

*I runga i te kī  
He aha i te mea nui  
He tangata, he tangata, he tangata  
Nā konei te wero*


*Kaua e hangai he ture  
I pērā i te kupenga ika  
He here hoʻo*

*Engari, i pērā me te nekeneke tai he ārahi*

*What is most important?  
It is people, people, people  
We should not create policies that are  
like the fishing net  
that snares and strangles*

*but like the surging tide  
that uplifts and carries forward*





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## Letter from the Chair, April 2001

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To: Hon Steve Maharey, Minister for the Community and Voluntary Sector

Dear Minister

This report reflects many voices. It contains not just the views of the Working Party set up to consider the relationship between government and Iwi/Māori, community and voluntary organisations, but also voices from all over New Zealand, gathered over several months.

In August 2000, the Working Party began its task of looking at the relationship. We felt we could not do this in isolation from the community, and so we took a sample of opinion from across the country. Even in that limited sample, the similarity of views was striking. We found deep levels of frustration, mistrust, cynicism, anger and burnout.

Much of the depth of feeling expressed reflected community experience of dealing with governments over the past two decades. You have provided an opportunity for these voices to be heard and that has been a welcome step forward. Community organisations are now seeking a positive response to the issues and challenges they have identified.

People clearly saw strong, vibrant community organisations as a critical element in building a 'civil society'. Barriers preventing this are detailed in the report. In essence, people wanted to see the state supporting, enabling and facilitating, rather than dominating, demanding and standing aloof. Many were cynical about the level of commitment from government agencies towards restoring an open and inclusive relationship, but were generally willing to suspend their disbelief.

There have already been positive moves within government to begin rebuilding the relationship; these are acknowledged. Nor is the action required all one sided. Community, voluntary and Iwi/Māori organisations themselves see the need for strengthening their own interaction and processes. It is clear, however, that restoring trust and respect, and demonstrating that government does value the work of the sector, will take a long-term commitment from both partners.

Although we believe the time is not right for some sort of overarching 'agreement', there could be steps towards such an agreement or some kind of agreed framework over the next year, and a reassessment at that time.

Finally, I would like to recognise the hard work, diligence and integrity of each member of the Working Party and the government officials who supported the process.

We are signalling the need for significant change. We look forward to seeing it happen.



Dorothy Wilson



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## Glossary of terms as used in this report

Term	Explanation
Iwi/Māori, community and voluntary organisations community sector	Used to describe the full set of organisations encompassed by the Working Party's Terms of Reference Used when referring to 'Iwi/Māori, community and voluntary organisations' as a collective grouping. See Section Two for further discussion on the issues involved in defining the 'community sector'
voluntary organisations	Organisations that 'care for others' and/or involve participation by 'free will'
<i>iwi</i>	Tribe, people
Iwi/Māori organisations	Used to refer to all <i>iwi</i> and community-based organisations
<i>taiwi</i>	Used as a positive expression to refer to 'non-Māori New Zealanders (pakeha, Pacific peoples and others) without the negative connotations of 'non-Māori'
<i>whānau</i>	Family and/or extended family
<i>hapū</i>	Sub-tribe
civil society	Used to refer to the 'space' where the political, economic and social interactions of all sectors together develop a sense of social solidarity and civil participation or citizenship

## Working Party membership

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**Dorothy Wilson (Chair)**, a former Deputy Mayor of Waitakere City, is currently a consultant in sustainable development and change management.

**Sandra Aloffivae** serves on the Board of Presbyterian Support Northern, lives in Manukau and is a youth advocate and solicitor.

**John Angus**, a former social worker, is a senior official with the Ministry of Social Policy managing family and community policy.

**Don Clarke** is the NGO Programme Manager in the Development Co-operation Division of the Ministry of Foreign Affairs and Trade. Don is a former Executive Director of the Council for International Development, and was Deputy Director of the Commonwealth Foundation between 1995 and 1998.

**Enid Leighton** (Ngāti Awa, Te Whānau-a-Apanui) is the General Manager of Ngāti Awa Social and Health Service, lives in Whakatane and has a background working in disability support services.

**Malcolm Peri** (Te Rārawa) is a counsellor, has worked in community-based Māori social services for many years and is now based in Te Tai Tokerau.

**Atareta Poananga** (Ngāti Porou, Ngāti Kauwhata, Rangitāne, Whānau-a-Apanui, Ngāti Kahungungu, Ngāi Tahu) is a community lawyer, Gisborne District councillor and trustee of Te Rūnanga o Ngāti Porou and has experience working among *whānau*, *hapū* and *iwi* on social, economic and political issues.

**Sir Paul Reeves** (Te Ātiawa), former Governor-General of New Zealand, has expertise in constitutional and civil society matters and is acknowledged for his work in church, community and voluntary groups.

**Donald Shand** is Programme Coach in the Department of Internal Affairs Community Development Group and has been involved in community development for many years.

**Jenny Smith** is a senior community worker with the Christchurch City Mission and initiated the development of Te Whare Roimata, a grassroots development organisation that works with inner city residents.

**John Stansfield** is the founder and programme leader of UNITEC Institute of Technology's Graduate Diploma in Not-for-Profit Management, a Waiheke Island resident and a specialist in social auditing.

**Pam Warren** is the Executive Officer of the Dunedin Council of Social Services and has extensive networks in the rural community.

### Secretariat

**Katherine Baxter** – Community Policy Manager, Ministry of Social Policy

**Hugh Lawrence** – Senior Policy Analyst, Ministry of Social Policy

**Sandra Wasley** – Executive Assistant, Ministry of Social Policy

## Terms of Reference

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### ***Working Party to consider the scope of a proposed agreement between government and Iwi/Māori community and voluntary organisations.***

In considering any proposed agreement between government and Iwi/Māori, community and voluntary organisations, and recognising the complexities of the relationships involved, in the context of the Treaty of Waitangi, the Working Party will:

- ④ establish the nature of the relationships, identify any gaps and consider how these might be overcome
- ④ consider the implications of the Treaty of Waitangi
- ④ consider the role of local government and the business sector
- ④ develop an understanding of the characteristics of Iwi/Māori, community and voluntary organisations, including their scope, roles and activities, and their contribution to the wellbeing of New Zealand society
- ④ identify the implications of New Zealand's formal international obligations and consider how these might be taken into account in any agreement
- ④ identify key values and principles which should guide and develop the relationship
- ④ develop a plan of action, including opportunities for participation
- ④ identify processes for the implementation, monitoring and review of the report of the Working Party
- ④ produce a report with recommendations by 15 December 2000.

## Executive Summary

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More than a decade of social and economic change and state sector reform has left many in *iwi* and community organisations mistrustful of government and feeling undervalued and disempowered. Finding a way to overcome this lingering negativity and proposing a way forward to a relationship based on mutual respect is the focus of this report.

The Community and Voluntary Sector Working Party was established in August 2000 to consider 'the scope of a proposed agreement between government and Iwi/Māori, community and voluntary organisations'.

The Working Party developed its views through:

- ④ an outreach programme sampling the views of community organisations
- ④ liaison with a government sector officials' reference group
- ④ considering written submissions
- ④ considering relevant existing research and data.

### ***Scope of the community and voluntary sector***

A vibrant and responsive community sector is an essential element of a strong civil society. There is no widely accepted definition of the 'community sector' and capturing the dynamic diversity of the sector is a difficult task. The Working Party focused on gaining a better understanding of the nature of the community sector and its issues as a means of improving relations between the sector and government.

### ***Scope and nature of government***

People in community organisations interact with government through a range of functions: policy formation, the regulatory and legislative framework, direct delivery of services, funding, facilitative and advisory roles and exchange of information.

Many people in *iwi* and community organisations have a strong sense of exclusion from key policy decisions. This reflects the distancing of government from communities and the complexities of modern public administrative systems, heightened by aspects of the state sector reforms of the 1980s and 1990s.

### ***Unravelling the problem***

The process of relationship-building cannot move on without acknowledging the depth of frustration and resentment amongst many people active in *iwi* and community organisations.

The Working Party concluded there were five significant problems in the relationship between government and the community sector:

- ⑥ concerns about the relationship between the Crown and *iwi*, characterised by the desire of Māori for self-determination and control over their resources and the policies affecting their future and wellbeing, and, on the part of government, an apparent inability to satisfy Māori aspirations
- ⑥ a sense of having been excluded from key policy decisions and a desire for a more participatory style of government
- ⑥ at all levels and across a wide range of organisations, frustration with government funding arrangements, and, in particular, opposition to the ‘contracting model’
- ⑥ a concern about the ‘health’ and strength of *Iwi/Māori*, community and voluntary organisations and their ability to pursue their own goals
- ⑥ a more general concern about the ‘culture of government’ - the attitudes and behaviour of government agencies and officials and their lack of understanding of *iwi* and the community sector.

The Working Party was very aware that much of the deep feeling and frustration expressed arose from community experience of the past two decades and did not necessarily reflect views of the fresh approaches initiated by the current Government.

### ***Improving relations between *Iwi/Māori* and the Crown***

For Māori, it is not sufficient for governments to engage with *Iwi/Māori* and their organisations primarily as ‘community groups’. Together with the Crown they are Treaty partners and expect this relationship to be recognised.

Lack of resolution of Treaty-based issues was perceived to be a barrier to improving relationships between government and the community sector. The broader political and constitutional issues, however, lie beyond the brief of the Working Party and should be addressed through a higher level process.

### ***The need for participatory democracy***

Many people active in communities feel their expertise and knowledge have been ignored by government agencies.

The sense of exclusion was heightened by the state sector reforms that have distanced policy advisors and government decision-makers from community organisations, while also subjecting these groups to increased operational scrutiny.

Tackling the difficult issues in the current relationship between government and the community sector, and developing a more inclusive approach to decision-making, is critical to the process of ‘democratising democracy’. This requires access to information, timeframes that enable people to consider options, people who can facilitate and negotiate and who have cultural and local knowledge, and leadership within government and within the community.

### **Reviewing resourcing and accountability arrangements**

Government community funding arrangements, and in particular contracting, were the focus of much of the frustration expressed by Iwi/Māori and community groups.

Central government funding is a scarce resource. Disagreements over allocation are inevitable. The Working Party was concerned, however, at the pervasiveness and depth of ill-feeling about this, particularly in the wider social services sector where funding is a key aspect of community sector dealings with government.

Inadequate or static funding in the face of greater demand for services was a key concern. While government expenditure may have increased to match expanding service delivery, demands for services have increased and many *iwi* and community organisations struggle to survive.

Some Iwi/Māori and other social service providers welcomed the transparency and more contestable environment that accompanied the introduction of contracting. Even these groups, however, had concerns about their inability to influence funding cycles or contract terms and about the management of government contract processes.

Many community representatives objected to the power imbalance implicit in the contracting model, seeking instead collaborative approaches based on ‘co-determination’ of needs, solutions and providing a quality service.

Other concerns raised included:

- ⑥ the complexity of compliance costs, particularly where funding is small
- ⑥ perceived disparities in funding between Māori and other groups
- ⑥ frustrations over the piecemeal or ‘spare parts’ approach to funding and the lack of fit between these and the more holistic approaches taken by many providers
- ⑥ difficulties associated with partial funding
- ⑥ the inappropriateness of tendering in creating competitive environments and in inducing providers, particularly Māori and Pacific providers keen to meet the needs of their people, to under-price services.

These issues indicate that a substantial change in funding delivery practice and underlying relationships is required. The functioning of a healthy, democratic society is dependent on both the community sector and government having the resources to work together to achieve mutually beneficial outcomes.

### ***Strengthening the community sector***

The fragility of many iwi and community groups - and of the community sector itself - concerned the Working Party. Many organisations face a constant battle to break even. Beneath the surface, the viability of many groups is uncertain.

Contracting for narrowly defined services and the costs of increasingly complex accountability requirements have increased the difficulties of finding resources for organisational and skill development for community organisations.

Most groups experience government funding processes as a dilemma. Organisations have to balance the struggle for funds against efforts to maintain independence and an advocacy role. The time involved in seeking funds and completing accountability documents is resented by paid staff employed to exercise policy and programme skills, and by volunteers who feel they offered their time to support people in need, not to complete paperwork.

Iwi/Māori providers feel they battle at every step to establish their identity and their own direction. This struggle is a constant drain on resources and a distraction from the work they have set out to achieve.

Lack of investment in umbrella, national and strategic groups has weakened the development of the community sector. This has been compounded by the inadequacy of research and basic data about Iwi/Māori, community and voluntary organisations. Investing in developing infrastructure and skills across the sector will be an important challenge in the next phase of relationship-building work.

### ***Improving the capacity of central government to understand and work with community organisations***

Many community people felt that the government sector does not understand or respect the role and the activities of their agencies. Some commented on a perceived 'culture of contempt' towards the community sector over the past two decades.

There is a need for government to change the way it does business. The Working Party proposes several steps to improving working relationships and practices.

### ***The way forward***

In focusing on ways of improving the relationship between government and Iwi/Māori, community and voluntary organisations, the Working Party agreed there is not yet sufficient coherence across the breadth of the community sector to support a formal agreement.

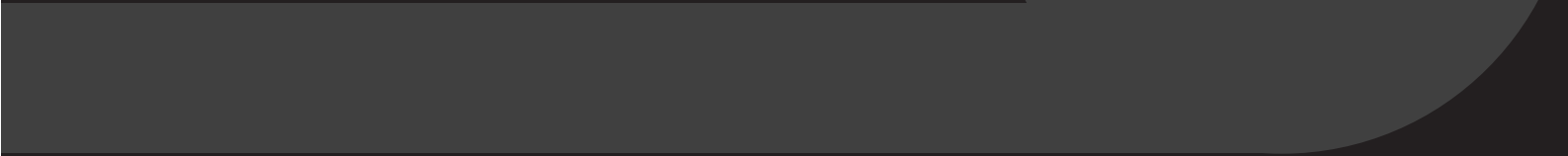
However, there is substantial and important work that can be done to develop a robust and respectful framework of relationships.

The Working Party considered the broader concerns of Māori should be addressed as a government-wide process led by the establishment of a high level, highly mandated body such as a Treaty of Waitangi Commission.

To develop a pathway forward to an improved relationship between government and the community sector, the Working Party proposes:

- ④ several immediate actions to jump-start the work of rebuilding the relationship
- ④ a Statement of Intent by the current Government, providing a clear commitment to building the relationship. This would set out the principles and values on which government agency attitudes and behaviour should be based
- ④ a second phase programme of relationship-building comprising four strands:
  - developing participatory democracy
  - reviewing resourcing and accountability arrangements
  - strengthening the community sector
  - improving the ability of central government to understand and work with community organisations.

*Section One*  
**Introduction**



- 1 The contribution of formal and informal *iwi* and community groups to New Zealand society is evident in every sphere of our lives. From sports coaching for schoolchildren to the essential role played by our volunteer fire fighters, from foodbanks and meals on wheels to preparing *kai* for a *tangi*, from budget advice to the *Hīkoi* of Hope, from replanting *pīngao* grass to supporting Pasifika cultural festivals - New Zealanders volunteer in their thousands. Participating in their free time and through paid work, they make a vital contribution to the delivery of essential social, environmental and cultural services and to the development of civil society.<sup>1</sup>
- 2 Releasing the full potential of this reservoir of collective effort requires strong and mature relationships between government and community organisations, between the Crown and *iwi*, between Māori and *tauiwi*,<sup>2</sup> between central and local government, between rural and urban communities, and across wider society. All New Zealanders benefit when the interactions between these sectors are based on co-operative decision-making, mutual accountability and a climate of trust and respect that enables people to participate in the processes that govern and shape their lives.
- 3 More than a decade of social and economic change and state sector reform, however, has left many in community organisations mistrustful of government and feeling undervalued and disempowered in their dealings with the state bureaucracy. Despite their resilience and ability to keep on tackling the hard issues, New Zealanders with a wealth of experience at the heart of their communities have a deep sense of exclusion, of being 'left out of the loop', when key decisions are made. While there are signs of a cautious optimism now emerging in parts of the community sector,<sup>3</sup> securing a more positive ongoing relationship will require considerable further work and a significant commitment. Finding a way to overcome the residue of negativity and proposing a way forward to a relationship based on mutual respect is the focus of this report.

***“We have learnt not to trust. They hold all the cards. They are not really interested in what we say.”***

## Working Party purpose

- 4 In recognition of the need to restore a positive relationship, the current Government established the Community and Voluntary Sector Working Party in August 2000 to consider the scope of a proposed agreement between government and *Iwi/Māori*, community and voluntary organisations.<sup>4</sup> The focus of any agreement - or other recommended measures - would be on achieving a positive and effective working relationship between the government and community partners.

<sup>1</sup> Refer to the Glossary and further discussion in Section Two paras 57–58.

<sup>2</sup> Refer to the Glossary: *tauiwi* is used in this report to refer to all non-Māori New Zealanders, including pakeha, Pacific peoples and other groups to avoid the negative associations of the term 'non-Māori'.

<sup>3</sup> Association of Non Government Organisations of Aotearoa (October 2000) *ANGOA Confidence Survey*.

<sup>4</sup> Refer to the Glossary and further discussion in Section Two paras 135–138. In this report the phrase '*Iwi/Māori*, community and voluntary organisations' is used in referring to the set of organisations encompassed by the Working Party's terms of reference. 'Community sector' is used in referring more generally to that group of organisations as a 'sector'. On occasions, specific reference is made to *iwi* organisations where these are considered to have an interest that is distinct from Māori organisations as community groups.

- 5 The complexity of the task was evident from the outset, with questions about the definition and breadth of the ‘sector’ interested in the discussion surfacing in the initial process of selecting members and setting up the Working Party. Difficulties in defining the community sector continued as a recurring theme in the Working Party’s deliberations.
- 6 The Working Party was aware of wider international interest in the nature of relationships between governments and the community sector (sometimes referred to internationally as the ‘non-government or NGO sector’, the ‘third sector’ or, simply, the ‘voluntary sector’<sup>5</sup>). Members felt strongly, however, that the unique mix of issues in the New Zealand context does not allow for an easy transfer of analysis or relationship models from other countries. Key elements that give our debate a New Zealand flavour are:
- ⊗ a significant indigenous population, Māori, whose activities, interests and organisations are very much part of the New Zealand community sector, but also have a political or constitutional status beyond the sector itself
  - ⊗ the existence of the Treaty of Waitangi and significant unresolved issues throughout the 160 years since it was signed
  - ⊗ distinct, vibrant and sizeable Pacific peoples’ communities and organisations that do not fit neatly into Western definitions of voluntary sector activity
  - ⊗ a strongly centralised political system, with a local government role that is less extensively developed than in many other countries
  - ⊗ a period of radical neo-liberal economic and state sector reforms, regarded by many as more extreme than those of any other nation, and which have substantially changed the nature of the state in this country.
- 7 Throughout the Working Party’s deliberations, it was evident that Iwi/Māori organisations have a strong interest in the community sector but do not feel entirely or solely part of it. For many Māori, there are no clear distinctions between their relations with the Crown as Treaty partners and the exercise of *tinu rangatiratanga* within that relationship, and their role in delivering social, health, education and other services to Māori as citizens (the practice of *manaakitanga*). This proved a frequent focus of discussion both within the Working Party and with Iwi/Māori and other groups with whom the Working Party met.
- 8 There was a clear sense that Māori continue to feel disempowered and suspicious of the Government and government agencies and many have become increasingly resolute in their quest for *iwi* self-government and greater control over their own future and resources. For Iwi/Māori organisations, an improved relationship between government and the community sector must be built on processes that provide explicit constitutional recognition of *iwi* as *tangata whenua*.

***“A good relationship is one that supports tangata whenua to express themselves and exercise self-determination or tinu rangatiratanga.”***

<sup>5</sup> Refer to Section Two for further discussion on these terms.

- 9 The Working Party was aware of a significant gulf between this position and the responses of other New Zealanders, with views ranging from open hostility to discussion of Treaty issues, to an assumption that any disparities are primarily matters of socio-economic disadvantage, through to an acceptance of at least some degree of *iwi* self-government. The distance yet to be travelled in reconciling these viewpoints seemed at times immense. Resolution goes beyond the brief of the Working Party. Nevertheless, members agreed that lack of progress in addressing matters relating to the Treaty of Waitangi and New Zealand's colonial legacy continues to impede the development of a positive, forward-looking relationship between government and the community sector in this country.
- 10 Examining the character and needs of Pacific peoples' organisations was also an important consideration. Pacific communities in New Zealand have traditionally met their needs through church-based linkages, focusing on nurturing wider family and community groupings. Over the past 30 years, this approach to serving the collective interest has been developed and adapted to meet the diversity of the lives of Pacific peoples in New Zealand.
- 11 The Working Party was keen to capture the character of existing and emerging New Zealand-based Pacific peoples' organisations and to ensure their views and perspectives were adequately canvassed. Contact was made with Pacific groups in the course of discussions and comments from these are reflected in the report. Pacific peoples' issues and interests, however, are poorly covered in statistical data and formal research, and this limited the ability of the Working Party to canvass this dimension of the sector.
- 12 Statements from Pacific peoples indicated a spirit of optimism in their relations with the Government. New Zealand-based Pacific communities draw heavily on their own resources in meeting the needs of their members and this has encouraged innovation and self-reliance. These resources are limited, however, and Pacific peoples' organisations have struggled to survive. Pacific communities and organisations are currently working through a process with government to develop a fresh relationship more responsive to Pacific-based life-styles and their capacity to develop their own solutions.
- 13 Similarly, the Working Party was aware that, in addition to earlier immigrant Dutch, central European and Chinese communities, people from a range of Asian and other minority ethnic groups are increasingly developing distinct cultural identities as part of a growing acceptance of diversity and a more mature perception of what it is to be a New Zealander. Minority ethnic community organisations often reflect a strong commitment to extended family life, with 'community service' viewed as an extension of family care-giving responsibilities. The Working Party acknowledged that this was a factor in the difficulties faced in developing an agreed and succinct definition of what might be construed as 'the community and voluntary sector' and the boundaries between this and family and business life.

