaged with each other thanks to a series of funder forums. The OCVS and Philanthropy New Zealand, supported by the Department of Internal Affairs, ran two series of regional funder forums in 2007 and 2008 to build and strengthen funder networks. Each series included a visiting international speaker sharing new insights to grant-making and innovative approaches to collaborative funding. Feedback from each series strongly supported further forums and spoke positively about the collaboration. All participants gained insights to each other's funding practice including options for simplifying community-funding processes.

## WE NEED TO BUILD KNOWLEDGE AND IMPROVE DATA

Continuing efforts to improve data on government funding to the sector remains a priority. Current statistics obscure the overall scale of government support (both contracts and grants) to non-profit organisations. This is a topic of important policy concern.

The New Zealand Non-profit Sector in Comparative Perspective recognises limitations in this data as shown earlier in Figure 4. In particular, the data does not identify all public funding contracts or fees to non-profit organisations via District Health Boards. Identification of total public funding to the community and voluntary sector requires government agencies to record the non-profit or for-profit status of payments to service providers and to community-based organisations.

If you agree, the OCVS will work with government agencies to establish systems to accurately monitor public funding to the sector.

## BUILDING THE CAPACITY OF THE SECTOR IS IMPORTANT

The OCVS also has a small role in helping to build the capacity of the sector, particularly in areas of importance to all non-profit organisations. The most significant initiative has been Keeping it Legal E Ai Ki Te Ture – a resource that provides organisations, groups, trusts and societies with simple, accurate information about their legal obligations. It is the result of a collaboration between the OCVS and the New Zealand Federation of Voluntary Welfare Organisations.

Since its publication in September 2005, 12,000 hardcopies have been distributed, and the website (<http://www.keepingitlegal.net.nz/>) averages over 1,100 visits per month.

A recent evaluation found that 89 per cent of respondents said they were better able to manage their legal risks and responsibilities because of Keeping it Legal.

## GIVING AND VOLUNTEERING SHOULD BE ENCOURAGED: THE PROMOTING GENEROSITY PROJECT

Established in 2007, the Promoting Generosity project aims to develop and implement a multi-sector plan to encourage giving and volunteering. The project brings together people from the government, non-profit and business sectors to explore ways of encouraging individuals and businesses to participate in their communities and by giving time, money or in-kind donations. The project is jointly-led by Philanthropy New Zealand, Volunteering New Zealand and the OCVS.

New data demonstrates a high level and breadth of support for the non-profit sector, with 2.72 million people, 75.4 per cent of all people aged 10 years and over, supporting the sector in some way in 2007. Many people support more than one subsector, and can support in multiple ways (Figure 9). A wide definition of support captures more than just giving and volunteering, and includes other activities such as purchasing products.

International evidence suggests that giving and volunteering represents a critical feature of strong communities. Now that a regular source of robust data on the incidence of giving and volunteering in New Zealand has become available, the opportunity exists to report on giving and volunteering data on a regular basis.

*Three-quarters of  
New Zealanders  
support the sector*

**Figure 9. The distribution of support for the community and voluntary sector: 2007<sup>20</sup>**

Subsector Supported	Approx people 10+ (000's)	Subsector Supported	Approx people 10+ (000's)
Primary and Secondary Education	1,038	Arts and Culture	447
Other Clubs/Community Organisations	964	Environmental	417
Sports Clubs	881	Family Support Services	416
Other Health Services	759	Children's Welfare	401
Children's Health	713	Services for Seniors	395
Hospice	706	Mental Health Services	340
Religious Activities	679	Hospitals/Rehabilitation	307
Illness and Disease Prevention	666	Youth Services and Welfare	301
Services for People with Disabilities	657	Marae	299
Preschool	647	Fair Trade Practices	255
Animal Welfare and Rights	530	Tertiary Education	230
Child Sponsorship	454	Political Organisations	181
Disaster Relief	449		
<b>Total Support for all subsectors</b>		<b>13,132</b>	

## VOLUNTEERS WILL BE NEEDED FOR THE RUGBY WORLD CUP

The International Association for Volunteer Effort, (IAVE) has designated 2011 as IYV+10 (the 10th anniversary of the International Year of the Volunteer). This will be a time to take stock and measure progress since 2001. In 2011, New Zealand will host the Rugby World Cup (RWC), an event that will depend on the mobilisation of thousands of volunteers including 5,000 volunteers from across the country required for the RWC Official Volunteer programme. The responsibility for co-ordinating government activities around the RWC lies with the Ministry of Economic Development.