### **Working Party's approach to its task**

- 14 The Working Party began by clarifying its terms of reference recognising the context of the Treaty of Waitangi and the range and complexity of the relationships involved. Given the short four month period available for information gathering and deliberation, members agreed this first phase of relationship-building work would:
- ⌚ draw on existing data and research
  - ⌚ limit outreach or engagement contacts to a 'sampling' of the views of key national and umbrella group representatives and a cross-section of the Iwi/Māori and community organisations
  - ⌚ work through a government sector officials' reference group<sup>6</sup> to ensure the wider group of government agencies was able to contribute to analysis of the issues and identification of areas for further action.
- 15 Throughout its preliminary steps, Working Party members found themselves under pressure to respond to mounting interest. Members were aware, however, of the need to balance the task of completing an initial scan of the issues, with the challenge of engaging the *iwi* and community sectors in building ownership of the task over a longer period.
- 16 A 'sampling' approach was adopted to test the views of a cross-section of Iwi/Māori, Pacific, urban and rural community people, and to gain information on which to base recommendations for a more extensive engagement process in the next phase of the work. A set of key questions was developed and these were adapted for use as required (see Appendix One).
- 17 The outreach programme<sup>7</sup> - conducted mainly from September to November 2000 - involved three tiers of engagement:
- ⌚ a number of Working Party initiated consultation sessions with both government officials and a sample of community representatives
  - ⌚ collaboration with community and Iwi/Māori organisations to convene local community meetings to consider the issues raised by the Working Party
  - ⌚ taking advantage of existing meetings and conferences.
- 18 In addition, the Ministry of Social Policy hosted a page on its website which provided:
- ⌚ information about the Working Party and its task
  - ⌚ a schedule of engagement events including those initiated by community groups themselves
  - ⌚ reports from the meetings

<sup>6</sup> The Officials' Reference Group comprised officials from interested government ministries and departments. It provided a government perspective on issues raised as well as ensuring the Working Party was informed about other work across government in areas related to the Working Party's interests.

<sup>7</sup> See Appendix One for a list of community engagement meetings, Appendix Two for a list of people and organisations that addressed the Working Party during its meetings and Appendix Three for a list of written submissions to the Working Party. The full text of the submissions is appended to the report.

- ⑨ submissions to the Working Party from individuals and organisations who agreed to their work being displayed
  - ⑨ an opportunity for people looking at the site to send in further written comments or submissions on the key questions and any other issues.
- 19** One particular issue was the difficulty of reaching beyond the social services<sup>8</sup> sector. In setting up the Working Party, efforts were made to contact national and umbrella group representatives in the health and social services, aid and development, sport and recreation, emergency services and environment sectors. A wide range of these and other agencies also received written material. Through community meetings, the Working Party met with Iwi/Māori groups, and people from youth, arts and heritage, emergency services, recreation and sport, women, disability support, refugee and migrant, community employment, Pacific peoples' and other networks.
- 20** It was recognised, however, that these sessions only touched the surface. For wider ownership of the process, there is a need to build on these initial contacts through Phase Two of the relationship-building work.
- 21** The views collated through engagement meetings and written submissions were reviewed and scrutinised carefully, providing insights into the barriers to good working relationships between government and community organisations, as well as examples of areas where interaction is working well, and constructive ideas for the way forward.
- 22** There were strong and recurrent themes across the country and across different sector groups, with only minor differences in flavour. The substantive issues were very clear and these, along with a review of existing New Zealand-based research and data, have informed the Working Party's findings. Details and notes from the meetings and submissions are appended to the report.
- 23** As the complexity of the task emerged, the Working Party reached agreement with the Minister Responsible for the Community and Voluntary Sector that its preliminary findings and draft recommendations would be provided to him late in December 2000, with a final report formally presented in March 2001.

***“Young people want a place at the table.”***

***“The fact that the Working Party has been established in the way it has is indicative of political commitment to a new way of going about this discussion.”***

<sup>8</sup> See Glossary: social services sector is used in this report to include health, welfare and other related social services.

## Current policy context of the Working Party's deliberations

- 24 The Working Party was aware that its deliberations have taken place in the context of other national and international debates of great significance to the people of New Zealand. These include:
- ⌚ discussion between *iwi* and the Crown regarding their Treaty-based relationship and the implications of this for the Government, the public sector, community organisations and New Zealand as a whole
  - ⌚ questioning the responsiveness and, for Māori, the legitimacy, of current democratic institutions and practices, for instance through the introduction of MMP and the development of public and community involvement on boards and other governing bodies
  - ⌚ the review of the roles and functions of local government and its powers in relation to both central government and its constituent communities
  - ⌚ within the national and international community sector - discussions, seminars, conferences and developmental projects exploring social cohesion, civil society and partnership.
- 25 These debates each impinge on the Working Party's interests and have informed its work. In particular, members considered the implications of the Crown's relations with *iwi* to have direct relevance to its brief and this is addressed throughout the report. The role of local government is touched on in Section Five and included in recommendations for further action in Phase Two of this process.
- 26 A number of concurrent and related government strategic policy development processes, reviews and working parties have been running in parallel to the Working Party. A summary of these is provided in Table (i) on the following pages.

Table (i)

### Concurrent government reviews and policy processes, March 2001

- ⑥ The **Adult Education and Community Learning Working Group** is advising government on working with *iwi* and community groups to strengthen and maintain Māori, Pacific peoples' and all communities, through education and training.
- ⑥ **The Ministerial Task Force on Sport, Fitness and Leisure** reported in January 2001 on a vision and strategy to encourage and sustain the interest, participation and achievement of New Zealanders in sport, fitness and leisure, including reviewing long-term structural arrangements.
- ⑥ A **Review of Gaming** is addressing concerns about the ad hoc development of the gaming sector with its web of regulations and inconsistent statutes, rapid growth in turnover, increasing participation and the introduction of new technologies. The new review will establish the basis of a thorough overhaul of existing legislation.
- ⑥ The Minister for **Arts, Culture and Heritage** initiated a review to develop a strategic plan for the cultural sector, including regional and community-based arts activity. During April and May 2000, public submissions were sought and the review team reported to government in mid-2000.
- ⑥ Te Puni Kokiri is leading work to improve government support for the development of **Māori social service providers** focusing on means of strengthening the ability of the providers to deliver services and also ways in which government agencies can improve their funding and contracting arrangements with *iwi*/Māori groups.
- ⑥ The Ministry of Pacific Island Affairs is leading parallel work to improve the capacity of **Pacific peoples' social service providers** to meet the needs of their communities and to ensure government agencies work with Pacific peoples' organisations in this regard.
- ⑥ The **Inter-Departmental Working Group to Examine Issues and Support Options for Community-based Rescue Services** has reported on the provision of community-based rescue services, relationships with other community and statutory prevention, education and rescue services, gaps in provision, funding and other support, and options for government's involvement.
- ⑥ Treasury is leading a project to develop **guidelines for government agencies contracting with non-government organisations** including both not-for-profit and for-profit organisations.
- ⑥ A State Services Commission **review of government funding to non-government organisations** is examining the extent and nature of current funding relationships between government and non-government organisations.

- ⑥ The Ministerial Reference Group on the **International Year of Volunteers 2001** is developing a national plan of action which includes proposals for celebrating the Year and ongoing steps to enhance volunteering in New Zealand.
- ⑥ A Review of **Taxation of Charities** is proposed to consider the definition and governance of charities for tax purposes, the nature of government's support through tax mechanisms, and a number of specific charities-related tax issues.<sup>9</sup>
- ⑥ The Ministry of Social Policy and the Ministry of Youth Affairs are leading a consultative process to develop an **Agenda for Children** which will include a five-year government plan to achieve a vision for improvements in the lives of children in New Zealand.
- ⑥ The **Ministerial Review of the Department of Child, Youth and Family Services** conducted by retired District Court judge, Michael Brown made recommendations for improving the care and protection services of CYF. The report entitled *Care and Protection is about Adult Behaviour* was released to the public in March 2001.
- ⑥ The **New Zealand Positive Ageing Strategy** links the policies and services of a wide range of government agencies, identifying key areas that contribute to positive ageing, in order to improve opportunities for older people to participate in the community in the ways that they choose.
- ⑥ The **New Zealand Disability Strategy (NZDS)** will provide a vision and strategic framework to enable the participation in society of people with disabilities by promoting opportunities and removing barriers. It is intended to launch the final NZDS in April 2001. The strategy will inform and influence: decisions about the administration of disability support service funding; a Vocational Services Review; and a review of the Sheltered Employment and Disabled Persons Employment Act.
- ⑥ The **New Zealand Health Strategy (NZHS)** provides a strategy for the wider health sector, as well as identifying the priority areas government expects District Health Boards, and all those working in the health sector, to address. The NZHS embraces more specific health strategies, such as the Child Health Strategy, the National Mental Health Strategy, the Mental Health Commission's Blueprint for Mental Health Services and the recently released draft Future Shape of Primary Health Care strategy.
- ⑥ The March 2001 report of the **State Sector Standards Board** provided comment and a draft statement of the Government's expectations of the sector (now issued). The Board will continue to provide an annual and independent 'outside' view of the ethos of the state sector.

<sup>9</sup> See Section Five Part A.

- 27 Each of the above reviews and policy development processes has significant implications for *iwi* and the community sector. The Working Party was aware of cross-cutting themes threading through these exercises, but it was not possible within the time available to explore these common issues in any depth. Members noted, however, the pressure placed on *Iwi/Māori*, community and voluntary organisations through this further period of policy review and new policy development - even where the changes may in themselves be welcomed. It is critical officials involved in each process are informed about parallel discussions and take care to co-ordinate consultation and engagement with the community.
- 28 The establishment of the Working Party was a product of wider and ongoing discussion, both within the *iwi* and community sectors, and between these sectors and government agencies, about how government engages, or should engage, with community organisations in developing and implementing new policy directions. There are a number of examples of this dialogue currently in action, including:
- ⑤ the development of relationship protocols between the Ministry of Foreign Affairs and Trade, and aid and development organisations
  - ⑤ the gathering momentum amongst *iwi* social service providers for devolution of funding which challenges government agencies to find ways of enabling autonomous and holistic service delivery by *Iwi/Māori* groups
  - ⑤ development by the New Zealand Police of a range of memoranda of understanding and relationship agreements with other government agencies, *iwi* and community organisations such as Victim Support, Neighbourhood Support and the National Collective of Independent Women's Refuges
  - ⑤ within the social services sector, the work of three umbrella organisations - the New Zealand Federation of Voluntary Welfare Organisations, the New Zealand Council of Social Services and the New Zealand Council of Christian Social Services - to improve interaction between themselves, with *Māori* and with government
  - ⑤ alongside this initiative, a broader non-government organisation forum, the 'Community Sector Roundtable', is also pursuing an informal programme of discussions, aimed at building the effectiveness of non-government organisations in meeting their own objectives, and engaging with government.

### The Working Party report

- 29 In Sections Two, Three, Four and Five of this report, the Community and Voluntary Sector Working Party states its conclusions based on consultations and examination of other material over the five-month period from August to December 2000. Section Six proposes a way forward to achieving a 'robust and respectful' relationship between government and *Iwi/Māori*, community and voluntary organisations. The balance of this opening section provides a brief discussion of the material covered in Sections Two to Six.

### **Scope of the 'community and voluntary sector'**

- 30 As noted, in addressing its terms of reference, the Working Party was immediately confronted by issues of definition and scope, in effect presenting a conceptual 'catch-22'. Ideally, to examine the relationship, to agree on the range of groups to be consulted and to determine the government agencies to be brought on board, a consensus on the broad scope of the community partner in the relationship would assist. There is no widely accepted 'definition' or understanding of the 'community sector' in New Zealand, however, and this in itself formed part of the Working Party's deliberations.
- 31 Addressing this issue involved considering first what is meant by 'community', and then the nature of the organisations that might be considered to comprise a 'community sector'. While 'community'<sup>10</sup> can be used to describe a variety of activities or collective groupings (sometimes, for instance, society itself), the term is generally used to convey two broad ideas: a network of relationships based on common identity, interest or purpose, and/or a sense of locality, a territory or place where people interact.
- 32 The Working Party was aware there are differences in experience and particular issues for people in different geographic locations, such as rural communities, and for communities of common interest or identity such as people with disabilities, youth, older people, women, and gay and lesbian people. Efforts were made to ensure that the views of people working in organisations within these groups or 'sub-sectors' were heard and listened to. The time available, however, was limited and, in general the report focuses more on the broader shared issues, than on needs or issues particular to any one group or sub-sector.
- 33 Part I of Section Two considers the definition and scope of the organisations that might be considered to comprise an 'Iwi/Māori, community and voluntary sector'. The Working Party agreed that it was not possible to force the components of this broad set of organisations into one 'sector' or mould. To ring-fence the 'untidy'<sup>11</sup> but dynamic diversity of this collection of organisations in an arbitrary manner would have been a difficult task, distracting from the Working Party's key objective which was to develop a better understanding of the iwi and community sectors in New Zealand as a means to improving their relations with government.

### **Scope and nature of government**

- 34 Iwi/Māori, community and voluntary organisations interact with government primarily through contact with front-line advisory or regional operational staff. The government processes behind the decisions made by these staff are often not clear. This reflects in part the distancing of government from communities and the complexities of modern public administrative systems, heightened by several aspects of the state sector reforms of the 1980s and 1990s.

<sup>10</sup> There is considerable material available internationally on the definition and characteristics of 'communities'. For a New Zealand-based discussion see: Department of Internal Affairs (April 1997) *Building Strong Communities: A Think-Piece*.

<sup>11</sup> 'Untidy' has sometimes been used in a negative sense to describe the sector. The Working Party considered the diversity and complexity of the sector to be a strength.

- 35 Key aspects of the ‘market’ models and new management reforms characterising the changes within the New Zealand public sector include:
- ⊗ a ‘policy/operations’ split - the separation of policy from service delivery
  - ⊗ a ‘funder/provider’ split - involving a move from submission-based organisational funding to contracting for specific services as the primary means of managing relationships between government agencies, as funders, and separate government and/or non-government organisations, as providers
  - ⊗ greater use of a range of private sector management practices ranging from use of the language of the ‘market’ within core government services to commercialisation and privatisation of some activities.
- 36 Part II of Section Two expands on the way in which these changes are displayed in current practice within government agencies. The wider context of the changes and issues arising from their impact on the relationship between the Government and Iwi/Māori, community and voluntary organisations is discussed in Section Four.

### ***Relations between Iwi/Māori and the Crown***

- 37 As noted, the Working Party heard clearly from Māori - and also from others - a perception that the failure of successive governments to address Treaty-based issues continues to pervade the complex relationships between government agencies and iwi and community organisations, and between Māori and other groups within the sector itself.
- 38 In particular, frustration with the slow pace of change was very much to the fore in discussions about social service delivery for Māori. In 1988, the *Pūao-Te-Ata-Tū* report referred to a ‘litany of sound’.<sup>12</sup> For many Māori, while that process focused on the activities of the former Department of Social Welfare, it represented an analysis of issues applicable across the wider public sector. Fifteen years later, the Working Party noted the ‘litany’ of references to *Pūao-Te-Ata-Tū* and members were alarmed by the strength of feeling that the promise of that process and the final document had not been realised.
- 39 Acknowledging that resolution of outstanding Treaty-based issues was beyond its brief, the Working Party proposes establishment of a high level body to advise on ways of working through the political and constitutional issues of self-determination. Other proposals, possibly to be carried out by the proposed high level body, are also recommended. Section Three outlines the basis for these proposals.

### ***Unravelling the problem***

- 40 The Working Party was keen to focus discussion on developing a vision of a ‘robust and respectful’ relationship and steps towards achieving that vision. In listening to the voices from iwi and community organisations, however, it became clear the process could not move on

<sup>12</sup> Ministerial Advisory Committee on a Māori Perspective for the Department of Social Welfare (September 1988) *Pūao-Te-Ata-Tū*, Department of Social Welfare, p21.

without acknowledging the depth of frustration and resentment amongst many people active in local communities. For many of these 'voices', the common thread was an overriding sense that their views and concerns have met with, at best, unresponsiveness and, at worst, a 'culture of contempt' from state institutions.

***"There is a sense that the voluntary sector is considered to be second rate."***

41 Comments from community representatives and government officials illustrated the deep-seated nature of the difficulties in the current relationships between government, iwi and the community sector. While there were differing views on some issues, there was a general consensus that the social and economic reforms of the 1980s and 1990s had led to fundamental and unresolved tensions. There was a strong sense that the persistent poverty and disadvantage experienced by many communities marginalised during the period of change continue to be an open wound that must be addressed. Working Party members noted a certain irony in social service organisations being required to accept market models to address situations that many would regard as having arisen from market failures.

***"Government does not appear to trust the community sector."***

42 These issues are explored in more detail in Sections Three and Four. In summary, the Working Party identified five major issues in the relationship:

- ④ concerns about the relationship between the Crown and iwi, characterised by a desire of Māori for self-determination and control of the resources and policies affecting their future and wellbeing, and, on the part of government, an apparent inability to satisfy Māori aspirations
- ④ a sense of having been excluded from key policy decisions and a desire for a more participatory style of government with opportunities for greater involvement in setting the policy agenda, determining options, making decisions and monitoring and evaluating services and policy impacts
- ④ at all levels and across a wide range of organisations, a frustration with government funding and accountability arrangements, summed up by many as opposition to the 'contracting model'
- ④ a concern about the 'health' and strength of community, voluntary and Iwi/Māori organisations and their ability to pursue their own goals
- ④ a more general concern about the 'culture of government' - the attitudes and behaviour of government agencies and officials and their lack of understanding of the community sector.

- 43 The Working Party was very aware of the social service orientation of many of the organisations taking part in community engagement meetings and contributing written comment. This reflected the original impetus for the exercise which was largely, but not solely, from within the social services sector. The Working Party actively sought the views of key representatives of other groups across the broad community sector (see para 19) throughout the process. Feedback from people involved in areas such as sport and recreation, emergency services and community arts indicated that many of the issues raised are common across the sector.
- 44 The themes in the views heard by the Working Party are also features of similar discussions in Australia, the United Kingdom, Canada and other countries of the Commonwealth. As noted, however, the Working Party considered it important to learn from, but not to transfer uncritically, the responses to these issues developed elsewhere.
- 45 The Working Party was also very aware that much of the deep feeling expressed by people active in *iwi* and community organisations arose from their experience of the past two decades and did not necessarily reflect their views of the fresh approaches initiated by the current Government.

#### ***Other issues***

- 46 The Working Party also considered background material provided by officials and others on four topics of particular relevance to the role of *iwi* and community organisations and their relationships with other parts of New Zealand society and the international community. These topics are:
- ④ taxation and charitable status
  - ④ relations with local government
  - ④ relations with the business sector
  - ④ international relations.
- 47 The background and current issues in relation to these topics are set out in Section Five. The Working Party considered there should be further work in each of these issues in Phase Two of the relationship-building work.

#### ***Developing a 'robust and respectful' relationship***

- 48 The Working Party's overarching brief was to consider the relationship between government and *iwi*/Māori, community and voluntary organisations. Within this framework, however, there is a complex web of significant relationships: between *iwi* and the Crown, and Māori and other community organisations; between central and local government, and between local government and communities; between urban and rural communities, between larger national and umbrella groups and local, grassroots community groups; and across the many elements of the community sector, including Pacific peoples' organisations, social services, disability services, environment, sport and recreation, faith-based groups, aid and development, women, youth, gays and many others.

- 49 The Working Party explored the concept of a formal agreement and concluded that while such an agreement might be a desirable goal, the pre-conditions are not present in New Zealand. A formal agreement presumes two or more parties that are clearly identified, understand each other, and have a mandate to enter a formal commitment. At present, there is no clear consensus across Iwi/Māori, community and voluntary organisations that they constitute a single 'sector'. Nor is it clear how such a broad collection of organisations might manage the process of negotiating a formal agreement. While representatives of iwi-based groups may consider they have the authority to enter into formal Treaty-based agreements or protocols with government, there is no clear set of collective or umbrella structures through which the community sector, in its broadest sense, could come together to agree on a single formal agreement.
- 50 In reaching this conclusion, the Working Party recognised that the diversity and pluralism is an important feature, and indeed strength, of the community sector. Developing one single body able to act as the 'voice' of the broader community sector is not likely to occur in New Zealand. Finding alternative ways of working cross-sectorally to ensure strong and effective umbrella, national and strategic groups able to promote the common interests of the community sector is critical and requires clear and specific investment by government.
- 51 There are also a number of steps that can be taken towards preparing the ground for a more formalised agreement. In addition to identifying actions to help in strengthening the community sector, the Working Party considered the current Government should demonstrate its good faith through a **Statement of Intent** providing a clear commitment to building the relationship with the community sector. A statement of this nature would acknowledge current difficulties in the relationship and set out the principles on which government agency attitudes and behaviour should be based.