These events provide New Zealand with an opportunity to showcase its volunteer efforts on the world stage.

*The 10th anniversary of the International Year of the Volunteer falls in 2011*



PART

# 4

How the Office for the  
Community and  
Voluntary Sector Works

The OCVS works across the whole of government to support government agencies in their relationships with the community and voluntary sector. The focus for this work is through the promotion of good practice. The OCVS also acts as a point of contact on key issues affecting the sector's capacity and engagement with government.

## **OUR ROLE**

Established in September 2003 and located within the Ministry of Social Development, the Office for the Community and Voluntary Sector (OCVS) has two distinct roles:

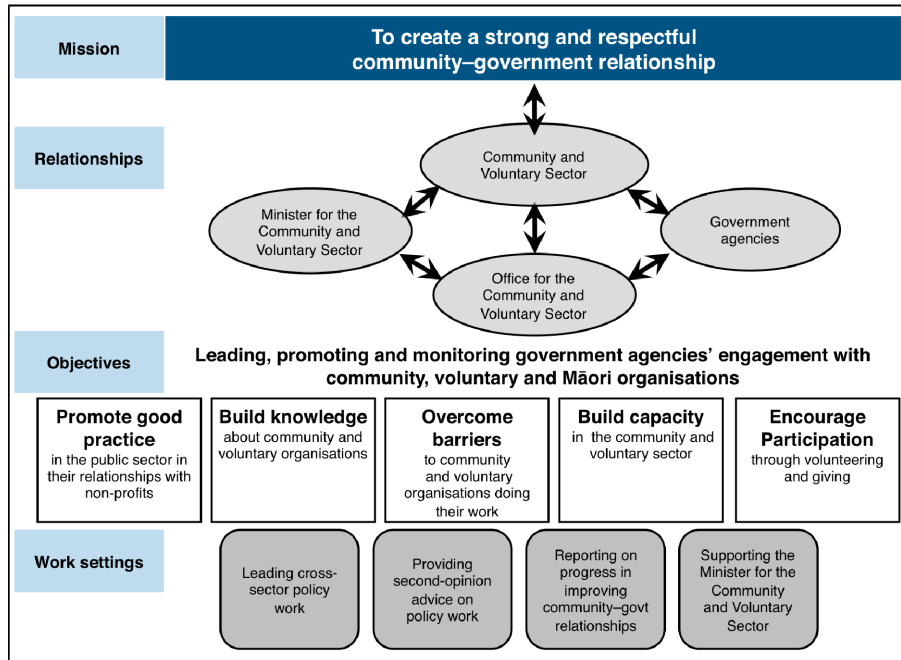
- The OCVS supports government agencies to strengthen their relationships with community and voluntary organisations so they can achieve outcomes which benefit all New Zealanders.
- The OCVS acts as a central point of contact at national level, to address cross-agency issues which affect the sector in dealing with government.

The OCVS is also responsible for raising the profile of the sector within government. We work across the whole of government, promoting examples of good practice with the aim of supporting effective relationships between government and the community sector. We work closely with sector specialists who bring their knowledge and experience of what works and how to overcome any barriers.

The OCVS provides advice to government agencies on issues that have an impact on the community and voluntary sector. We keep a close eye on international thinking about the non-profit sector and the community-government relationship.

*The Office was established in 2003 to address cross-agency issues for the sector*

**Figure 10. Strategic focus of the Office for the Community and Voluntary Sector**



## OUR RESPONSIBILITIES

### Supporting you, the Minister for the Community and Voluntary Sector

The OCVS is here 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. You and the OCVS Director have a direct working relationship.

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) and the Support for Volunteering scheme 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.

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

*There is a direct working relationship between you and the Office Director*

The activities of the OCVS are funded from Vote: Social Development. Our annual work programme is agreed with you as Minister for the Community and Voluntary Sector on an annual basis.

### **Our work programme**

Our work across government aims to ensure that government achieves its outcomes through productive engagement with the community and voluntary sector and the effective use of public resources.