***“Government needs to nurture its relationship with community organisations.”***

## The way forward

- 52 Developing a positive and effective relationship between government and Iwi/Māori, community and voluntary organisations will require both immediate steps and commitment to a substantial programme of work together over time.
- 53 The Working Party considered that the broader concerns of Māori in regard to Crown/Iwi relations should be addressed as a government-wide process led and supported by the establishment of a high level, highly mandated body, such as a Treaty of Waitangi Commission, to advise on future directions, including facilitating the strengthening of iwi organisations.
- 54 In developing ways of achieving an improved relationship between the government and the community sectors, the Working Party considered that a critical first step should be issuing the proposed Government Statement of Intent (see above), followed by a plan of action in two stages:

**IMMEDIATE ACTION:**

recommendations to jump-start the rebuilding of the relationship. These steps would have a positive impact and would also demonstrate this Government's good faith and commitment to change.

**PHASE TWO: BUILDING AND STRENGTHENING THE RELATIONSHIP:**

a longer-term process involving four strands of ongoing work:

- developing participatory democracy
- reviewing resourcing and accountability arrangements
- strengthening the community sector
- improving the ability of central government to understand and work with community organisations.

- 55 This proposed programme of work, to be monitored and led by a small steering group, is outlined in Section Seven of this report. The recommendations also include a list of research projects that would facilitate better understanding of the *iwi* and community sectors and their contribution to New Zealand society.

*Section Two*  
**The partners in  
the relationship**



- 56 The roles of the state and of community and voluntary organisations, and the boundaries between them, have evolved over time and cannot be precisely defined. Throughout much of the last century, the development of health, education and social services was characterised by the rise of the welfare state, with voluntary organisations often playing an innovative role in response to emerging needs and developing services that were later accepted as activities to be supported or delivered by the state. More latterly, this trend has been complicated by the state pulling back from some areas of delivery and communities and families again picking up important support roles. At the same time distinctions between government, community and private sector activities have become blurred as government agencies adopted business methods of operating and then required *iwi* and community organisations to make similar adjustments.
- 57 The post-war period also saw a flowering of rights-based and special interest community groups. Many of these, such as Amnesty International, Greenpeace and Oxfam, are offshoots of international organisations or, as with the longer established National Council of Women, have strong international links. Others, such as the Auckland and Wellington Peoples' Centres, the Pacific Island Church (PIC) Netball Club and ECO,<sup>13</sup> are very much New Zealand grown. The development of these community groups has often matched parallel developments within the government sector as new functions, new legislation and new state agencies are formed.
- 58 The contributions made by *iwi* and community organisations and their individual members are critical to the health and wellbeing of our society and form the basis of civil society.<sup>14</sup>

“Citizens and their collective endeavours constitute the basic fabric of any society. Individually and together, citizens have always acted voluntarily to improve their communities and societies.

“Such action takes many and varied forms. These include:

- ⊗ Struggles for freedom and independence
- ⊗ People's movements and organisations
- ⊗ Campaigns for social, economic and environmental improvement, and for human rights
- ⊗ Establishing community organisations engaged in a wide range of activities, including tackling poverty, employment creation and advancing education
- ⊗ Preserving indigenous cultures
- ⊗ Working for human security and peace.

<sup>13</sup> Environment and Conservation Organisation of New Zealand (ECO).

<sup>14</sup> There is considerable discussion in the international literature on the concept of 'civil society'. Some commentators see civil society as a category alongside the government, business and household sectors (i.e. as virtually equivalent to the 'community and voluntary' sector). Others view civil society as a 'space' or 'location' where the political, economic and social interactions of all sectors together develop a sense of social solidarity and civil participation or citizenship. This interpretation is the one used here.

“These and many other actions taken by people make up what is frequently referred to as ‘civil society’. Such actions are the basis on which democracy, pluralism, respect for human rights, good governance and the cohesiveness of society rest.”<sup>15</sup>

- 59 While civil society is not the sole preserve of community organisations, “the existence of a vibrant and responsive community and voluntary sector”<sup>16</sup> is an essential element of the ‘civility’ of any society. Recognising the value of this contribution, and the interweaving interests of the government, *iwi* and the community sectors, the Working Party began its review of the relationship between these, by considering the scope and character of each ‘partner’.

## Part I

### Iwi/Māori, community and voluntary organisations in New Zealand

- 60 There is no widely accepted definition of the ‘community sector’. The Working Party considered it was not useful to pursue a precise definition that might arbitrarily include certain elements and exclude others. The approach taken was to focus on developing a better understanding of *iwi* and community organisations in New Zealand, to appreciate their diversity, to describe some of the common features of the ‘sector’ in which they operate, and to incorporate this understanding into proposals to ensure a way forward in improving their relationship with government.

#### Concepts of the ‘community and voluntary sector’

- 61 It is common to discuss society in terms of three key sectors - the public or state sector, the private or commercial sector and the household sector. There is, however, another set of groups, organisations and networks that are neither government nor business nor household, but have an active and visible role in society. Unlike the other three sectors, this ‘sector’ (sometimes referred to as the ‘third’ sector<sup>17</sup>) does not have a generally accepted definition or even any shared language for discussion.
- 62 One of the reasons for this lack of agreed definition is the complexity of the sector. In a sense a distinct sector does not exist. Rather, it is what has been referred to as a “bewildering array of organisational forms, activities, motivations and ideologies”.<sup>18</sup> Organisations and activities that may be included range from, at one end, symphony orchestras, the social justice stream within major churches, top grade sports teams and national social services organisations to marae committees, informal children’s play groups, self-help groups and neighbourhood networks at the other. Equally, this complex array of roles and functions meets the needs of a number of quite different ‘stakeholders’, from government itself, to businesses, families and individuals as ‘clients’ or ‘members’.

<sup>15</sup> Commonwealth Foundation/Civicus (September 1999) *Citizens and Governance: Civil Society in the New Millennium*, pp 9/10.

<sup>16</sup> NZ Federation of Voluntary Welfare Organisations (2000) *Community and Voluntary Sector Relationship with Government*.

<sup>17</sup> Referred to as the ‘third’ sector in relation to the state and business — with the household sector forming a ‘fourth’ sector.

<sup>18</sup> Kendell, J and Knapp, M (1995) *A Loose and Baggy Monster: Boundaries, Definitions and Typologies*, in J Davis, C Rochester and R Hedley (eds) *An Introduction to the Voluntary Sector*. Routledge. London

***“Given its diversity and wide-ranging ‘reasons for being’ the sector cannot be bounded. Many organisations do not fit easily into ready made categories.”***

- 63 Government therefore needs to take care in talking to Iwi/Māori, community and voluntary organisations not to presume that these constitute a coherent grouping with a single voice. Clearly, ‘one size fits all’ approaches do not accommodate the diversity and pluralism that are the strengths of the community sector.
- 64 A second reason for the lack of a firm and shared definition is that it is often assumed that people know instinctively what is meant by ‘community’ without having to define the sector or agree on its boundaries. Individuals join, support and work for a range of formal and informal groups without the need for a definition or a set of criteria. More so than business or government, this third sector can exist without any formal recognition because the entities that are part of it do not necessarily have to meet any legal requirements. Most people have only a small amount of knowledge of the sector, limited to the part in which they are involved. This hides its complex nature.
- 65 A third reason for the lack of a formal or recognised definition is the dynamic nature of the community sector:
- “What is generally known as ‘the voluntary movement’ is a living thing. New organisations are formed to meet newly discerned needs. Others die. Yet others change their emphasis or venture into fresh fields. Relations with statutory authorities are constantly changing with new legislation or changes in administration. There is nothing static about the scene. This means that we have not been able to look at a timeless framed picture, but rather a particular ‘still’ in a moving film.”<sup>19</sup>
- 66 A further reason is the paucity of research, nationally<sup>20</sup> and internationally. Research that does exist usually focuses on the more formally structured components, such as legally constituted service organisations. In New Zealand there is some data from the census and the soon to be published findings of the Time Use Survey<sup>21</sup> but only limited research about volunteers and volunteering, and very little about the organisations in which they volunteer. While there is some statistical data that helps to ‘size’ the sector, the information does not greatly assist understanding of its characteristics or contribute to the development of a working definition.

### **Concepts of ‘community’ and ‘voluntary’ activity**

- 67 The term ‘community’ is generally used to convey the idea of individuals sharing a network of relationships and forming a common identity either on the basis of a shared locality, common cultural and historical identity or through shared interests. ‘Community organisations’ are, therefore, primarily characterised by a sense of ‘mutuality’ or ‘common interest’.
- 68 The expression ‘voluntary’, however, is derived from the quite different notion of lack of coercion or ‘acting from one’s own free will’. This is a critical point of difference between the ‘state’ sector on the one hand, drawing on significant powers of coercion in its relationships

<sup>19</sup> Wolfenden Committee Report (1978) *The Future of Voluntary Organisations*, p13.

<sup>20</sup> Nowland-Foreman, G (2000) *Civil Society in Aotearoa NZ — A Review of the Literature* provides a useful collation of available reports and articles on non-government organisations in New Zealand.

<sup>21</sup> Refer to paras 134 and 137–138 later in this Section of the report.

with citizens, and the 'voluntary sector' on the other, where relationships and activity are based on freedom to choose whether or not to join in. While very strongly associated with the idea of 'unpaid' work, 'voluntary' activity can be paid or unpaid, and the activities of 'voluntary' organisations may depend on paid and/or unpaid staff or 'volunteers'. The essential characteristic is not the element of pay or reward but the notion of freedom to participate.

- 69 The term 'voluntary' organisation also differs from the more general term 'community organisation' in that it carries the idea of 'charity' - serving or caring for those 'other', and usually less fortunate, than oneself. This understanding of 'voluntary' is a strong aspect of the large number of faith-based organisations that characterise the sector in New Zealand.
- 70 These strands within the common understanding of voluntarism are not easily captured in formal data collections. For instance, the 2001 Census has collected data about the more limited concept of 'unpaid work outside the household sector through organised groups'. The element of 'free will' is difficult to explore in a survey of this nature, but is critical to understanding the role of community and voluntary organisations in civil society and the passion many bring to voluntary work. Government efforts to 'require' beneficiaries to undertake work in community organisations have been criticised on these grounds as 'conscripted' undermining the spirit of volunteering on which community organisations are founded.

### ***Māori have a distinct understanding of community and 'voluntary' work***

- 71 The concept of 'voluntary' work is European in origin and not one that sits comfortably with Māori culture and values. For Māori, there is no strong sense of 'other' within the *whānau*, *hapū* and *iwi*, and no direct equivalent to the term 'volunteering'. It has been suggested this is likely to be a significant factor in Māori consistently under-reporting their 'voluntary' contribution in census and other research.<sup>22</sup> Working together for the benefit of *whānau*, *hapū* and *iwi* is a concept intrinsic to *ngā tikanga* Māori, and not considered 'voluntary' in the sense of 'self-chosen' or serving 'others'. Providing care and assistance is simply the way it is - "you know your place and you do your bit".<sup>23</sup> The *whānau*, *hapū* and *iwi* must be cared for, the work done.
- 72 Some have suggested that for Māori 'community and voluntary work' needs to be described according to its value - *ā-hua-tanga* - as a measure of worthiness, focusing on principles and standards based on:

*tika* - that which is right and proper

*pono* - having integrity

*aroha* - having compassion

*manaakitanga* - the implementation of *aroha*, caring for each other.

Taken together, these terms may provide a better understanding of the breadth of 'community and voluntary' work for Māori - perhaps more aptly described as the '*manaaki*' sector.<sup>24</sup>

<sup>22</sup> Nowland-Foreman, G (2000) Op cit, p11.

<sup>23</sup> Quoted in Suggate, D (1995) *An Overview of the Voluntary Sector*. Department of Internal Affairs.

<sup>24</sup> Jackson, M (November 2000) Presentation to the Working Party.

- 73 It may also be inappropriate to consider Māori community work or community organisations to be part of any 'sector'. As *tangata whenua*, Māori need to define their own space, sector or sphere; others cannot do this for them.

### ***The concept of 'voluntary' activity across other ethnic and cultural groups***

- 74 While discussion about use of the term 'voluntary' has been highlighted by concerns about its inappropriateness in the Māori context, it should be noted that the distinction between personal caring for family members and contributing to the wider society is similarly blurred in other cultural groups. For Pacific peoples and other ethnic groups where the extended family forms the primary focus of social interaction, many areas of caring activity, community participation and advocacy on behalf of family members would not be perceived as 'voluntary'.
- 75 Comments from Pacific people who met with the Working Party expand on this view, noting that their cultural dynamics and obligations leave little choice about serving the community. For Pacific people, caring and advocacy become a matter of obligation and duty with priorities determined by the community or extended family on the issues or needs to be addressed. Feedback during the Working Party process from discussions with Ministry of Pacific Island Affairs officials suggested that Pacific people involved in community work, both inside and outside the wider church context, would answer the question: "Why are you involved?" with responses such as: "You need to", "I am helping my community", "The need is there", "It's expected", or simply, "Because it's the way we are".
- 76 For people of all cultures, the impetus to engage in a community or 'voluntary' sector activity in the wider community often stems from an initial experience in addressing a concern for a family member. For instance, a parent concerned about the education of a daughter may join a school Board of Trustees, or an experience caring for a family member suffering from cancer may lead to ongoing contributions to hospice activities. The point at which the individual defines this as 'voluntary' activity will differ both between cultures and within cultures.

### **Possible definitions of the 'sector' and their usefulness for New Zealand**

- 77 Given the complexities of the 'community and voluntary sector' and the special character Māori and Pacific peoples bring to New Zealand community organisations, can a clearer picture be developed of the set of organisations that might make up the 'community sector'? Internationally researchers and analysts have suggested a number of methods for defining or describing the characteristics of community and voluntary organisations as a 'sector'. All offer some insights, but none provides the complete picture.

### ***Values and objectives***

- 78 A common approach to describing the nature of community organisations is to refer to a set of values that characterise the sector. This is particularly the case for faith-based organisations. One suggested set of values described the key attributes of 'voluntary' organisations as:

*"Democratic: based on freedom of association with services that reflect the views of a section of the community.*

*Innovative*: the ability to change to reflect changing needs is contained in its community-based nature.

*Altruistic*: motivated by concern for others not by considerations of profit.<sup>25</sup>

79 This list, however, does not sufficiently capture the concepts of social exchange, or enabling individuals and households to participate in society and to identify and address common needs. The use of ‘democracy’ also requires qualification. Simple ‘majority rules’ democracy, with its tendency to create ‘winners’ and ‘losers’ and majority and minority voices, is not a feature of charitable trusts or of organisations based on co-operative, consensus-oriented decision-making. Taking a broader view of democracy, these organisations may in fact be more inclusive and, in that sense, more democratic. For many Iwi/Māori and Pacific peoples’ groups, for instance, decision-making is driven by more deliberative processes focused on reaching consensus about what is in the interest of the common good.

80 In a 1993 paper discussing the values, ethics, interests and attributes of the voluntary welfare sector, David Robinson proposed:

- “(i) independence – freedom of association
- (ii) altruism – concern for others;
- (iii) collective (community) action”

as “core” values, arguing that these exist “in a state of tension which pulls between independence and collective action, and concern for others both with the client group and in terms of the wider community”.<sup>26</sup> Robinson also suggested that “service provision” and “citizenship” each give rise to a range of values expressed through the voluntary sector: democracy, addressing individual concerns, freedom of association, bi-culturalism and multi-culturalism, altruism, equity and anti-bureaucracy and hope.<sup>27</sup>

81 These values are echoed in some initial findings from more recent interactive discussion conducted by the Auckland-based UNITEC’s Not-for-Profit Management course (*Organisational Values – Culture and Values of the Not-for-Profit Sector in New Zealand*), which suggested the following values framework for community organisations in New Zealand:

“Defining values:

- trust
- independence (freedom of association)
- altruism (concern for others)
- co-operation and interdependence (collective action)

“Supporting values:

- Stewardship
- Hope
- Inspired by passion.”

<sup>25</sup> Ellis, M (1994) "Social Work in Voluntary Welfare Agencies", in R Munford and M Nash (eds) (1994) *Social Work in Action*, Dunmore Press, p 63. Note: Ellis has inferred the three characteristics from a more general paper: Robinson, D (1992) "Innovator or Government Agent – The Changing Role of the Voluntary Sector in New Zealand Social Services", a paper presented at the 3rd Annual Conference of Research on Voluntary and Non Profit Organisations, Indianapolis, USA

<sup>26</sup> Robinson, D (1993) "Values in the Voluntary Welfare Sector" in G R Hawke, and D Robinson (eds) (1993) *Performance Without Profit: The Voluntary Welfare Sector in New Zealand*, Papers from an Institute of Policy Studies/NZ Council of Social Services Symposium, Institute of Policy Studies, Victoria University of Wellington, p 106

<sup>27</sup> *Ibid*, pp 109 - 111

- 82 While this second set of values is not in itself sufficient to *define* the community sector, it does clearly provide a flavour of the self-perceptions of those who work within *iwi* and community organisations.

### **Legal definition**

- 83 This approach proposes that the use of the term 'community sector' should be restricted to those organisations that meet a nation's legal requirements for 'non-government', 'charitable' or 'community' organisations. In this way, community organisations could be recognised and their interactions with other parts of society and the economy formally monitored. In addition, the legal requirements place a certain degree of standardisation on the sector, reducing its complexity and making it easier for individuals, other groups and government to locate and relate to the organisations that comprise it.

- 84 In New Zealand, the relevant legislation includes:

- Incorporated Societies Act 1908
- Agricultural and Pastoral Societies Act 1908
- Māori Trusts Board Act 1955
- Charitable Trusts Act 1957
- Māori Community Development Act 1962
- Gaming and Lotteries Act 1977
- Friendly Societies and Credit Unions Act 1982
- Education Act 1989
- Companies Act 1993
- Te Ture Whenua Act 1993
- Income Tax Act 1994
- Community Trusts Act 1999

- 85 A major disadvantage of this approach is that it excludes a significant number of organisations and, in particular, the more informal groups and networks that do much of the work of the sector. A related difficulty is that an approach framed by the existing legal system essentially cedes power to the state to define the sector, rather than driving and owning the concept from within. A number of difficulties arise when government presumes to understand the character and boundaries of non-government organisations. For instance, initial discussions suggest this will be a critical issue in the proposed Review of Taxation of Charities (see Section Five Part A).

### **Economic/financial definition**

- 86 Another option is to attempt to identify members of the sector by the way in which their financial resources are used. Under this approach, the primary characteristic of a community organisation would be that its financial resources are not distributed to individuals for their own benefit i.e. that the organisation does not pay out dividends to shareholders. Funds accumulated are used only to provide and pay for services (be they services to 'members' or 'non-members') and the organisation operates on an assumption of collective ownership or guardianship of its resources (see paras 95 and 96 below).

- 87 The usefulness of this approach is debatable. Some would argue that ‘non-profit *distribution*’ is a critical element in understanding the character of the community sector. For instance, it does provide a basis for distinguishing community-based health services from Independent Practitioner Associations (IPAs). It could be argued that one useful way of expressing the difference between these two organisation types might be to consider whether the focus is on making a living by achieving a profit (a commercial enterprise) or whether the purpose is to conduct the activity itself with the social good resulting from the activity being the primary objective (community group).
- 88 Others argue, however, that the real world is not so ‘tidy’. Many organisations primarily established as small businesses may not distribute profit at all, opting instead to enrich individual members through salary increases and accumulating value. Community-based organisations, set up to advance the interests of their members may be almost indistinguishable in operations from many small businesses. Similarly, some Māori trusts distribute dividends, but are collectively owned and may regard themselves as part of the ‘community sector’ in other respects.

### **Function/role definition**

- 89 A common approach to definition is to focus on function or role: the activity of the community sector is defined and organisations and groups that fall within this are considered part of the sector. While there is widespread agreement within the literature that function or role is a critical characteristic, there is less agreement about what precisely those functions or roles might be.
- 90 Some define function by the focus of the activities of the group, for example:
- ⊗ service providing - those that supply a direct service to people
  - ⊗ mutual aid - those that focus on self-help or exchange around a common need or interest
  - ⊗ policy advocacy or campaigning - those that try to change policy or law on behalf of others
  - ⊗ individual advocacy - those that assist individuals with systems, structures, policies or law
  - ⊗ resource and co-ordinating - those that raise and channel resources to other organisations.<sup>28</sup>
- 91 Others try to define the role the community sector plays in society. For example, the role might be described as:
- ⊗ advocacy and working for change
  - ⊗ developing local solutions to local issues

<sup>28</sup> Brenton, M (1995) *The Voluntary Sector in British Social Services*, Longman, Kendall and Knapp (1995) Op. cit and Salamon, L (1995) *Partners in Public Service: Government – Non Profit Relations in the Modern Welfare State*, Johns Hopkins University Press

- ⑥ providing avenues for citizen participation and upskilling
  - ⑥ expressing and fostering culture and identity
  - ⑥ developing networks of goodwill, shared understanding and trust.
- 92 This method of defining the sector usefully focuses on activities rather than structure. It can therefore incorporate the breadth of organisations and groups, formal and informal, active in the community. It is also able to incorporate many Iwi/Māori organisations and much activity considered to be 'voluntary'. It fails, however, to exclude many areas of state activity and some private businesses.

### **Structural/operational**

- 93 The structural or operational approach limits the community sector to organisations that are:
- “formal (the organisation has some institutional reality), private (the organisation is institutionally separate from government), non-profit (not returning profits to owners or directors), self-governing (equipped to control their own activities) and voluntary (involving some meaningful degree of willing participation, either in the actual conduct of the agency’s activities or in the management of its affairs).”<sup>29</sup>
- 94 This definition is useful for research purposes because it is broad, but has sufficient structure to allow for national and international consistency and comparison. This approach, however, can include only certain types of formal organisations/groups. In the New Zealand context it may exclude a significant number of more informal organisations, and Iwi/Māori and Pacific peoples’ organisations. It is also not clear whether the use of the term ‘voluntary’ refers to the full notion of ‘non-coercive’ or simply implies that there is some element of unpaid contribution of effort.
- 95 More significantly, the list does not make explicit the element of collective responsibility for resources and direction that many see as a critical aspect of ‘community’ organisations. While the concept of ‘ownership’ is usually central to the discussion of the nature of organisations, it is less useful in considering *iwi* and community organisations. For this set of organisations, the relationship is better captured by the notion of *kaitiakitanga* or stewardship. The organisation does not belong to any member any more than it belongs to that member’s *tipuna* or *mokopuna*. This relationship could be described as ‘keeper of the values’ rather than ‘owner’ of the assets and resources.<sup>30</sup>
- 96 This difference has also been described as ‘ambiguous ownership’.<sup>31</sup> Community organisations have multiple stakeholders: staff, volunteers, board members, clients, funders and representatives from other agencies. All these play a role in making the organisation viable. In the absence of formal ownership of the type understood in the commercial sector, community organisation structures and processes are necessarily more complex and consultative. In such a ‘political’ environment, issues of mandate are critical and frequently misunderstood by government agencies.

<sup>29</sup> Salamon, L and Anheier, H K (1998) "Social Origins of Civil Society: Explaining the Non Profit Sector Cross-Nationally", *Voluntas* Vol 9. 3 pp 243–249.

<sup>30</sup> Stansfield, J (October 2000) Presentation to the Community and Voluntary Sector Working Party.

<sup>31</sup> *Ibid.*

## The Working Party's view

- 97 Given the complexity and dynamic nature of *iwi* and the community sector in New Zealand, the Working Party agreed that it is not useful or necessary to provide a formal definition of one cohesive 'community sector'. There are clearly characteristics, however, that, on balance, could be said to characterise the organisations that identify as part of this 'non-government, non-business, non-household' sector.
- 98 The set of organisations that comprise the community sector could be said to have most or all of the following characteristics, most or all of the time:
- ⊗ *a clear sense of values*: in particular, independence (freedom of association), altruism, *aroha* (compassion), *manaakitanga* (caring for each other), *pono* (trust), co-operation and interdependence, stewardship, hope and passion.
  - ⊗ *purpose*: a primary focus on 'doing' the work itself, on contributing to the social good arising from the activity of the organisation, rather than on making a living or a profit from it
  - ⊗ *function*: fulfilling all or any of the following: advocacy and working for change; mutual aid; developing local solutions to local problems; providing avenues for citizen participation and upskilling; expressing and fostering culture and identity; and developing networks of goodwill, shared understanding and trust.
  - ⊗ *structural or operational*: separate from government, collectively owned and/or self-governed on the basis of *kaitiakitanga* or stewardship rather than ownership, and not returning profits to owners or directors.

## What do we know about community organisations in New Zealand?

- 99 Despite its small size, New Zealand has a large number of community organisations.<sup>32</sup> At 30 November 2000 there were 21,444 registered incorporated societies and 11,582 registered charitable trusts.<sup>33</sup> Every year, around 3000 organisations are newly incorporated.<sup>34</sup>
- 100 Officials in the Ministry of Economic Development, the agency now responsible for managing the registry, estimate there are a large number of apparently formal societies and other bodies that have not kept up their registered status or have not registered and are therefore not counted in these figures. The figures also do not include some of the formal *Iwi/Māori* organisations such as those registered under the *Māori Trusts Board Act 1955*, the *Māori Community Development Act 1962* and *Te Ture Whenua Act 1993*. Nor do they include school boards of trustees and other educational groups registered under the *Education Act 1989*.

<sup>32</sup> International comparisons are difficult due to differences in legal requirements and terminology. However, compared to Australia, which has a similar charities legislative framework, New Zealand has a higher number of charitable organisations per head of population.

<sup>33</sup> Business and Registries Branch, Ministry of Economic Development 2001.

<sup>34</sup> Ministry of Commerce Annual Report 1998, quoted in Garth Nowland-Foreman (2000) *Op cit*, p16. It cannot be said that these are all 'new' organisations as some groups decide to incorporate after being in existence for many years. Recent accountability changes within Lottery Services and CYF have resulted in some old established organisations becoming legal entities for the first time.

- 101 Formally constituted organisations may vary tremendously in size and structure - from small, primarily volunteer-based initiatives, operated as a collective and running on a few thousand dollars a year, to large national organisations, with a corporate structure, hundreds of staff and multi-million dollar budgets (see Table ii).
- 102 Formal and informal iwi and community organisations are also involved in a very broad range of activities. There are community groups to be found in almost every field including:
- arts, culture and heritage
  - consumer protection/legal advice
  - sport and recreation
  - children, youth and education
  - environment
  - health
  - social services
  - disability support services
  - politics and advocacy
  - gay rights
  - international affairs and human rights
  - women's issues
  - employment/work related services
  - religion or faith-based groups
  - emergency services.
- 103 These areas contain such a significant number of formal organisations and smaller, informal groups, and provide such a wide variety of services and activities, that each could be viewed as a 'sector' in its own right or, at least, a 'sub-sector' within the group of iwi and community organisations.

*"There are four main outdoor safety search and rescue service providers:*

- ④ *The NZ Mountain Safety Council with a membership of 15 other organisations supporting 30 volunteer branches*
- ④ *the Royal NZ Coast Guard Federation representing 62 voluntary coastguard units operating 40 specialist rescue vessels and using many other vessels and aircraft belonging to local people and clubs*
- ④ *Surf Life Saving NZ with 79 patrolling clubs and 10,000 volunteer members delivering frontline rescue services and education and preventative programmes*
- ④ *Water Safety NZ providing education and preventative programmes and with a membership of 27 safety and education groups.*

*"All of these organisations save lives through voluntary effort. They receive collectively \$5.8 million from the Lottery Grants Board and have a combined current funding shortfall of \$3.8 million but receive no funds directly from government."*

Table (ii) illustrates the diversity across a sample of organisations. For this purpose, they are classified loosely as large (which are usually national), medium (which may be national or regional) or small (which may be local, regional or national).

Table (ii)

### Illustration of diversity of community organisations

'Sector'	Large organisation	Medium organisation	Small organisation
<b>Social services</b>	<b>National Collective of Independent Women's Refuges Inc</b> – 51 member refuges with a 1999/2000 total of 658 advocates or staff, 75% of whom are unpaid (on average 2 paid staff and up to 10 unpaid advocates per refuge). In 1999/2000 Women's Refuges were accessed by 6865 and 9130 children.	<b>Wellington Wesley Mission</b> – a regional (Wellington-wide) organisation linked to a national network. Employs 200 paid staff and has approximately 400 clients. Specialises in care of the aged and youth work. Volunteers are involved at board and service level.	<b>City Centre for the Elderly (Wellington)</b> – a stand-alone drop-in centre for older people. Employs a paid part-time administrator. Otherwise primarily dependent on unpaid volunteer staff and helpers.
<b>Children, youth and education</b>	<b>CCS</b> – a national organisation providing services to children with disabilities. Employs approximately 500+ paid staff and has approximately 5,000 clients. Volunteers contribute at board and service level.	<b>NZ Playcentre Federation</b> – a national body of 32 regional associations with 593 affiliated centres. Provides early childhood education and parent support. Some paid supervisors and administrators but mostly run by parents.	<b>Local youth group</b> – stand-alone organisation providing Friday night youth activities. Usually supported by a local church and/or community group. No paid staff and run by parents and other volunteers.
<b>Health and disability support services</b>	<b>IHC</b> – a national organisation with a corporate structure. Employs approximately 4000 paid staff and has approximately 5100 clients. Provides a broad range of services. Volunteers contribute at board and service level.	<b>Mercy Hospitals Auckland</b> – a religious order-based, not-for-profit organisation providing professional continuing care and surgical services.	<b>Marae-based women's health clinics</b> – local medical staff volunteer to be on a roster. Organised by marae members, often on an unpaid basis.
<b>Sport, fitness and leisure</b>	<b>New Zealand Tennis Inc</b> – a national organisation which is the peak body for the sport with a national office of 4 staff and 51,778 members belonging to 550 clubs which may have some paid coaches but are mostly run by volunteers.	<b>Regional Sport Trust</b> – an organisation promoting sport, fitness and leisure participation regionally. Has a mix of full-time and part-time staff and works with and uses unpaid volunteers.	<b>Titahi Bay Athletics Club</b> – promotes athletics participation for children. Run entirely by unpaid volunteers, depends on the local Council for access to grounds and has no club facilities.

'Sector'	Large organisation	Medium organisation	Small organisation
<b>International human rights</b>	<b>Amnesty International</b> – a national organisation with international links. Promotes human rights issues worldwide and domestically. Employs around 5 paid staff (including one part-time) and mobilises unpaid volunteers on local issues.	<b>CARITAS</b> – Catholic Church aid agency. Has paid staff but also closely linked to action in local Catholic church parishes through volunteer members.	<b>Grey Lynn Neighbourhood Law Office</b> – provides legal services to people who meet barriers to obtaining justice. Funded by the Legal Services Board, it has 4 full-time and 2 part-time staff and handles over 350 cases and 2000+ phone calls annually.
<b>Politics, information and advocacy</b>	<b>NZ Citizens Advice Service</b> – a national organisation with 5 FTE & 2 part-time paid national office staff and 91 locally based bureaux nationwide. Provides information, advice and, on occasions, advocacy and negotiating services to people who need help in accessing services and entitlements from government agencies, community organisations and private businesses.	<b>New Zealand Council of Christian Social Services</b> – a national organisation whose members are themselves complex national organisations concerned with social service delivery. It has 3 FTE paid staff supporting volunteers involved at board and service delivery level.	<b>Waterfront Watch</b> – a local Wellington group formed to advocate for citizen interest in restraining the commercial development of the Wellington waterfront and maintaining public access to the waterfront area. Formed and mainly run by unpaid volunteers.
<b>Environment and animal welfare</b>	<b>Greenpeace</b> – a national organisation with international links. 20 paid staff, 100 volunteers and 23,000 financial supporters.	<b>Royal Forest and Bird Protection Society of New Zealand Inc</b> – a national organisation concerned with protection and preservation of forest and birds. 17 paid staff and 40,000 members.	<b>Havelock North Environmental Home Group</b> – local environmental group of volunteers dedicated to the protection of a local river.

### ***Iwi/Māori organisations***

**105** Māori have developed a wide range of organisational forms. Many of these are covered by the charities and incorporated societies legislation and are part of the statistics listed above. A number of significant Iwi/Māori groups, however, have been established through other legislation and have a different structure and focus. In particular, considerable leadership and responsibility are undertaken by formal *iwi* authorities and Māori Trust Boards. These vary significantly in number and breadth of responsibility - with some bodies representing distinct *hapū* within *iwi*, and others representing the *iwi* as a single collective group. In 1991, one source identified 113 *iwi* authorities and Māori Trust Boards.<sup>35</sup> More recent information indicates there are now around 161.<sup>36</sup>

<sup>35</sup> *Te Aka Kūmara* (1991) Volume 1: A Directory of Contacts for Consultation He Rārangi Īngoa hei Whakapātanga Atu, compiled by Ngā Kairangahau, Manatū Māori, pp 1–2.

<sup>36</sup> *Community Help* (Ninth edition 2000-2001) — a directory independently published and jointly supported by the Community Employment Group and the Ministry of Agriculture and Forestry, pp 202–208.

106 Māori *Komiti*, Māori Councils and Māori Trust Boards have all evolved out of different government legislation over the past 100 years. While the original purpose of some of these organisations has sometimes disappeared, the organisations have adapted and changed and taken on new roles. Organisations involving more than one *iwi* and other community organisations have also developed. *Rūnanga* or *iwi*-led tribal management structures are derived from earlier indigenous governance structures.

107 For Māori, *hapū* centred around a *marae* provide a base for a considerable amount of community work. In 1997, Te Puni Kokiri identified 1031 *marae* throughout New Zealand,<sup>37</sup> providing a broad range of services and activities including:

- ④ administrative services for *whānau* and *hapū*
- ④ a physical base for *whānau*, *hapū* and wider community activities
- ④ a direct service provision, for instance health services, justice, training, welfare advocacy and support
- ④ a forum for political issues and public debate.<sup>38</sup>

*"In 1998, Ngāti Awa Social and Health Services Charitable Trust, established by iwi through Te Rūnanga o Ngāti Awa, was on the verge of bankruptcy. Community support was low and government funding to the Trust was limited to care and protection services.*

*"Today, Ngāti Awa is involved in the delivery of social, health, justice, education, housing and employment services through the single delivery arm of the Ngāti Awa Social and Health Services Trust. New trustees have skills and expertise in law and management and provide a co-ordinated and cohesive approach to governance, management and service delivery. The Trust now holds multiple contracts with Departments of Courts, Child Youth Family, Corrections, ACC and health sector agencies. It has 30 full-time equivalent staff and operates a centralised administration and financial accounting system.*

*"More Māori now access a range of new services. These include a new home immunisation service through which 50 tamariki have been immunised since February 2001. The Ngāti Awa Service Academy has also been established to facilitate delivery of a range of services in partnership with NZ Army and industry."*

108 *Marae* are also 'used' by a wide cross-section of the community. The 1997 Te Puni Kokiri study found:

- ④ 48% of *marae* users were *whānau*, *hapū* and *iwi*
- ④ 17% of *marae* users were government agencies

<sup>37</sup> Data sourced from: Te Puni Kokiri (1997) *A National Survey of Maraе*.

<sup>38</sup> Suggate, D (1995) *Op cit*, p46.

- ⑨ 13% of marae users were 'general Māori community'
- ⑨ 12% of marae users were sports/recreation groups
- ⑨ 10% of marae users were community, social service and youth organisations.

### ***Pacific peoples' community organisations***

- 109** Statistical information on the number and span of Pacific peoples' community organisations is difficult to find. Local authority community and some other directories list a number of Pacific peoples' groups focusing on activities ranging from early childhood and health groups to sport and business support. The Ministry of Pacific Island Affairs has 5000 contacts on its mailing list, including both organisations and key individuals. Other government agencies, such as the Department of Internal Affairs, Early Childhood Development and the Ministries of Women's Affairs, Youth Affairs and Culture and Heritage also maintain contact with a number of specialist Pacific peoples' community groups relevant to their sphere of interest.
- 110** All these sources confirm that Pacific peoples' organisations are very often linked to a strongly church-based community life and that Pacific peoples are engaged in a broad range of sport, early childhood and ethnic-specific social service organisations. Few of these groups have national status but many are strongly representative of local collective interests and form part of informal national Pacific networks. Some groups are 'pan-Pacific', operating across more than one Pacific island group, but most are specific to each of the Pacific peoples living in New Zealand: Cook Islanders, Samoan, Tokelauan, Niuean, Tongan, Fijian and others.
- 111** Within the Wellington region, for instance, there are several distinct Pacific island communities, each with a number of ethnic-specific community groups, as well as several other agencies with a strong Pacific islands identity as indicated in Table (iii) below:

*Table (iii)*  
**Pacific Peoples' community groups in the Wellington region<sup>39</sup>**

<b>A: Pacific Island</b>	<b>No. of groups</b>	<b>B: Other Pacific peoples' groups</b>	<b>No. of groups</b>
Cook Islands	17	Training providers	7
Fiji	6	Pan-Pacific groups	8
Niue	4		
Samoa	11		
Tokelau	5		
Tonga	4		
Tuvalu	3		

- 112** Currently, the lack of statistical and other information about New Zealand-based Pacific peoples' communities and community organisations severely impedes robust research and the analysis needed to underpin policy development in areas of concern to Pacific peoples.

<sup>39</sup> Community Services Business Unit, Wellington City Council (1999/2000) *Pacific Islands Directory*.

### Funding the community sector

113 The Working Party was unable to identify a collated source of information about the income of Iwi/Māori, voluntary and community organisations. This remains an area that deserves significant further investigation and analysis. The following information illustrates the disparate nature of the information.

*“The community sees programmes starting up, a commitment is made and then the programme is ‘taken away’ because of a change in policy or government. Trust is built up and then the ground changes. We are sick of trying to understand the changes.”*

114 One estimate by David Robinson published in 1996 suggests that community organisations in New Zealand have an annual income of over \$2 billion.<sup>40</sup> The study, however, does not specify the extent to which Iwi/Māori and Pacific groups are captured. Table (iv), compiled from the information in Robinson’s report, indicates the relative weightings of different sources of funding for the organisations studied (referred to in the report as ‘non-profit organisations’).

Table (iv)  
Estimated sources of income for non-profit organisations<sup>41</sup>

Source	Amount (\$m)	Sector total (\$m)	Percentage (%)
Philanthropic trusts	70.737		3.6
Personal donations	258.825		13.0
Bequests	25.353		1.1
Corporate giving	50.000 <sup>42</sup>		2.5
<b>Private</b>		<b>404.800</b>	<b>20.2</b>
Lottery Grants Board	108.306		5.4
Local government	26.000		1.3
Central government	185.301		9.3
Regional Health Authorities	376.045		18.8
<b>Public</b>		<b>695.600</b>	<b>34.8</b>
<b>Payments and fees for services<sup>43</sup></b>		<b>900.000</b>	<b>45.0</b>
<b>Total</b>		<b>2,000.400</b>	<b>100.0</b>

115 These figures do not include the income generated by smaller and less formal organisations. Nor do they take into account the monetary ‘value’ of the work of volunteers or the ‘in kind’ contributions that are so important in small communities.

*“In our area, a government agency threw out a \$9 million computer system because it did not work. Just think what community organisations could have done with that amount of money.”*

<sup>40</sup> Robinson, D (1996) *Funding New Zealand: Resources Flows to the Not-For-Profit Sector in New Zealand*, p26.

<sup>41</sup> Robinson, D (1996) *ibid*: Table compiled from figures in the report.

<sup>42</sup> This is an estimate of 2.5% of other sources of corporate income on the basis of estimates reached in the Johns Hopkins Comparative Non Profit Sector Project. Refer to Salamon, L and Anheier, K (1994) *The Emerging Sector: An Overview Report of the Johns Hopkins Comparative Non Profit Sector Project*, Johns Hopkins University.

<sup>43</sup> ‘Payment and fees for service’ refers to revenue earned from ‘clients’ i.e. individuals and/or other organisations receiving services from the organisation.

116 In 1998, the Department of Internal Affairs compiled information from 14 government agencies about their funding to health and other social service activities. Table (v) provides a summary of that information. This data demonstrates the diversity of agencies providing funding and, in particular, the predominance of health sector funding.

Table (v)  
**Government funding/purchasing of social services from community organisations<sup>44</sup>**

Government agency	Amount (\$m)	Service	Notes
Health Funding Authority	376.0	Health & disability Support services	1996 estimate
Community Funding Agency (now within CYF)	100.8	Families, community welfare and vocational services for people with disabilities	
Education and Training and Support Agency (replaced by Skill NZ)	79.9	Training opportunities (now called the Industry Training Fund and generally not accessible to volunteers)	
Ministry of Education	67.0	Including Ngā Kōhanga Reo (\$52m), rural education, non-formal adult education, English as a Second Language, NZ Childcare Association, Pacific and refugee assistance	Early childhood subsidies and funding for District Truancy Committees are not included
Community Employment Group (now part of Dept of Labour)	14.3	Projects which increase employment, self-sufficiency and positive activity	Mostly not purchased services: but assistance with employment-related projects
Internal Affairs (excluding Lottery Grants Board)	11.6	Community Organisations Grant Scheme, Community Project Workers Scheme and youth & community work training grants	
Youth Affairs	10.6	Conservation Corps, Youth Service Corps	
Department for Courts	4.3	Domestic violence programmes	
Crime Prevention Unit	4.3	Co-ordination of Safer Community Councils, discretionary grants & demonstration projects	
Early Childhood Development	4.2	Early childhood development centres inc. play groups and Pacific Island language groups	
Corrections	2.5	Programmes for offenders	Programmes purchased by prisons not included
Accident Rehabilitation and Compensation	0.65	Sexual abuse services	
Housing Corporation (now Housing NZ)	0.54	Some <i>iwi</i> run education workshops on home purchase	
<b>Total</b>	<b>676.7</b>		

<sup>44</sup> Note: Unless otherwise stated, all figures are for 1997/98.