Our work is broadly divided into five themes or areas. These are:

- building knowledge about community and voluntary sector organisations
- building good practice in engagement between government and the sector
- building the capacity of the sector
- encouraging participation through volunteering and generosity
- overcoming policy barriers to sector organisations doing their work.

### **Our current projects**

- Building better government engagement: seeking to build knowledge, skills and good practice for effective community engagement within the public service
- Improving government funding and accountability arrangements with non-profit organisations
- Promoting generosity: building incentives for volunteering and philanthropic giving
- Study of the New Zealand non-profit sector: collecting and analysing data on the size and scope of the sector in New Zealand, and comparing this internationally
- Good Practice in Action seminar series and the regional funder forums.

We will work with you to review our work programme, to ensure that it delivers on your priorities as Minister.

## **OUR STRUCTURE AND RELATIONSHIPS**

The OCVS Director is supported by a team of four senior analysts, one policy analyst, two advisors who focus on stakeholder engagement, an executive assistant and a part-time administrator.

Located within the Social Sector Strategy Group of the Ministry of Social Development, we access a range of corporate support services provided by the Ministry, including expertise in financial and human resource management, evaluation and research, and communication. We minimise our administration and overhead costs through economies of scale available to us as part of the larger Ministry.

*We sit within the  
Social Sector  
Strategy Group*

*Our location  
gives us  
infrastructure  
support and input  
into strategic  
policy*

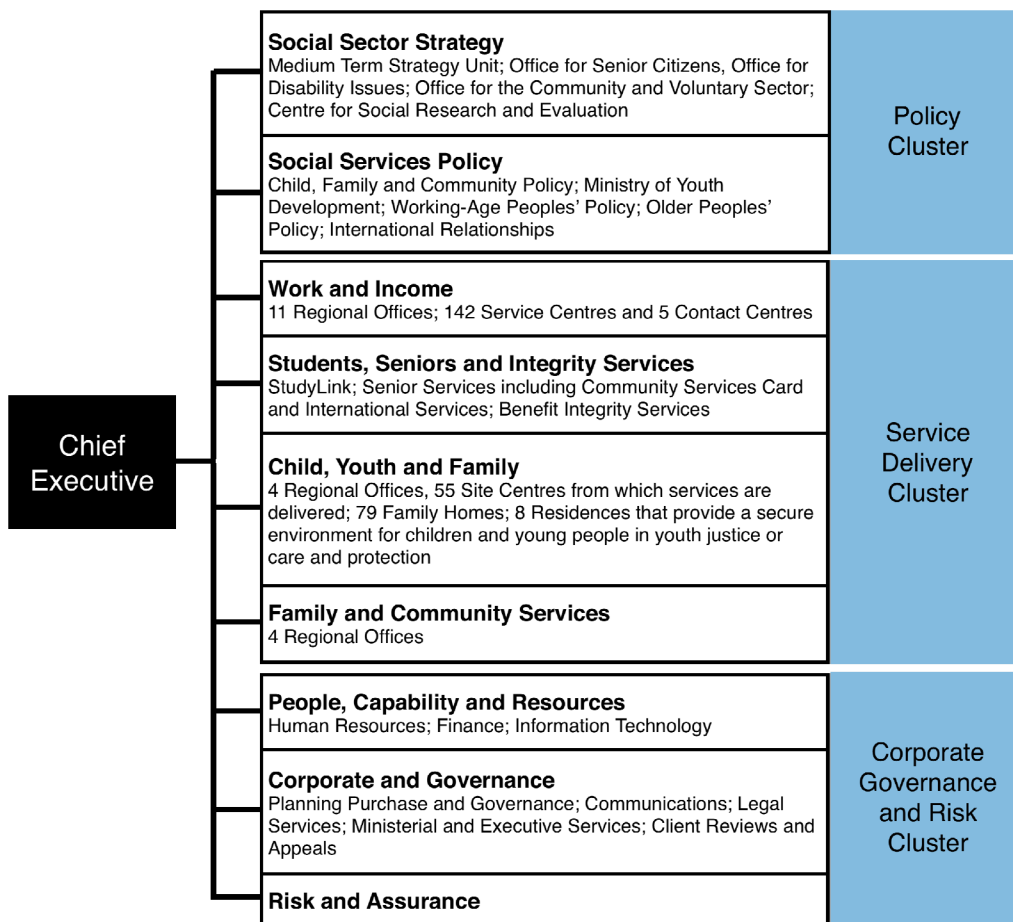


The inclusion of the OCVS within the Social Sector Strategy Group enables us to contribute to strategic policy development and ensures that the issues and interests of the community and voluntary sector are considered in the context of the Ministry's social development policies.