- 117 In the same survey, Internal Affairs also collated information about non-central government sources of funding for community and voluntary organisations for social services and a range of other activities. This information is summarised in the following table.

Table (vi)

**Non-central government sources of funding for the community and voluntary sector<sup>45</sup>**

Funding source	Annual amount (\$m)	
Lottery Grants Board	68.0 61.0	via distribution committees (1997/1998) to statutory bodies (e.g. Hillary Commission) (1999/2000)
Other forms of gaming	107.0	via non-casino gaming machines, raffles, housie (1998)
Community Trusts	70.0	to racing clubs (1997/1998)
Local government	90.0	(1997/98 est)
Corporate sponsorship	26.0	(1996 est)
Philanthropic trusts		Estimates not available
Public donations	71.0	(1996 est)
Public bequests	258.0	(1996 est)
	25.0	(1996 est)

- 118 While both of the studies discussed above have included estimates of the funding provided by the private sector and by local government, it is important to note that this is a complex area and estimating the full value of the contributions from all of these sectors is difficult. First, there is no agreed definition of what is meant by ‘community organisation’. In some cases this is taken to include all ‘non-government’ bodies; in others, there is a narrow focus on health and welfare services, sometimes, but not always, including justice and education activity. Definitional difficulties also arise where government agencies distinguish between programmes delivered through private and community-based non-government organisations but substantially retaining the character of a ‘government’ service, and other activities perceived as more genuinely community based.
- 119 Recently, for instance, the Christchurch City Council estimated the overall funding by central government to community organisations in Christchurch at \$90-100 million, noting that “less than a quarter of the total funding ...was available to respond to community initiatives, as opposed to [the] purchase of predetermined ‘outputs’ (usually specified from Wellington).”<sup>46</sup>
- 120 The State Services Commission is currently undertaking an analysis of government funding to ‘non-government organisations’ and this should assist gaining a clearer picture of *central government funding* of the community sector. The Commission expects to have the data collection phase of this project completed by the end of March 2001.

<sup>45</sup> Ibid.

<sup>46</sup> Christchurch City Council Policy Directorate and Nowland-Foreman, G (2000).

- 121 Information about funding provided by local government to *iwi* and community organisations is similarly difficult to quantify. In his 1996 study, Robinson estimated total local government funding to community organisations nationally at \$26 million.<sup>47</sup> The Christchurch City Council year 2000 analysis identified that funding to community organisations for social programmes amounted to \$3.755 million or 2% of the Council's total expenditure.<sup>48</sup>
- 122 Taking a broad perspective, assistance provided by local authorities to the community sector may include any or all of the following:<sup>49</sup>
- Ⓒ direct financial assistance: grants, service agreements, contracts for services and loans
  - Ⓒ organisational support from council resources: office support, training, advice, support for meetings, accommodation for service agencies (free or subsidised)
  - Ⓒ rebates or remissions: rates relief, regulatory fee waivers
  - Ⓒ indirect assistance: leasing land or buildings, loan guarantees (rare).
- 123 The *New Zealand Lottery Grants Board (LGB)* guides the distribution of funds from lotteries to community and charitable causes. The Working Party noted that the percentages of LGB funding (\$123 million in total in 2000/2001) allocated to the Hillary Commission for sports, fitness and leisure (20%), to Creative New Zealand for the arts (16%) and to the New Zealand Film Commission (6.5%), have not changed since they were established by Cabinet Minute in 1991. The balance of LGB funds (41.5% which was \$70 million in 2000/2001) is distributed to the community directly and indirectly across 13 committees and activities.
- 124 Given that the total funding pool from which the LGB makes its allocation is 21% of the Lotteries Commission income, the level of funding available annually is dependent on income streams from Commission activities. During the past 10 years, Commission income has fluctuated and more recently reduced from \$138 million in 1998/99 to the 1999/2000 level of \$135.4 million. At the same time, the demands from the three Crown entities, and from the wider community, have grown and diversified. In effect, this means that the total funding available to the community from this source has recently fallen.
- 125 As noted in the studies discussed above, there are also a number of *private and community-based philanthropic* trusts that make substantial contributions to the community sector. The community trusts that were established following the restructuring of the trustee banks in 1998, for instance, provided over \$90 million in donations to the community sector in both 1998/99 and 1999/2000.<sup>50</sup>
- 126 Issues relating to the adequacy and management of funding from these sources are noted in Section Four.

<sup>47</sup> Robinson (1996). Op cit, pp16–17.

<sup>48</sup> Christchurch City Council and Nowland-Foreman, G (2000) Op cit.

<sup>49</sup> McKinlay Douglas Ltd (2000), *A Good Practice Guide for Local Authorities in the Resourcing and Funding of Community Organisations*, Local Government New Zealand, Wellington. p15.

<sup>50</sup> Identified from community trust annual reports.

### **The economic contribution of the community sector**

**127** Information about the expenditure patterns of organisations in New Zealand's community sector or the value of their contribution to the wider economy is also very limited. Available information is often narrow in focus, out of date and focused on the unpaid contribution of the sector. There has not been a strong focus on the role of community organisations as employers and service providers, encompassing both paid and unpaid elements of their contribution. The Working Party considers this is an area where further research would assist understanding of the role and contribution of the sector.

***“There needs to be an improved mechanism to value the contribution of NGOs (through formal, informal, paid and unpaid work) and to ensure this is captured in the Government’s national accounts.”***

**128** There is also a history of undervaluing or not valuing volunteering at all. Marilyn Waring's research published in 1988<sup>51</sup> noted that, in their annual accounts as recorded in the United Nations system of national accounts, countries did not record the contribution of unpaid volunteers and the unpaid work done by women at home. Waring suggested this continued to institutionalise the view that unpaid work has no value.

**129** A number of smaller community organisations have attempted to calculate the value of the unpaid voluntary contribution to their organisations. For instance, in 1999, the Alzheimers Society of Otago Inc reported 2840 hours of voluntary time donated to its activities.<sup>52</sup>

**130** A survey conducted for the New Zealand Association of Citizens' Advice Bureaux (NZACAB) in 1993<sup>53</sup> illustrated the “enormous volunteer contribution of time, skills and caring support” put into CAB work and suggested that “volunteer work needs to be recognised as productive and important work in our national economic measures”.<sup>54</sup> The research found that:

- ⊗ volunteers gave an estimated 630,000 hours annually to provide the Citizens Advice Bureau (CAB) service
- ⊗ volunteers worked an average of 20.5 hours per month on CAB work
- ⊗ at a conservative estimate of \$12.50 per hour, this labour would cost \$8 million if the community had to pay for it
- ⊗ for every hour spent with clients almost another hour went on keeping information up to date, training, fundraising, publicity and other management and administration tasks
- ⊗ 68% of CAB volunteers also worked for other community organisations as well as CABs and spent an average of 17 hours a month on this work.<sup>55</sup>

***“Our work is undervalued and the people devalued.”***

<sup>51</sup> Waring, M (1988), Cited in M Woods ( 1998), *Volunteers:a Guide for Volunteers and their Organisations*, Hazard Press, p21.

<sup>52</sup> Alzheimers Society of Otago Inc.(1999) Annual Report.

<sup>53</sup> NZACAB (December 1993) *More Than a Labour of Love: A Research Report On the Work of Citizens Advice Bureau Volunteers*.

<sup>54</sup> *Ibid*, p2.

<sup>55</sup> *Ibid*, p1.

- 131 Suzanne Snively's 1996 report on the economic cost of delivering the services provided by the National Collective of Independent Women's Refuges (NCIWR)<sup>56</sup> estimated the unpaid hours which went into the provision of refuge services in 1994/95 at an estimated \$5.9 million. The report further noted that:

"When the value of unpaid labour is added to NCIWR funded economic costs, the direct return on government investment is around 250 percent and is likely to reach 300 percent by 1996/97. Given the positive outcomes achieved for women and children, the economic return to central government is far greater."<sup>57</sup>

- 132 A further report published in 2000<sup>58</sup> built on the 1996 study and identified the true cost of refuge services at between \$11.5 million and \$11.9 million, of which only \$4.9 million was government funded. It examined the critical relationship between 'inputs' (unpaid volunteers, government funding, 'in kind' funding, other funding, and paid staff), the 'outputs' (programmes, services and administration) and outcomes (including safe women and children). Using the 1996 benchmarking, when total costs were set against government and other funded costs, the contribution of unpaid volunteers and 'in kind' funding amounted to up to 72% of the total.

- 133 Reports published by the Hillary Commission in 1993 and 1998<sup>59</sup> tackled the difficult task of valuing the contribution made to the New Zealand economy by the physical sports and leisure industry and included information on the unpaid 'voluntary sector' component. The first report, using 1991 data from an independent study valued the contribution at \$671 million<sup>60</sup> (see Table (vii)). The 1998 report, however, using 1996 Census data, provided a lower estimate of \$584 million in 1996.<sup>61</sup> Business and Economic Research Limited (BERL), the research agency involved in the first study and responsible for the second, noted that it considered the later estimate for 1996 to be the more reliable figure.<sup>62</sup>

- 134 These studies provide useful information but also illustrate the difficulties in obtaining and working with reliable and consistent data on the community sector. A completely new source of data, the Time Use Survey conducted in 1998/99 will provide a fresh basis for research on value. Statistics New Zealand, with the support of the Ministry of Women's Affairs, for instance, is soon to release a report prepared on the way Time Use Survey data can be used to establish the value of unpaid work in that context of the national accounts.<sup>63</sup> This will cover the value of unpaid work both inside the household and outside the household.

<sup>56</sup> Snively, S (1996) *The Economic Cost of NCIWR Refuge Services*, National Collective of Independent Women's Refuges, Wellington.

<sup>57</sup> *Ibid*, p110.

<sup>58</sup> PricewaterhouseCoopers (2000) *Improving Outcomes for Women and Children Using Refuge Services*. National Collective of Independent Women's Refuges.

<sup>59</sup> In addition, the 1998 study estimated the physical leisure volunteer workforce to comprise 47,680 equivalent full-time workers compared with 19,200 paid workers in the same sector.

<sup>60</sup> Hillary Commission (1993) *The Business of Sport and Leisure: The Social and Economic Impact of Sport and Leisure in New Zealand*, a report prepared for the Hillary Commission by Business and Economic Research Limited, Business Research Centre Limited and the LINZ Activity and Health Research Unit, Wellington. Cited in Hillary Commission (1988), p41.

<sup>61</sup> Hillary Commission (1998) *The Growing Business of Sport and Leisure: The Economic Impact of Sport and Leisure in New Zealand*, a follow-up report prepared for the Hillary Commission by Business and Economic Research Limited, pp41-43.

<sup>62</sup> *Ibid*, pp41-43.

<sup>63</sup> Statistics New Zealand/Ministry of Women's Affairs, Unpublished report to be published late May 2001.

### ***Volunteering and organisational membership***

- 135 There is slightly better data available on the number of people involved in iwi and community organisations in New Zealand and the extent of their involvement.
- 136 The 1996 Census generated a large amount of data on volunteering (with a focus on unpaid activity caring for others). The key points from the 1996 Census are:
- ⌚ many New Zealanders were identified as involved in unpaid voluntary work. At the time of the 1996 Census, almost half the population was recorded as doing some kind of voluntary work in the previous four weeks
  - ⌚ the most common volunteer activities were:
    - administration and policy work (17%)
    - caring for children (15%)
    - household work (14%)
    - teaching, training and coaching (12%)
    - fundraising and other (6%)
  - ⌚ women were more likely to undertake voluntary work than men. 55% of those regularly doing voluntary work were women, 45% were men
  - ⌚ Māori were more likely to be involved in voluntary work than other New Zealanders. Slightly over half (51%) of the Māori population were reported as being regularly involved in voluntary work compared to 46% for European/pakeha, 45% for Pacific Island and 29% for Asian
  - ⌚ family interests, especially school and sport, were the focus of most voluntary activity
  - ⌚ while many New Zealanders engage in voluntary work, a very small number do most of the work. Three quarters of those who undertook voluntary work did so for less than 14 hours per month. Less than 5% did more than 60 hours voluntary work per month. Women and Māori were more likely to offer more hours of voluntary work than men in general and other ethnic groups
  - ⌚ for some, voluntary work was undertaken in addition to and not instead of paid work. Almost half of all volunteers were in the paid workforce
  - ⌚ people not in the paid workforce - older people, unemployed people or those at home also contributed significantly to society through their unpaid voluntary effort.
- 137 The 2001 Census will provide new data on the participation rates of New Zealanders in voluntary activities using categories that match the activity groups used in the 1998/99 Time Use Survey. This will enable the information provided by the Time Use Survey to be cross-referenced with the 2001 Census data to enrich the information available on who does voluntary work and how much time is spent on it. The Time Use Survey asked questions

about participation rates in different types of unpaid work in the four weeks before the interview. Data from the answers provides estimates that tell a story similar to that of the 1996 Census figures i.e. women and Māori are more likely to participate in formal unpaid work outside the home than men and non-Māori.

**138** Data from the Time Use Survey cannot provide information about participation rates, but in regard to formal unpaid work outside the home the survey can provide useful information about participation patterns. The analytical report on the results of the Survey<sup>64</sup> notes that:

- ⊗ there is a rising level of activity up to age 65-74 years (where the average time spent by everyone in this age group reaches over three hours per week) followed by a rapid decrease
- ⊗ women under 65 years spend more time than men in this activity
- ⊗ Māori spend more time than non-Māori on each of the major types of formal unpaid activity: administration, service provision and travel associated with the activity
- ⊗ people of both sexes 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 for organisations than do people employed full-time
- ⊗ the organisations<sup>65</sup> that receive the largest amount of time are leisure and sport groups. This finding includes time spent on maintaining the organisation and its activity, coaching, arranging sports competitions, fund-raising and attending committee meetings, and does not include time spent participating directly in the sporting or leisure activities themselves.

### ***Volunteering and paid staff***

**139** The activities of iwi and community organisations are undertaken by a mix of unpaid and paid workers that varies enormously from group to group. Many organisations, such as neighbourhood development associations, marae, local community sports clubs, church-based youth groups, environment and advocacy groups and many others, operate entirely on unpaid voluntary effort with office-holders drawn from their members. At the other end of the scale, several major health and social service providers are substantial enterprises with hundreds of paid staff. Even the larger more complex organisations, however, rely heavily on the contribution of unpaid volunteers both on the ground and in board or management positions and many dedicated paid staff work additional hours without pay.

***“The age profile of some parts of the voluntary sector is increasing and recruitment for organisation administration has become more difficult.”***

<sup>64</sup> Statistics New Zealand/ Ministry of Women’s Affairs (to be published in 2001) *Analytical Report of the Results of the New Zealand Time Use Survey*.

<sup>65</sup> Ibid, p72. The organisation categories used in this assessment include: Māori-based, disability/health, social support, education, community safety, leisure/sport, and member benefit. For more details and definition, see the Time Use Survey Users’ Guide at [www.stats.govt.nz](http://www.stats.govt.nz).

140 As this diverse array of organisations has developed and evolved, significant changes have occurred in the recruitment, training and professional development of the ‘army’ of people who work in community organisations. These changes present a number of critical issues for the *iwi* and community sectors:

- ⊗ difficulties for some organisations in recruiting volunteers, given new and competing demands for volunteers
- ⊗ pressures arising from an increasing emphasis on professionalism, particularly in the health and social services
- ⊗ changing patterns of working life
- ⊗ in the social services, the pressure of working with people in desperate situations.

141 The implications of these challenges are discussed in Section Four.

### ***The role of umbrella, national and strategic collective groups***

142 Internationally, the term ‘peak’ body is often used to describe an organisation that has as its membership other, usually national, organisations and, on their behalf, carries out functions such as:

- ⊗ providing a forum for information exchange
- ⊗ research and policy development on issues of common concern
- ⊗ political advocacy and representation
- ⊗ membership services such as: training, development of resources, organisational development, meeting information technology needs.

143 In New Zealand, it is more usual to refer to these groups as ‘umbrella’ bodies. Some national organisations also carry out ‘umbrella’ functions. For *Iwi/Māori* and Pacific peoples’ organisations there may be a strong collective interest that does not equate to ‘national’ coverage. For these groups, the term ‘strategic collective’ is more appropriate. Acknowledging these complexities, the Working Party adopted the expression ‘umbrella, national and other strategic groups’ in referring to this set of organisations.

144 The Working Party heard a variety of views on the value and effectiveness of umbrella, national and other strategic groups. Discussion on these views is outlined in Section Four of this report.

### ***Gaps in our knowledge about the *iwi/Māori*, community and voluntary organisations in New Zealand***

145 The data provided in this section describes some aspects of the New Zealand *iwi* and community sectors. Given the lack of New Zealand-based research, however, there are significant gaps in our knowledge. These gaps relate to information about:

- ⊗ the ‘informal’ components of *iwi* and community organisations

- ④ 'in kind' contributions
  - ④ the full range of Iwi/Māori organisations
  - ④ the full range of Pacific peoples' organisations
  - ④ the community organisations of other minority ethnic groups
  - ④ the economic contribution of volunteers and of Iwi/Māori, community and voluntary organisations
  - ④ the services provided by these groups and who uses them.
- 146 Research identified by the Working Party to help fill the gaps in our knowledge is outlined in Section Seven.

### Can we find a shared language for discussion?

- 147 There are several terms currently used in New Zealand and internationally by organisations, groups and governments to describe and talk about the community sector. Appendix Four describes these terms and their advantages and disadvantages in New Zealand.
- 148 Both the information on *iwi* and community organisations and the international literature and research reveal that the community sector is broad, complex and dynamic. It would be a difficult task to develop one set of terminology to describe such a diverse collection of organisations.
- 149 There are two possible approaches to developing a common language:
- ④ *using criteria to choose one term to be the description adopted formally for New Zealand use:* This would produce a more convenient term that could be used by both community organisations themselves and government. Such a term would be unlikely to meet all needs. It would describe some aspects of the sector better than others, but would not be used universally. It might, however, simplify discussion and, over time, provide greater clarity.
  - ④ *embracing the complexity and diversity of the sector without attempting to find or impose any one term:* This would enable groups and organisations to use the language that best describes what they do in particular circumstances - and use other terms on other occasions. If relationships improve and there is better communication in general between *iwi* and the community sector and government, this may in itself reduce the confusion currently arising in the absence of a nationally accepted expression.
- 150 For the purposes of this report, the Working Party has used the phrase 'Iwi/Māori, community and voluntary organisations' to indicate the broadest set of organisations implied by its terms of reference. 'Community sector' is used in referring more generally to that group of organisations as a 'sector'. When separately identifying the interests of *iwi*-based organisations, or relations between *iwi* and the Crown, reference is made either to *iwi* or to the '*iwi* sector'.

## The Working Party's view

- 151 The New Zealand iwi and community sectors are complex, diverse and dynamic. While there are many common themes and issues among the organisations that make up these sectors, there are also diverse structures, motivations and processes at work. Iwi/Māori organisations, for instance, may serve a multiplicity of political, social and commercial roles and cannot be limited to 'membership' of a 'community sector'. And all iwi and community organisations may find themselves involved with one set of agencies for a particular purpose, and at another time find shared interests with quite different groups. Any standard language that might emerge will contain the risk of masking the full complexity of these organisations and the sectors within which they operate.

*"We have worked to build a relationship with the HFA – but at times it has been very difficult. Now that this has been more firmly established, it is about to be replaced, possibly by a relationship with 21 DHBs. The fact that I am so uncertain as to whether we may have a national health contract or 21 contracts, indicates a lack of consultation and communication.*

*"We often feel we are a hybrid, rather than easily defined. We are seen by some other not-for-profits as not a 'proper' not-for-profit (we are too 'big', we accept government contracts, we are 'too corporate', too professional). It has been suggested that all voluntary organisations should refuse contracts and return to being volunteers. For us this is not realistic. On the other hand, applications for funding/donations are often ruled out by Lottery Welfare, trusts, companies etc, because we are perceived to be 'government funded'. Only 56% of our income is from government and it is for very specific services. 30% of our income is from fees – but we are not a 'proper' private business.*

*"There is a lack of accurate knowledge about FPA. For instance, some people think FPA is focussed on teenage contraception. This ignores our community work with parents and prisoners, and a wide range of clinical services such as advice on menopause.*

*"Recently government education agencies apparently directed the Dominion to ask FPA about how many schools were not implementing the Health & Physical Education Curriculum, and for the results of our monitoring of their success. FPA has 24 part-time educators and there are over 2,000 schools! We do not have a role in them and certainly not a monitoring role.*

*"Because not-for-profits are efficient, we are often under-funded for the services government contracts us to deliver. FPA's new clinical contract provides free services to community services card-holders and those under 25. This is a great achievement in relation to our mission, but threatens the organisation's financial viability. Certainly no GP would deliver services for the same funding level. If FPA does not exist I believe cost-effective expert services will be lost – and it is important to know whether government's vision includes a role for not-for-profits."*

**Gill Greer, Executive Director, NZ Family Planning Association, November 2000**

152 For most people involved in community-based organisations, experience of government is gained primarily through:

- ④ contact at the front-line, delivery level of government services, for instance through the field staff of the Department of Child, Youth and Family, the Department of Internal Affairs, the Ministry of Fisheries, the Department of Conservation, the health sector agencies and others
- ④ dealings on specific matters with departmental officials from regional offices or head offices in Wellington - often conducted by phone, or increasingly, by email
- ④ advocacy and lobbying on community issues with politicians and departmental officials, including letter writing, submissions and the responses to consultations.

153 The government processes lying behind these interactions, and the rationale and authority for any decisions reached, are often not well communicated and not well understood by people outside government, or are not designed to facilitate positive engagement. This reflects, in part, the distancing of government from communities and the complexities of modern public administrative systems, heightened by several aspects of the state sector reforms of the 1980s and 1990s.

***“It seems to many of us that the failure on the part of politicians and bureaucrats to develop transparent processes and to provide clear and appropriate explanations has been deliberate and self-serving - an attempt to keep the masses ignorant and down trodden.”***

154 New Zealand is a western-style democracy with a strongly centralised Westminster-based parliamentary system based on a single house of parliament with comparatively few constitutional checks or balances. Until the 1990s, New Zealand’s three yearly ‘first-past-the-post’ electoral system, dominated by two key parties, reinforced the power of the executive arm of government and ensured that ‘minority’ voices, such as Māori, were simply outvoted by the majority. The introduction of Mixed Member Proportional representation (MMP) in 1996 has enabled a greater range of people to enter Parliament, challenging the dominance of the two main parties and impacting on the systems and processes of forming governments and developing policy and legislation.

155 Ensuring that the institutions of *representative democracy* are fair and inclusive is important to maintaining a democratic society. Also critical, are the broader issues of fostering active citizenship and developing a truly *participatory democracy*, well beyond any pre-occupation with the three yearly electoral cycle. The community sector has historically played an important role in democratic processes at all levels, as a source of information, advice and advocacy regarding community views and needs.

## The formal basis of central government in New Zealand

- 156 New Zealand's government decision-making and administrative system is very similar to other Commonwealth nations.<sup>66</sup> The executive arm of government is led by a Cabinet or collective of Ministers who together form the 'Government of the day'. There are currently 21 Ministers managing 53 portfolios and 45 additional 'areas of responsibility' across 39 departments or ministries, as well as a number of separate crown entities and state-owned enterprises.<sup>67</sup> With this number of portfolios and government agencies, it is common for Ministers to have several departmental responsibilities.
- 157 In overseeing the government agencies under their control, Ministers have two roles: as purchasers of their department's activities or outputs and as the 'owner' of the agency. In their ownership role, Ministers monitor the capabilities and performance of their departments and/or ministries through the chief executive. As purchasers, Ministers determine what goods and services will be provided by their agencies and/or purchased from other sources. In practice, Ministers obtain much of their policy advice from their own ministries.
- 158 Each ministry or department is headed by a chief executive<sup>68</sup> and has its own sphere of responsibility, for which financial allocations are provided. Some departments receive funds through more than one Minister's portfolio.<sup>69</sup> These separate allocations, matching distinct areas of responsibility or portfolios, are referred to as 'Votes' because they are approved each year through the budget debate in Parliament. Departments and ministries vary significantly in size: from the Ministry of Youth Affairs with around 25 staff and a 2000/01 budget of \$10.5 million<sup>70</sup> to the Department of Work and Income (DWI) with 4924 staff and a 2000/01 budget of \$12,744 million.
- 159 Following the period of restructuring and substantial change in the late 1980s and 1990s (see Section Four for further discussion), the size of the core government service is now at its smallest since the Second World War (with under 30,000 full-time equivalent staff).<sup>71</sup>

## Community organisation experience of government

- 160 Community organisations interact with government in a number of ways:
- ⊗ *policy formation* - through involvement in the development of policy or through experiencing the impact of a policy decision on their organisation's mission or client base

<sup>66</sup> Schick, A (1996) *The Spirit of Reform: Managing the New Zealand State Sector in a Time of Change*, a report to the State Services Commission and the Treasury.

<sup>67</sup> Numbers of Ministers, portfolios and government agencies as at 1 March 2001.

<sup>68</sup> The State Sector Act 1988 gives chief executives authority to run their organisation — to recruit managers and staff, manage budgets and authorise expenditure, decide on the resources (or inputs) required to produce the agreed 'output' (services), and to report on what they have accomplished.

<sup>69</sup> The complexity of departmental responsibility for portfolios and Votes varies considerably. The Department of Internal Affairs, for instance, has six Votes, eight ministerial portfolios, five Ministers and one Parliamentary Under-Secretary. The Secretary of Internal Affairs reports to all of these and has responsibility for administering almost 50 Acts of Parliament.

<sup>70</sup> Includes \$6.34 million for the Conservation Corps.

<sup>71</sup> State Services Commission figures.

- ④ *regulations and the legislative framework* - through the impact of laws and regulations under which each organisation operates
- ④ *direct delivery of services* - through services provided by government agencies
- ④ *funding arrangements* - through services purchased from community organisations, or grants made to enable groups to fulfil their own objectives
- ④ *facilitative approaches* - through government encouraging changed behaviour or supporting community initiatives
- ④ *provision of information* - about laws, policies and services and their purpose.

**161** Central government has traditionally played a large role in the lives of New Zealand citizens, often through the direct provision of services. Provision of core services through local government or larger community and voluntary organisations has been a much less significant feature of government in New Zealand than in other countries.

**162** The state sector reforms of the late 1980s and 1990s profoundly altered the culture of government and the manner in which many of these central government functions were practised. The impact on *iwi* and the community sector is discussed in Section Four of this report. This section outlines briefly the ‘market’-based concepts central to the reforms and the way in which these are demonstrated in current practice within government agencies.

**163** The New Zealand state sector reforms included the following key elements:

- ④ separating policy from the delivery of information and services (operations) - referred to as the ‘policy/operations split’<sup>72</sup>
- ④ the introduction of purchasing or contracting models as the primary means of managing relationships between government agencies (as ‘funders’) and separate government and/or non-government organisations (as ‘providers’) - referred to as the ‘funder/provider’ split<sup>73</sup>
- ④ new public management theories, and changes in practice ranging from use of commercial and new management language<sup>74</sup> to the commercialisation and privatisation of some services.

**164** Alongside these significant changes, governments faced increased pressure to respond to Māori aspirations for greater self-government and better social and economic outcomes. The 1988 report of the Ministerial Advisory Committee on a Māori perspective for the Department of

***“Government itself - its systems, culture (how public servants relate to people) and its language are, in themselves, major barriers to developing an effective relationship.”***

<sup>72</sup> More correctly, the notion of a ‘policy/operations split’ involved a three-way separation of policy advice, delivery and regulatory functions. This has been simplified here to emphasise the key aspect relevant to the *iwi* and community sectors.

<sup>73</sup> As above — more correctly, the notion of ‘funder/provider split’ involved a three-way separation of funder, purchaser and provider. This has been simplified to emphasise the aspect relevant to the discussion.

<sup>74</sup> For instance: departments referred to as ‘businesses’, resources as ‘inputs’, services provided as ‘outputs’, results over time as ‘outcomes’ and public owners and/or users as ‘stakeholders’, ‘clients’ or ‘customers’.

Social Welfare, *Pūao-Te-Ata-Tū*, and the Royal Commission on Social Policy both identified a desire for a full partnership based on sharing power, resources and responsibilities. The government response included some transfer of programme delivery to Iwi/Māori groups, the promotion of Treaty education within the public sector and moves within some agencies to introduce 'biculturalism' into structures and practices.

- 165 Moving into a new decade and a new century, however, the Working Party gained the impression that the clarity that was hoped for in the mid-eighties has not emerged. Some officials reported they were not clear about the current Government's expectations of them in responding to the Treaty of Waitangi in the course of their work. Significant differences in response to the Treaty were apparent between agencies.

### **Policy formation**

- 166 The introduction of 'policy/operations' and 'funder/provider' separations were key elements of the reforms of the late eighties and nineties, resulting in a separation of functions - and even agencies - between policy advisors and decision-makers on the one hand, and operational agencies and delivery of information and services on the other.<sup>75</sup> This separation was primarily intended to enable policy formation and review to focus on the 'big picture', avoiding 'day-to-day' operational concerns. There was also an underlying assumption that the policy process is at risk of capture by the self-interest of service providers or consultants, and by the public as 'consumers' or 'customers'. This culture of caution in consulting interest groups led to a climate of mistrust that has been bitterly resented by many in iwi and community sectors.

***"Failure to listen to communities' understanding of their own needs can lead to failure of 'well thought through' programmes."***

- 167 The separation of functions demanded increased flow of information between policy and service delivery, while the budget and timeline pressures of the period of reform and loss of staff with institutional and local community knowledge constrained the ability of policy staff to consult. These factors reinforced officials' impatience with the slower-paced decision-making processes of community organisations, further fuelling a reluctance to consult in ways likely to achieve useful outcomes.

***"Voluntary organisation systems tend to be slower than those of government or the private sector. This is automatically seen as a weakness whereas it may be a strength in relation to inclusivity."***

<sup>75</sup> These separations were influenced by 'public choice' theory with its central assumption that all human activity is dominated by self-interest.

168 The separation between government agencies was intensified by the emphasis on the individualised responsibility of chief executives established by the State Sector Act 1988. Both community representatives and officials commented on the emergence of a 'silo' mentality that is counter-productive in developing intersectoral policy.<sup>76</sup> While cross-agency groups do exist at the policy level, they were perceived as often designed to co-ordinate work through intense periods of policy change, rather than pulled together to focus on coherent, medium/long-term or strategic 'whole-of-government' approaches.

***"The silo mentality across government has led to poor co-ordination between concurrent processes which affect the community."***

169 The Working Party acknowledged that initiatives such as Strengthening Families represent efforts to combat the 'silo' tendencies of many agencies. More recently, a number of fresh local and regional development initiatives indicate a renewed interest in more strategic, cross-sectoral approaches to information-gathering and working across boundaries and these are discussed further in Section Four.

### ***Regulations and the legislative framework***

170 Iwi and community organisations are subject to a broad framework of legislation and regulations:

- ⑥ *legislation aimed specifically at governing the activity of iwi and community organisations as legal entities:* for a list of the key acts in this regard see Section Two Part A (para 84). Accountability and taxation issues relating to this legislation are also discussed further in Section Five Part A
- ⑥ *general legislation governing the activities of organisations as businesses:* requirements such as those of the Resource Management Act 1991, the Goods and Services Act 1985, accident insurance legislation, or the Privacy Act 1993 apply to all organisations, while organisations with employees must comply with statutes such as the Health and Safety in Employment Act 1992, the Employment Relations Legislative Act 2000 and their accompanying regulations.
- ⑥ *legislation relating to specific activities:* government's transactions with organisations dealing with particular functions may also be controlled by statutes such as the Children, Young Persons and their Families Act 1989 and the Sport, Fitness and Leisure Act 1987.

<sup>76</sup> Washington, S (1998) *Pieces of the Puzzle: Machinery of Government and the Quality of Policy Advice*, State Services Commission Working Paper No 4. Senior policy managers interviewed for the State Services Commission's *Improving Quality of Policy Advice* project "raised concerns about a lack of coherent cross-government strategic advice", observing that "agencies are concentrating on their own interests, without attention to wider collective interests".

### **Delivery of services**

- 171 Over time, governments in New Zealand have provided a diverse range of services to communities - from free advice on farm management and subsidised irrigation schemes to development of walking trails, from museums and schools to fire services, and assistance in finding work or exporting a product. Following the state sector reforms, some services seen as providing a 'private good' to individuals are now likely to be offered on a full or part cost recovery basis. Many other services, with a clear element of shared benefit or contribution to the common good, continue to be provided and/or funded, at least in part, by government.
- 172 Iwi and community organisations participate with government in delivering a broad range of services including, health, social and education services, as well as assisting with conservation, maintaining places and resources of historic and cultural value, delivery of emergency services and many other activities. Determining the balance of responsibility and risk between the state and iwi and the community sector, and between each of these and the household and business sectors, is an underlying tension in politics at any time, and was a central issue in the state sector reforms of the past two decades. Finding the appropriate balance between government and the community sector involves considering both the nature of the service itself - what should be delivered - and the relative roles of each sector in regard to service design, funding, implementation, quality control and risk management.
- 173 In addition, the reduced size of the public sector has changed the nature and local presence of government agencies and services. People in community organisations commented on the distances they now have to travel to access many services, particularly in rural areas. Comments were also made about the apparent lack of co-ordination between some agencies that do provide outreach contacts.

***"There is often a duplication: a car will arrive at a family for Family Start, another for Plunket, another for child wellness, another for mental health."***

- 174 The recently announced Heartlands initiative was welcomed by those who have been involved in early pilots of the proposal. Designed to address concerns about access and co-ordination, Heartlands will focus on bringing government services to rural communities through low budget arrangements. In some areas, this will involve sharing accommodation with community organisations; in others, field visits will be co-ordinated across more than one service.

### **Funding arrangements**

**175** Government agencies use both grants and contracts to fund *iwi* and community organisations either to support the purchase of services defined and prioritised by government itself, or to contribute to activities initiated, developed and managed within the community. Over the past two decades, there has been a shift in government funding of communities from organisation-focused funding towards purchasing defined services through formal contracts, particularly in supporting health, education and other social services. The features of this transition have been:

“ ...

- ⊗ a shift from funding an organisation to funding a service or project
- ⊗ a shift from funding inputs to funding outputs
- ⊗ a shift in resources to *iwi* and Māori run services
- ⊗ a shift from a submission-based model to needs-based planning.”<sup>77</sup>

**176** With the predominance of the contracting model in the major social service agencies, government grant funding to community organisations has largely become the domain of the Department of Internal Affairs through its administration of the taxation-derived Community Organisation Grant Scheme (COGS) and Lotteries funding.

**177** The issues arising in the funding relationship between government, *iwi* and the community sector are discussed more fully in Section Four.

***“The ‘for profit’ mentality promoted by contracting has led to greater ‘efficiencies and an accountability environment’ but one which is also less ‘caring’.”***

### **Facilitation and participation**

**178** A number of government departments employ staff knowledgeable about the needs of their communities and the government resources and processes available to assist communities. For example, the Community Employment Group of the Department of Labour, the Community Advisory staff from the Department of Internal Affairs and Te Puni Kokiri field staff all work with *iwi* and community organisations (especially those from disadvantaged rural and urban communities) to help communities identify opportunities for their own development and to facilitate interactions with government agencies. Staff involved with the Department of Child, Youth and Family, the Ministry of Pacific Island Affairs, the various health agencies, the Department of Conservation and others also work with *iwi*, Pacific peoples and other community organisations and communities to exchange information and to develop and deliver services.

<sup>77</sup> Nowland-Foreman, G (1996) *Flavour of the Month or Mixing up a Menu: Models of government funding for community social services*, a discussion paper prepared for the NZ Council of Christian Social Services, p1.

- 179 Some government departments are, however, more constrained in their interactions with iwi and community organisations by legislative and regulatory processes. For example, both the Department for Courts and the Department of Corrections are obliged by statute to follow specific processes in developing programmes for groups such as violent offenders and have less flexibility to modify these.

### **Provision of information**

- 180 Government has a duty to provide communities with access to information about the purpose and the functions of each department, its legislation and regulations and the services it provides. Press releases, briefings and newsletters are used by all government agencies in providing information about their policies and activities. In times of intense policy change, however, iwi and community organisations report that these mechanisms often do not provide the information needed to plan ahead or to influence policy outcomes.

- 181 The Official Information Act 1982 (OIA)<sup>78</sup> provides a minimum standard for access to information about government policies. As a general rule, the OIA applies the principle that information should be released except where the harm that would result from disclosure outweighs the public interest in its release.

***“An information gulf exists between the government agencies and the voluntary sector. There is a need to share a lot more information and when that is done, more progress will be made.”***

- 182 Community sector representatives comment, however, that rather than enabling access to information, the OIA frequently appears to be used as a device for constraining the release of important information until well after it is relevant or useful. For their part, officials find the process of releasing information through the formal procedures of the OIA onerous and time-consuming.

- 183 Clearly, the OIA should be used as a process of last resort. More proactive responses to providing information include the timely release of key reports and other papers and the involvement of people from iwi and community organisations early on in policy processes.

- 184 A number of umbrella and national organisations play a critical brokerage role between central government and those working at the ‘flax roots’ in local communities. The New Zealand Association of Citizens Advice Bureaux (NZACAB), for instance, with 91 bureaux nationwide, is a sector-based response to the need for two-way exchange of up-to-date and relevant information. Umbrella and national organisations also frequently assist with interpretation, identification of key strategic issues and enhancing the effectiveness of specific information campaigns.

***“Don’t do it for us - give us the space and resources to do it for ourselves.”***

<sup>78</sup> Under the OIA the Government also provides a directory which must be published or updated every two years. This directory gives a detailed picture of the structure of central government departments, state-owned enterprises, Crown entities, statutory authorities and so on.

- 185 Access to new information technology will provide the basis for a revolution in information exchange between central government and communities. Services such as the Funding Information Service on-line dimension and *CommunityNet Aotearoa*, provided by a community trust with support from the Department of Internal Affairs, are positive initiatives in that regard.
- 186 Uneven access to technology within the community sector, however, means that government departments will not be able to rely on email and website-based systems for some time to come. Even where *iwi* and community organisations do have the technology available, cost shifting has become an issue as comparatively well funded government organisations transfer much of the cost of information dissemination (for instance, paper costs) to recipient organisations.<sup>79</sup> The ‘digital divide’ between government services and many *iwi* and community organisations presents issues that will need to be addressed over the next decade.

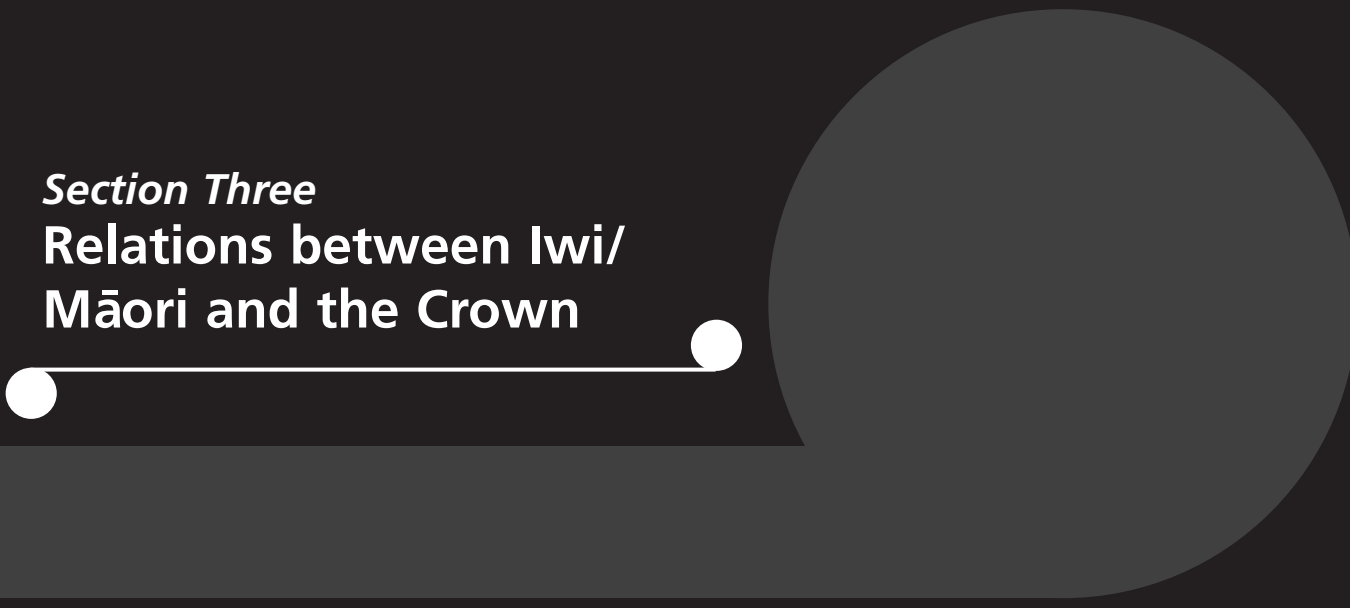
### The Working Party's view

- 187 Considering ways of improving relationships between the government, *iwi* and the community sector has provided an opportunity to consider the distinct character and culture of each sector. Section Three focuses on the particular concerns of Māori in engaging with the Crown, with government and with the *tauiwi* community sector. Section Four works from this information to unravel key aspects of the difficulties that have arisen within these relationships.