We maintain active relationships across the whole sector. Through our database, we can engage with groups and individuals with particular interests so that we can capture and share information in many ways.

Strong sector engagement means that all of our work involves participants from the community and voluntary sector and other government agencies.

**Figure 11. Ministry of Social Development Organisational Structure**



## WORKING WITH YOU

The Office for the Community and Voluntary Sector works across the whole of government to promote and strengthen relationships with the community and voluntary sector. We can assist you as Minister to build the connections and relationships you want to have with key sector organisations and individuals.

The Office will support you strengthen government relationships with the community and voluntary sector.

We will work with you to develop a work programme that delivers on your priorities as Minister.

We can provide further briefings as a basis for decisions you may wish to take on the issues and actions we have raised.

We look forward to working with you.

## ENDNOTES

<sup>1</sup> Statistics New Zealand (2007). Non-profit Institutions Satellite Account: 2004. Wellington. Available at <http://www.stats.govt.nz/people/communities/non-profit-institutions/default.htm>

<sup>2</sup> The distinction between 'service' and 'expressive' organisations has been used internationally by Johns Hopkins University.

<sup>3</sup> The term "economically active population" refers to all those employed and unemployed persons over 12 years of age.

<sup>4</sup> Industry data sourced from the 2004 March quarter, Quarterly Employment Survey. Non-profit organisations data sourced from the Statistics New Zealand Business Frame (October 2005), the 1998/1999 Time-Use Survey and the Quarterly Employment Survey.

<sup>5</sup> Nielsen Media Research/Nick Jones & Associates (2007). Consumer who Cares.

<sup>6</sup> Direct measures from the government accounts represent a "supply side" measure. The Annual Enterprise Survey, a "demand side" measure, provides less accurate estimates.

<sup>7</sup> Statistics New Zealand (2007). Non-profit Institutions Satellite Account: 2004. Wellington. Page 37

<sup>8</sup> Statistics New Zealand (2007). Counting Non-profit Institutions in New Zealand: 2005. Wellington.

<sup>9</sup> Statistics New Zealand (2007). Non-profit Institutions Satellite Account: 2004. Wellington.

<sup>10</sup> Statistics New Zealand (2007). Counting Non-profit Institutions in New Zealand: 2005. Wellington.

<sup>11</sup> Nielsen Media Research/Nick Jones and Associated Ltd. Data adjusted to standard categories by the OCVS

<sup>12</sup> Fukuyama, Francis (1995). Trust: The Social Virtues and the Creation of Wealth. The Free Press, page 4.

<sup>13</sup> State Services Commission (2007). Development Goals for the State Sector. Available at <http://www.ssc.govt.nz/display/document.asp?DocID=6368>

<sup>14</sup> Office of the Auditor-General (2006). Principles to underpin management by public entities of funding to non-government organisations. Wellington: Author.

<sup>15</sup> HM Treasury, (2002). The Role of the Community and Voluntary Sector on Service Delivery: A Cross-cutting Review. London: Author.

<sup>16</sup> Examples include the Treasury's Guidelines for Contracting with Non-government Organisations for Services Sought by the Crown (2003), the Auditor-General's Principles to Underpin Management by Public Entities of Funding to Non-government Organisations (2006) and the Ministry of Social Development's Pathway to Partnership initiative.

<sup>17</sup> Canadian Council on Social Development, (2006). Pan Canadian Funding Practice in Communities: Challenges and Opportunities for the Government of Canada. Ottawa: Author.

<sup>18</sup> Mahi Aroha, Office for Community and Voluntary Sector

<sup>19</sup> The Centre for Volunteering. Available at [http://www.volunteering.com.au/tools\\_and\\_research/volunteering\\_statistics.asp](http://www.volunteering.com.au/tools_and_research/volunteering_statistics.asp)

<sup>20</sup> Nielsen Media Research/Nick Jones & Associates (2007). Consumer who Cares.