***“Often, the Government and the community both want the same thing, but have different perspectives on how to get it.”***

<sup>79</sup> Government agencies in the past have sent out bulk (paper) copies of newsletters and funding and other application forms to community organisations which could then be sent on to members. When these are emailed to umbrella, national or local co-ordinating community bodies, they may then need to be printed to enable distribution to branches or members without access to information technology. This represents significant cost shifting.

*Section Three*  
**Relations between Iwi/  
Māori and the Crown**

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- 188 The Working Party heard that Māori see their current relationship with the Crown as one sided and unjust. For this relationship to be turned around many Māori believe there is a need for fundamental constitutional change. New Zealand must address and resolve these issues to establish a pathway to a durable and strong relationship between *iwi* and the Crown.
- 189 A number of recurring messages were heard by the Working Party in its discussions with Iwi/Māori organisations. These included two overarching themes:
- ⌚ a need for an agreed understanding of the Treaty to be developed by *iwi* and the Crown
  - ⌚ a need to give urgency to addressing institutional racism in the public sector.
- 190 These themes were elaborated by Māori meeting with the Working Party:
- ⌚ the self-governance that *iwi* experienced prior to colonisation has been steadily eroded. This is not just a matter that belongs in the past and cannot now be set right. Many are seeking to rebuild their political power through processes of constitutional change. The present constitutional framework is based on the Crown's assumption of its rights to govern and this is challenged by *iwi* who assert that *tino rangatiratanga* has been denied
  - ⌚ since the Treaty of Waitangi was signed there has been a fundamental disagreement between *iwi* and the Crown on the nature of the governance, power structures and relationships. This has created a situation of frustration, anger, powerlessness and marginalisation. The two views have not been reconciled. Restoring Māori self-governance would require Māori and the Crown to reach mutual agreement on the meaning of the Treaty. This may well involve new constitutional arrangements.
  - ⌚ government and its institutions assimilate and co-opt Māori in a way that imposes social and political control, rather than allowing Māori autonomy over decisions that affect their lives. The continuing lack of resolution of these issues means that Māori have a real sense of being powerless in their own land. The denial of Māori cultural identity in policies, systems and practice is the essence of institutional racism.
- 191 In considering these issues, the Working Party noted the conclusions of the Royal Commission on Social Policy. The Commission considered that institutional racism, defined as a bias in social and administrative systems that automatically benefits the dominant race or culture, penalising minority and subordinate groups, is insidious and hard to eradicate. Unlike personal racism it cannot be countered through education alone, but needs national programmes to remove biases.<sup>80</sup>
- 192 Māori since 1840 have constantly challenged governments to address the issues of disempowerment arising from ongoing disregard of the Treaty. Many of these challenges have occurred within the processes and systems of government itself. Over the past few decades there have been several working parties and commissions - most notably, the Ministerial

<sup>80</sup> Royal Commission on Social Policy (1988), Vol IV, pp 569–572.

Advisory Committee and its 1986 *Pūao-Te-Ata-Tū* report, and the Royal Commission on Social Policy 1988 - which addressed issues relating to the status of the Treaty and reinforced the message from Māori that change must happen and power must be shared.

193 The Working Party acknowledged that these and other recommendations have consistently been ignored or only partly implemented in a way that has reinforced the status quo. Members agreed action to achieve effective and durable change for Māori will benefit all New Zealanders.

194 The Working Party was also made aware that, for Māori, the need for action in regard to the Crown's relationship with *iwi* overshadows discussion about relations between government and the community sector. The key elements heard by the Working Party can be summarised as:

- ⑥ the Māori version of the Treaty of Waitangi is the basis for the relationship between *iwi* and government
- ⑥ until government honours its obligations to Māori under the Treaty of Waitangi, a relationship between government and *iwi* and Iwi/Māori organisations will be flawed
- ⑥ *Pūao-Te-Ata-Tū* represented a new dawn for Māori but the “sunset came quickly”: its non-implementation has reinforced the powerlessness of Māori in Aotearoa
- ⑥ governments have continued to ignore the voice of Māori as reported in *Pūao-Te-Ata-Tū* and the Royal Commission on Social Policy
- ⑥ to date, government responses to Māori self-development including health, education, social services, justice and developing an economic base have been palliative and ineffectual. Models developed by governments have been imposed on Māori
- ⑥ government departments, and the Government itself, are undermining traditional *iwi* structures through the use of the generalised catch-all term ‘Māori’ rather than recognising the significance of *whānau*, *hapū* and *iwi* and *tangata whenua*.
- ⑥ the ‘one size fits all’ approach that still tends to be adopted by government departments in working with Iwi/Māori organisations represents an inability of government departments to meet the specific needs of Māori
- ⑥ some Iwi/Māori health and social services providers are unhappy with present funding arrangements and are seeking direct funding from the Crown in acknowledgement of the Treaty relationship.

***“Limited resources in the distribution pipeline is one way the Crown keeps Māori dependent on the ‘handout’ philosophy.”***

### ***Iwi/Māori and the voluntary sector***

**195** Within the Working Party, there was considerable discussion about the impact of the Treaty of Waitangi on the focus of the Working Party's brief. Māori members, in particular, felt that Māori and Iwi/Māori organisations do not feel included in the expression 'community and voluntary sector'. Māori practise *manaakitanga* through the delivery of social services and are active in arts and culture, sport and recreation, environment, heritage and conservation, aid and development and emergency services - and among disability, youth and women's networks.

**196** They also, however, have a political and constitutional role as Treaty partners. For Iwi/Māori groups, it is not sufficient for government to attempt to engage with them primarily as 'community groups'.

**197** Some government officials meeting with the Working Party stated that, despite the guidance provided by the State Sector Act 1988, they often experience a confusion between their role in representing the interests of the Crown, and their role as 'servants' of the citizens of New Zealand. For iwi groups,

***"Tangata whenua, whānau, hapū and iwi have as indigenous people of Aotearoa unique needs and perspectives that are separate to those of the community and voluntary sector. ... There is clearly a difference between Iwi/Māori kinship based models and NGOs, and the voluntary sector. ... Māori are tangata whenua or indigenous peoples of New Zealand and their collectiveness is based upon whakapapa."***

interest in addressing social needs is not easily separated from an interest in relations with the Crown at a constitutional level. This was a significant issue for the Working Party - with discussion on government's relationships with Iwi/Māori groups constantly moving between the two sets of relationships - relations between the Crown and iwi as Treaty partners, and relations between government agencies and Māori as citizens.

**198** Many commentators, both Māori and *tauiwi*, stated there was a need to address the Treaty issues more formally to clarify the political and constitutional issues. The Working Party observed the lack of clarity amongst government officials about the Government's expectations of them in responding to the Treaty of Waitangi was evident in their policy work and delivery of services. Some people involved with community organisations also commented on their own lack of familiarity with the Treaty and its implications for their work.

***"Treaty issues in some government departments have been minimised or forgotten about. Principles were developed in 1975 but the spirit of the Treaty is not there."***

## Iwi/Māori organisations and the social services sector

- 199 Other issues more specifically related to the delivery of social services were also raised with the Working Party. Concerns that resource allocation between Māori and other providers is sometimes not equitable, particularly within the programmes administered by the Department of Child, Youth and Family, were discussed. Bednight contracts were cited as a particular example. Māori were also more generally seeking acknowledgement from government departments that Iwi/Māori organisations have the capacity to deliver services for themselves and should be supported and encouraged to do this.
- 200 Policies aiming to build capacity in Māori communities and to reduce disparities (formerly referred to as ‘closing the gaps’) were subject to specific comment. Some Māori who met with the Working Party were concerned that government action to address disadvantage did not acknowledge the importance of Māori determining their own development. Members heard that the language of the ‘gaps’ policies focused on differences between Māori and other New Zealanders, rather than on the present constitutional powerlessness of Māori and their vision of their own future.
- 201 The Working Party recognised that key elements of the Government’s strategy on disparities and disadvantage are intended to recognise and support Iwi/Māori-determined approaches to their social and economic development. Members also acknowledged the investment government has made in building capacity in Iwi/Māori organisations and institutions.
- 202 It is clear, however, from the comments made by some Māori that there is still a way to go for government agencies working with Iwi/Māori organisations to facilitate Māori-driven development. For instance, recent media coverage has highlighted public concern about the care and protection of children, focusing on Māori families and Māori children, and the role of government agencies in intervening and supporting these children and their families. The Working Party heard from representatives of Iwi/Māori social service providers and others ready and willing to work with government to address these concerns but frustrated with current processes which do not facilitate the ownership and development of Iwi/Māori-based responses.
- 203 For Māori, this is a matter of interpretation of the Treaty. By guaranteeing citizenship rights to Māori, Article III of the Crown’s version of the Treaty of Waitangi prohibits discrimination and requires government to be proactive in reducing social and economic disparities between Māori and *tauiwi*. Working from Articles One and Two of the Māori text, which guaranteed *tino rangatiratanga*, would lead to a focus on government’s responsibility for addressing Iwi/Māori rights to self-determination.

***“Māori can deliver on their own terms and need to be empowered to do so. But so often the paternal attitude is, there, don’t worry, we’ll look after you.”***

- 204 The Working Party was aware that amongst *tauiwi* New Zealanders there is a wide spread of opinion on the appropriate response to these calls from Māori for greater self-determination. While there are many New Zealanders who do not wish to discuss Treaty issues, others accept the need to address outstanding concerns. The Working Party observed that people active in community organisations appear more accustomed to debating these issues than in many other sectors of society. For many of these people, consideration of Treaty issues is very much part of discussion about policy and the development of service responses to meet future needs.
- 205 Many community groups were conscious of a need for their agencies to address the social and economic disadvantages of Māori. Some were clearly anxious that a focus on Iwi/Māori organisations might undermine this commitment and their own viability. The Working Party noted a tension between these organisations and the desire of Iwi/Māori groups to find their own solutions to the critical challenges in meeting the needs of their own *hapū* and *iwi*.

***“There is a tension between Māori services in place to serve Māori clients and non-Māori organisations that service both Māori and non-Māori clients.”***

### Consultation with Māori

- 206 In the course of its work, the Working Party found there were times when it was more effective for Māori to caucus to focus on the key issues. This view was put forward by Iwi/Māori organisation representatives in some of the Working Party’s consultation meetings. There were strong views that in Phase Two of the relationship-building process this should be further developed through caucuses and other mechanisms.<sup>81</sup>
- 207 Discussion within the Working Party also illustrated the importance of ensuring that Māori are appropriately represented in working groups of this nature. Four members of the nine ‘non-government’ members were Māori (that is, four of a total Working Party of 12 people). Māori members at times felt constrained in operating as a minority within the group, and felt the Treaty relationship implies greater representation and a more appropriate structure as defined by Māori. This could mean that Māori have their own caucus or working party in any future parallel process.

***“Te Rūnanga o Tūranganui a Kiwa recommended that iwi/Māori and tangata whenua would need to be separated from the Community and Voluntary Sector Working Party to enable them to have their own forum and develop their own agenda.”***

<sup>81</sup> For instance: Smiler, J (2000) Notes from a presentation to the Working Party during a hui with Tūranganui-a-Kiwa representatives, Gisborne, 26 October 2000.

- 208 Community members of the Working Party were concerned that the three government Working Party members did not reflect an appropriate diversity. To some extent this could be viewed as indicative of the ‘reality’ of the current New Zealand public service management and the experience of *iwi* and community organisations in working with government agencies. The Working Party considered, however, that in the future efforts should be made to ensure a more diverse age, gender and ethnicity profile.

### The Working Party’s view

- 209 The Working Party considered that for a durable and strong relationship between Iwi/Māori and the Crown to be achieved, a fundamental shift in policy is necessary. Lack of resolution of Treaty-based issues is a barrier to good relationships between the government and community sectors. The Working Party agreed that finding a way forward may well require constitutional change. Some members considered that effective change would best be achieved through facilitating *iwi* self-governance.
- 210 Working Party members agreed that action to raise awareness of the implications of the Treaty should be incorporated in the Phase Two relationship-building work programme proposed elsewhere in this report. The broader Treaty issues, however, lie beyond the brief of the Working Party and members considered that the political and constitutional issues relating to *iwi* as Treaty partners should be addressed in a wider context through a separate process. Currently there is no appropriate mechanism to enable a debate of this nature to be conducted effectively.
- 211 For this reason the Working Party proposed that the Government set up a high level, highly mandated body, such as a Treaty of Waitangi Commission, comprising representatives of *iwi* and the Crown to consider the Iwi/Crown relationship in New Zealand and to advise on a future direction. Members also agreed there should be a Māori-based and defined process for *iwi* representation on such a body.
- 212 The Working Party was aware of the findings and recommendations of the *Pūao-Te-Ata-Tū* report<sup>82</sup> and of the process and reports produced by the Royal Commission on Social Policy<sup>83</sup> in 1988. Many of the Working Party’s further proposals for action echo the recommendations of these and other reviews.
- 213 The Working Party considered that government should review progress in implementing the recommendations of *Pūao-Te-Ata-Tū*. Members agreed there was a need for public education about the Treaty of Waitangi, better practice in addressing Treaty issues within government agencies and improved monitoring of the effectiveness of these initiatives. The Working Party also agreed that government should consider more direct resourcing of Iwi/Māori organisations.

<sup>82</sup> Op cit.

<sup>83</sup> Op cit.

### **OVERARCHING RECOMMENDATION**

The Working Party proposes that Government consider establishing a high level, highly mandated body, such as a Treaty of Waitangi Commission, with representation of the Crown and *iwi*, to consider the Crown/*iwi* relationship and advise on future directions. The Commission could consider issues such as *iwi* self-determination, constitutional change and ways of implementing agreed outcomes.

### **IMMEDIATE GOALS OF THE TREATY OF WAITANGI COMMISSION**

The Working Party proposes that the Treaty Commission's considerations should include:

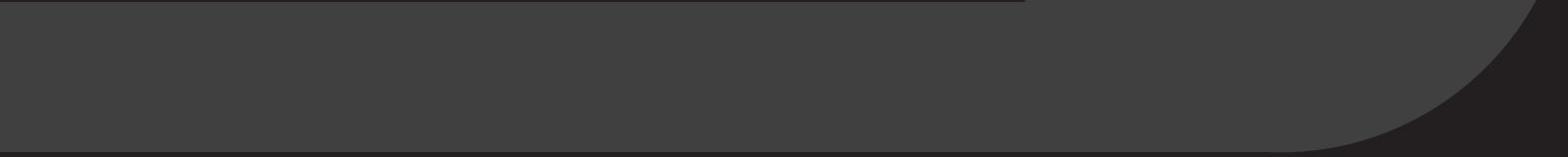
- ④ reviewing implementation of the recommendations of *Pūao-Te-Ata-Tū*
- ④ developing a public education programme to improve understanding of the Treaty of Waitangi
- ④ developing good practice models based on a Māori world view rather than a Māori 'perspective' to improve the performance of government agencies
- ④ developing through independent external review more effective Treaty audits of law, policy and practice in the state sector
- ④ considering issues such as direct Crown funding to *iwi*/Māori health and social service providers, enabling Māori to determine their own needs, service responses and accountability measures.

### **THE WAY FORWARD: PHASE TWO RECOMMENDATIONS**

The Working Party also recommends that, to improve the relationship between government and *iwi*/Māori organisations that are providing services in the community, the Phase Two Steering Group should:

- ④ facilitate development of resources to assist community organisations to introduce and use mechanisms such as: responsiveness to Māori plans, Treaty audits and inclusion of Treaty components in social audits
- ④ take action to address inequitable funding arrangements which impact negatively on *iwi*/Māori providers compared with other providers
- ④ improve intersectoral approaches to *iwi*/Māori strategies and programmes to create a more holistic approach to service delivery
- ④ ensure an independent review is undertaken of *iwi*/Māori providers to establish a 'snapshot in time' that identifies their capacity, delivery effectiveness and capacity to meet the relevant needs of Māori
- ④ create a Māori defined and accessible complaints process for *iwi*/Māori providers, including establishment of a monitoring process for the complaints and their outcomes so that this can be used as a tool for measuring effective outcomes.

*Section Four*  
**Unravelling the problem**



- 214 The Working Party listened carefully to the voices of a 'sample' of representatives from Iwi/Māori, community and voluntary organisations in a variety of settings - speaking as invited guests to Working Party meetings, and as participants in small group and plenary discussions at community meetings and *hui*. Notes from meetings, written contributions and formal submissions were also carefully considered and material received is appended to this report.
- 215 Efforts were made to focus the discussion on developing a vision for a 'robust and respectful relationship' and identifying steps towards achieving this vision. On several occasions, however, there was a level of frustration and resentment that needed to be aired before moving to consider options for the way forward.
- 216 In reviewing the information available to it the Working Party identified five central issues that need to be addressed:
- ⊗ the relationship between the Crown and *iwi*
  - ⊗ a desire for a more participatory style of government
  - ⊗ a frustration with government funding and accountability arrangements
  - ⊗ a concern about the 'health' and strength of Iwi/Māori, community and voluntary organisations
  - ⊗ a more general concern about the culture of government.
- 217 A sample of views expressed on these themes is provided in the two annexes to the report. The Crown/*iwi* relationship and its impact on the Working Party's terms of reference have been discussed in Section Three. The remainder of this section outlines the Working Party's analysis of the remaining issues.

## Introduction

- 218 The Working Party heard a clear message that the social and economic reforms of the past two decades, particularly in the state sector, had a profound effect on the relationship between government and the community sector leaving a residue of mistrust and tension. Members were also aware, however, of a willingness amongst *iwi* and community organisations to move on and to find new ways of working with government in a forward looking and more open political environment.
- 219 A number of commentators have analysed the impact of private and state sector restructuring throughout the 1980s and 1990s. While there is debate about the economic pressures that triggered the reforms, there is general agreement that an ideological shift in prevailing economic theories and an influx of new ideas about management theory and practice were critical factors.
- 220 The transformation of the economy impacted unevenly: while some New Zealanders have benefited financially and welcomed the consequent modernisation of business and expansion

of consumer choice, others found themselves marginalised and relegated to an ongoing cycle of state dependency and economic hardship. In particular, the negative impacts were keenly felt in communities where state services previously had a significant presence, and amongst Māori, many of whom had been employed in the services and industries that were restructured.

- 221 Throughout the 1990s, the accumulated effects of the structural changes along with a number of other policy measures, such as the 1991 benefit cuts, contributed to a widening gap between rich and poor households in New Zealand. In the mid-1990s, studies by Vasantha Krisnan<sup>84</sup> and the New Zealand Poverty Measurement Project<sup>85</sup> highlighted the extent of poverty in New Zealand, noting that key groups at risk were children, single parents and Māori.
- 222 These trends intensified the level of social disadvantage in many communities and iwi and community organisations bore the brunt of responding to the negative social consequences. Existing services expanded and a number of new rights-based and other support services, such as foodbanks, emerged. For example, at the end of the 1980s there were 16 foodbanks operating in the Auckland metropolitan area; by 1994, there were 130. The Salvation Army, a major provider with a national network of foodbanks reported that between 1990 and 1992, the volume of food parcels provided in the first quarter of the year leapt from 1226 to 10,261, an increase of 737% in two years.<sup>86</sup>
- 223 The Working Party was aware of the complexity of the changes over this period within the government sector and the difficulties of disentangling elements regarded by some as positive, from those features with clearly adverse impacts. While the state shed some longstanding responsibilities (for instance, railways, forestry, mail and phone services), there was also an increasing involvement in the management of the environment and growing expenditure on health, education and welfare services. Management reforms within the education sector delegated operational decision-making through establishment of new crown entities, including school boards of trustees. Within the health sector a series of transformations involved major and continuing change, with elements of both centralisation and decentralisation, along with specific commitment to Iwi/Māori and Pacific provider development.
- 224 The shift in emphasis from individual *rights* to individual *obligations* in the administration of the welfare system moved the focus away from collective to individual responsibility for social problems such as unemployment, poor health and inadequate housing. Many people active in community organisations were highly critical of these aspects of the changes, viewing activities such as the ‘dob in a beneficiary’ campaign as a distraction from the task of rebuilding economic and social capacity within communities.

***“The state has withdrawn from many of its service provision roles but has left the community under-resourced to pick up the responsibility.”***

<sup>84</sup> Krisnan, V (1995) "Modest but adequate: an appraisal of changing income circumstances in New Zealand", *Social Policy Journal of New Zealand* 4: 76–95.

<sup>85</sup> Waldegrave, C, Stephens, R and Frater, P (1996) "Most recent findings in the New Zealand Poverty Measurement Project", *Social Work Review* 8:3.

<sup>86</sup> Mackay, R (1995) "Foodbank Demand and Supplementary Assistance Programmes: A Research and Policy Case Study", *Social Policy Journal of New Zealand* 5, pp129–141.

225 For some involved in community-based health services and employment and training initiatives, the complex changes created an environment in which different models of social service delivery were able to emerge under Iwi/Māori or community management. These opportunities were greeted with enthusiasm by many organisations.

***“The goal posts keep shifting and there’s a paper war. The policies serve government, not the community ...”***

226 Central government continued, however, to maintain a tight control over strategic policy and resourcing decisions, leading to many provider and consumer interest groups feeling increasingly excluded from these critical areas. There was a perception that the ‘power’ was held by the ‘bureaucracy’ with few opportunities for iwi and community organisations to influence key decisions. The Working Party was aware of this sense of exclusion and also of the perception that, along with devolving many activities, government had simply withdrawn from many areas of social service delivery. Members were not in a position to make an independent assessment of the basis for these views, but noted the strength of the resentment expressed.

227 Crown/iwi relations were similarly complex and at times contradictory. The economic restructuring had a devastating impact on many industries and communities with a strong Māori presence. Alongside this, however, there were some developments in the state sector that were welcomed by Māori, and which reflected parallel developments seen by some as a Māori ‘renaissance’. The Treaty of Waitangi was increasingly recognised by the courts and in legislation and some progress was made on a programme of Treaty settlements. The *Pūao-Te-Ata-Tū* process raised expectations that institutional racism would be addressed within the Department of Social Welfare, and more widely across government. There was a burgeoning, first of *ngā kōhanga reo* and later, of *kura kaupapa* Māori. Māori became more visible in politics and Parliament and in the business sector.

228 Despite these apparently positive developments, Māori have continued to be disproportionately represented at the lower end of measurements of income, health, welfare and educational attainment and the Working Party heard from Māori who have become increasingly impatient with what they regard as only a veneer of change.

***“Twelve years after Pūao-Te-Ata-Tū and nothing has changed for Māori. So is the Government going to listen?”***

229 The reforms substantially changed both the size of the core public service and many aspects of its policy and delivery and regulatory functions. While there were parallels between state and private sector restructuring - moves to commercialise or rationalise and become more competitive, the managerial reforms, and privatisation or changes in corporate ownership - it was the impact of state sector restructuring that was most deeply felt and, in many cases, bitterly resented amongst the constituency that forms the basis of many Iwi/Māori, community and voluntary organisations in the health and social services sectors. As one commentator noted in 1991:

“New Zealanders have long held certain expectations of the role of the state ... The stark results of state sector restructuring on employment, communities, access to services and household viability have undermined these expectations beyond the point that most people ... are probably prepared to tolerate.”<sup>87</sup>

<sup>87</sup> Britton, S, Le Heron, R and Pawson, E (eds) (1991) *Changing Places In New Zealand: A Geography of Restructuring*, NZ Geographical Society (Inc), p186.

- 230 Ten years on, the Working Party observed that many people active in iwi and community organisations, particularly in the social services sector, were moving into the new century with a baggage of resentments and unresolved grievances. Weariness from dealing with repeated restructuring of key state sector agencies and having to adapt behaviour and re-align services as a consequence, was a consistent theme. The sense of being excluded from key policy decisions throughout this period was also a source of ill feeling. The general withdrawal of government support for national and umbrella groups was seen as indicative of this 'closed' style of government.
- 231 People who have worked at the 'flaxroots' in community organisations for a number of years were deeply concerned at the consequences of this period of upheaval for the 'forgotten' or 'invisible' people in our society - people in rural and some urban communities who have become marginalised and locked into what seems to be a perpetual cycle of disadvantage. There was a sense of desperation in the comments from many people who have spent much of the last 10 years working with these disadvantaged communities. This was not simply concern for the poor themselves, but also a deeper anger about the construction of an uncaring and unjust society - and a sense of mourning a significant cultural shift.
- 232 While there are now signs of optimism amongst some community organisations,<sup>88</sup> this was constantly tempered by cynicism about the commitment of government to real change. This suspicion impacted on the Working Party and its processes. While people responded positively to invitations to meet with the Working Party, and some sent in written submissions, there was still a reluctance to 'own' the exercise or to be publicly associated with it in any way.

*"We are the ambulance at the bottom of the cliff for so many poverty stricken people here. We receive requests for help from many organisations these days. This year we have distributed 180 food parcels. As a church-based community welfare group, we are consistently called on to supply, for example, new state house tenants with curtains, floor covering, furniture and food. Income Support will lend them money for their bond or rent in advance. However, so many are new to our district for all sorts of reasons including escape from violent situations. With family emergencies they have got behind with their rents and other accounts. They have little or nothing and often have hungry children.*

*"We also help the blind and disabled to go shopping etc. Last month we provided clothing and help for 13 new babies born with nothing. We have taken over the work of Pregnancy Help. We have referrals from mental health organisations, the local iwi, the Citizens Advice Bureau, the Public Health Nurse, Presbyterian Support and many others...*

*"There is a case for our area to be treated specially by government agencies. We ask them to be on the spot at the grassroots level, to train more volunteers and perhaps to give us a centre for volunteers to fulfil the needs of the community."*

<sup>88</sup> As noted in Section One: Association of Non Government Organisations of Aotearoa (October 2000) ANGOA Confidence Survey

## A: The need for participatory democracy

- 233** While acknowledging the positive impact of MMP in improving the representation of a broader cross-section of New Zealand society in Parliament, the Working Party noted the need to broaden the discussion on democracy to include ways of encouraging participation in the full range of institutions and decision-making processes.
- 234** The views of community representatives meeting with the Working Party reflected international trends in attitudes to democracy with indications that people may have lost trust in government and in politicians, but not in democratic processes.<sup>89</sup> The Working Party heard an enthusiasm for what has been referred to as a 'deepening of democracy'.<sup>90</sup> Tackling the difficult issues in the current relationship between government and the community sector - developing a more inclusive approach to decision-making, collaborating in partnerships for mutual benefit, and devolution - is critical to the process of 'democratising democracy'<sup>91</sup> and creating a more active civil society.
- 235** Many community people, dedicated and passionate about their work, expressed concern that their expertise and knowledge, gained from hands-on experience, have consistently been ignored in the critical policy processes at the heart of government. There was a strong feeling that the potential contribution of the community sector has been undervalued in the work of government. This apparent reluctance to engage effectively with community organisations was viewed by *iwi* and community commentators as arrogant and a barrier to achieving quality outcomes.
- 236** These views are indicative of more general societal trends: dissatisfaction with many current institutions of government; perceptions of bureaucratic power; the increased complexity and sophistication of community structures, such as local interest groups, and user and consumer groups; and globalisation and the information technology revolution that have, through exposure to international agencies and models, raised expectations of participation.
- 237** The sense of being excluded from critical policy decisions was also undoubtedly heightened by key aspects of the state sector reforms. As noted, policy/operations and funder/provider splits contributed to the distancing of many policy advisors and decision-makers from community-based service providers. At the same time, funding and accountability requirements have subjected community organisations to increased operational scrutiny, but very much as a one-way process.

***"Young, inexperienced or unknowledgeable officials often deal inappropriately with voluntary sector people who are long on experience and have records of skill and success."***

***"Government officials are frequently 'muzzled' by budget secrecy provisions."***

<sup>89</sup> Recent survey of attitudes to democracy in the United States and major West European countries quoted in Professor Anthony Giddens 1999 Reith lecture on democracy.

<sup>90</sup> *Ibid.*

<sup>91</sup> *Ibid.*

238 These changes were perceived by many as indications of government pulling back from dialogue, with larger government agencies in particular regarded as less accessible to the community organisations working within their field of interest. People from community organisations frequently commented on the difficulties they encountered in contacting government officials and identifying the appropriate person to deal with issues that concern them.

239 In some cases, these difficulties had a very practical aspect. There were frequent references, for instance, to ‘inhuman’ phone systems and the lack of responsiveness associated with 0800 information lines and voice-mail. People involved in community organisations were not unrealistic about the need to use modern technology. Timely follow-up on messages and the ability to talk to a ‘real person’ when queries are complex or urgent were the key concerns.

***“We’d like people to respond to calls; we don’t want a relationship with an answer phone.”***

240 Officials noted that there have been a number of significant and intense consultative exercises in recent years, including consultations about the nature of some aspects of the reforms themselves, particularly in the health and education sectors. Community representatives commented, however, that many of these have been flawed - confused in focus, too pressured to ensure quality outcomes, or, where the process has worked well, sometimes not sufficiently connected to the eventual outcomes.

241 These comments suggest that consultation processes that have been well managed tend to be overshadowed by recollections of less productive experiences. ‘Consultation’ is often debased by exercises primarily designed to convey information about decisions already made. This gives the impression government officials believe they know what the solutions are, or that they are driven by Ministers who have assumed they already have the ‘mandate’ to implement new proposals without further discussion. References to ‘consultation fatigue’ suggest that there is considerable cynicism in the community that will need to be overcome in moving to a new relationship framework.

***“The documents are hard to understand, there is not enough time to respond, and they don’t listen anyway.”***

242 People from iwi and community organisations also commented on the inequities that arise when consultants from outside the community sector are paid what appears to many to be large sums while community experts are ignored or, when invited to contribute, are expected to do so without pay. This resentment was increased where people active in community organisations had experience of highly paid consultants, contracted to gather information and views, turning to community organisations for their expertise. There was a sense that consultants inexperienced in working with iwi and the community sector

***“Government consultation processes seem to be more of a ritual than a genuine attempt to inform the process.”***

were being 'trained' at the expense of government and of the community sector. The Working Party agreed with community representatives who suggested it would be more efficient and effective for government agencies to contract directly with *iwi* and the community sector to access that experience and expertise.

***"Policy makers should come to the regions to see and hear. We are not the same as in Wellington."***

- 243 The Working Party also heard frequent comments about the apparent inability of government agencies to devolve, where appropriate, decision-making to local structures. As noted earlier, for Māori there was the particular frustration with the lack of progress in transferring decision-making to *iwi*. There was also a general feeling that government had developed a 'misunderstanding' about who 'owned' the assets and activities located in communities. Re-establishing a sense of partnership in working with *iwi* and community organisations to devise local solutions to local problems was seen as a critical element in strengthening the relationship between government and the community sector.
- 244 The Working Party acknowledged that several government ministries and departments have recently made fresh commitments to involving *iwi*, Pacific peoples and other community organisations in policy advice and service planning through reference groups, project steering groups and focus groups. Comments from community organisation representatives suggested, however, that groups of this kind are often neglected in the face of 'urgent' phases of policy development. Community participants have also sometimes found themselves limited to a 'token' role and not well used. This arises in part from officials' lack of understanding of the operational and accountability realities of community organisations. Equally, people from the *iwi* and community sectors may be unfamiliar with government policy and accountability processes and this may constrain the value of their contribution.

### The Working Party's view

- 245 Despite these difficulties, the Working Party considered the renewed efforts to involve people from *Iwi/Māori*, community and voluntary organisations in policy processes are well intended and require support and encouragement.
- 246 In particular, the leadership provided by the current Government in encouraging government agencies to involve community organisations in policy development was applauded. The Working Party was encouraged by very positive feedback about some specific examples of more consultative behaviour: the Ministry of Social Policy's engagement with beneficiary advocacy groups, the Treasury's consultation over new draft guidelines for government contracting with non-government organisations and the extensive programme of consultation conducted by the Ministry of Pacific Island Affairs in developing new initiatives for Pacific peoples' social service provider development.

- 247 There are a number of immediate steps that could be taken to demonstrate commitment to ongoing change in systems and practices.

### **IMMEDIATE ACTION**

The Working Party recommends:

*That the Government should:*

- ④ fund a community-based group to develop and maintain a database of Māori, Pacific and community people available to undertake policy and research work in public sector projects and processes.

*That all ministries and departments should:*

- ④ ensure that Māori, Pacific and community sector experts are routinely considered alongside other specialists when policy and research skills are sought for particular projects
- ④ ensure officials are clear that advice prepared for Ministers should include consultation with Iwi/Māori, community and voluntary organisations and that the extent of any such consultation should be signalled in Cabinet papers
- ④ complete a stocktake of current methods of engaging with the public on policy matters (including gathering feedback from community organisations) to identify the strengths and weaknesses
- ④ review use of 0800 number services, noting a need for:
  - prompt human pickup for the initial contact
  - prompt access to a skilled, knowledgeable person to respond to queries
  - alternative suitable forms of communication when access to a telephone is restricted e.g. rural communities.

- 248 Developing ways of working effectively with communities is currently challenging central and local government administration around the world. The Working Party considered there was a need to support the renewed enthusiasm for a more inclusive style of government, at the central and local levels, through a concerted programme of action to facilitate engagement with iwi and community organisations.

- 249 This programme should include working with people in iwi and community organisations to audit and review central government agency practice and ongoing training and process improvements. It would also involve joint work between central and local government to ensure improvement of community engagement in strategic planning and inter-agency policies and practices. The Working Party noted that this is a theme in discussion on the current review of the Local Government Act 1989.

- 250 The role of central government in a strong and healthy society extends beyond the requirement to inform people about policy changes. The Working Party considered that central government is in a position to model, stimulate, inform and engage citizens in discussion on policy direction. It is clear from more successful examples of consultation and

partnership, that this requires genuine commitment on the part of politicians and public sector managers. This must go beyond rhetoric and bland assurances that agencies are 'listening to people' or simple market research. A more open style of government requires an environment in which options and priorities can be considered in open debate.

***"The voices of young people are rarely heard or listened to by policy makers."***

251 Doing this well requires a range of skills: people who can facilitate, mediate and negotiate and who have cultural knowledge and local knowledge and who can work in ways that enable the traditionally 'silent' voices to be heard along with the articulate, persistent and powerful. It requires time and resources to reach a point where there is broad community support for significant actions.

252 It also requires good information. The Working Party considered that government could make a substantial contribution to the information base needed for good quality discussion by providing regular information on the social state of the nation, as it does for the economy through the Fiscal Responsibility Act. In this regard, members supported initiatives under way to produce a 'social report' to complement and contribute to what might eventually be an interlinked reporting process on the nation's fiscal, social and environmental health.

253 Tackling the 'silo' effect of separate government agency responsibilities through processes that encourage 'joined-up government' is also essential. Working Party members considered there is no room for 'patch protection' in finding solutions to the urgent issues confronting communities.

254 Political and senior management leadership is also critical to ensuring officials are encouraged to value and plan appropriate and worthwhile engagement processes. While both politicians and senior managers have a variety of interactions with iwi and community representatives, these are often reactive, one to one and conducted under tight time constraints. The Working Party considered that Ministers, government agency chief executives and senior managers should demonstrate their personal commitment by developing opportunities to engage directly with community representatives. This would involve going outside the traditional well managed 'comfort zones', to wider fora where people in different groups can listen to one another and move beyond the lobbying mode to engage in frank, honest and open exchanges.

***"Government not only has a responsibility to listen to the community but also to contribute its power to ensure the messages from the community are acted on."***

255 In addition to demonstrating a personal commitment to engaging with the sector, politicians and senior government managers also have a responsibility to ensure that the systems and processes throughout their agencies - from head office to the regions - are managed in a way that enables appropriate engagement with iwi and the community sector.

- 256 The Working Party was strongly agreed that commitment to 'joined-up government', and to better processes and more open communication with *iwi* and the community sector requires more than a reprioritisation of effort and a commitment of time within government agencies. The community representatives on the Working Party gained the very strong impression that resourcing within government agencies to support quality engagement with the community sector is limited. Members were not in a position to determine whether this was a matter of insufficient resources or simply lack of prioritisation within departmental budgets. It was the strong view of all members, however, that any commitment made by government to improving the participation of *iwi* and community representatives must be accompanied by sufficient resourcing to enable officials to participate effectively and to give this interaction the respect and value it deserves.

### **PHASE TWO ACTION**

The Working Party recommends:

*That the Government should:*

- ④ provide regular information on the social state of the nation through a mechanism such as an annual report on significant indicators and trends
- ④ ensure that information on social indicators links with ongoing development of measures for reporting on environmental and fiscal health
- ④ in the context of the current reform of the Local Government Act 1989, work with local government and the *iwi* and community sectors to ensure ongoing improvement of community engagement processes in strategic planning and development of central and local government policies and services at the local and regional level
- ④ ensure that the resourcing available to government agencies for engaging with *iwi* and community sector representatives is sufficient to enable officials to participate effectively, giving the relationship the respect it deserves
- ④ ensure government agencies proactively develop effective mechanisms for collaboration across policy development and service delivery to facilitate 'joined-up government'.

*That the Phase Two Steering Group facilitate:*

- ④ a substantial training programme for officials and improved processes in government agencies for engaging *iwi* and community organisations in policy development
- ④ social, economic and environmental audits of government agency policies and activities as part of their annual review processes
- ④ a programme of regional fora, *hui* and fono for politicians (Ministers and Members of Parliament) and their departmental chief executives to engage in dialogue with *iwi* and community representatives
- ④ work with local government and community organisations to facilitate the exchange of successful local engagement and decision-making models and practice.

*Implementation tool:*

Development of a consultation protocol.

## B: Resourcing and accountability arrangements

257 Government funding relationships with the community sector were the focus of much of the frustration expressed by iwi and community organisations. In this discussion, it appeared that ‘contracting’ had become the shorthand for a range of funding ills from poor administration and compliance costs to disagreements over funding priorities, concerns about levels of funding and more fundamental objections to the power imbalance implicit in the notion of a ‘contractual’ relationship.<sup>92</sup>

258 Central government funding is a scarce resource. Making decisions about what will and will not be funded by the taxpayer is a central and unavoidable dilemma of the modern welfare state as new needs emerge and the social and economic context evolves. This is fully recognised by the community sector:

“In a good funding system the Government would not necessarily fund all community activities. The Government must be able to make choices about what services or activities it wishes to purchase and be able to test the efficiency, efficacy and effectiveness of what it has contributed towards.”<sup>93</sup>

259 Some level of tension and disagreement over allocation is inevitable. The Working Party was concerned, however, at the pervasiveness and depth of ill-feeling on this matter, particularly in the wider social services sector (health, welfare, education and training, and related sport and recreation activities) where funding is a key aspect of iwi and community organisation business with government. The intensity of feeling suggests the relationship is at present dysfunctional.

***“The anorexic nature of the voluntary sector, funded to survive not to succeed.”***

### Viability of the community sector

260 Community representatives across the broad spectrum of iwi and community organisations articulated, on a number of occasions, a real concern that the viability of many community groups is currently under threat. The Working Party was not able to research and evaluate these assertions but the frequency of the remarks indicated there are grounds for serious concern.

<sup>92</sup> In particular, several people commented on the ‘trust-destroying’ nature of contracts implicit in the notion of a contractual relationship based on government departments acting as the ‘principal’ or ‘owner’ of taxpayers’ funds while community and iwi/Māori groups are forced into the subsidiary role of ‘agent’ or ‘price-taker’ with little power to determine the nature or quality of the service to be provided.

<sup>93</sup> NZ Council of Christian Social Services (March 1999) *Criteria for Judging Government Funding Arrangements for the Community Sector: The views of community social service providers*, p5.

261 Section Two (paras 113-126) has provided some data on the quantity and sources of funding for the community sector. Records of government expenditure demonstrate that total government funding to health, education, social service and other sectors has, over time, increased substantially as the range of health, social service, education, arts and culture and other activities has expanded and the provision of government funded services by non-government organisations has become more common. As a consequence, many existing and emerging iwi and community organisations have received increases in funding as new areas of service have developed.

***“Some organisations have had their genesis through the availability of contracting and have thrived.”***

262 Beneath this picture, however, a number of community organisations have struggled to survive. General statements of increased funding for social and other services mask the effects of expanded demand and changing patterns in government expenditure which have effectively transferred many significant functions to the community sector. The shift from submission-based organisational funding, to contracting for the purchase of specific outputs or services has also left many groups, particularly those not delivering contracted services, facing expanding demand and increased costs while competing for dwindling, static or inconsistent levels of funding for their community-initiated activities.

***“Annual funding processes create an intolerable strain on the organisation, focusing on the funding application process rather than the organisation’s core activities.”***

263 Community representatives were strongly critical of the level of investment by government in the infrastructure - organisational development, training and information technology - of iwi, Pacific peoples and other community organisations. The Working Party acknowledged recent steps to remedy this situation through provider development initiatives but considered there was further work to be done to embed this approach more broadly.

264 The Working Party strongly agreed there is a need to explore further the apparent fragility of the community sector and to develop a better understanding of its economic base as a means to finding ways of establishing a more stable funding environment.

***“Funding for administration has dried up and is only available for service delivery outputs. Accountability is for outputs only. Other core costs are not funded e.g. training. Organisations do not seek funding to meet compliance costs.”***

265 A study commissioned in 1996 by CFA (now CYF)<sup>94</sup> and undertaken by Ernst and Young<sup>95</sup> examined the viability of the ‘not-for-profit sector’ in New Zealand (with a focus primarily on social services organisations) and concluded that the sector was “viable but vulnerable as at the 1995 year end”.<sup>96</sup> In reaching this conclusion the study noted:

- ⊗ the majority of providers were depleting their assets and had a deteriorating ability to replace them
- ⊗ CFA/CYF represented the largest single funder for most of the organisations
- ⊗ the one-year funding policies had led to a lack of security and the time taken raising funds had risen for 82% of organisation
- ⊗ 52% of organisations considered multi-year funding (up to three years) to be an important factor in increasing their ability to provide services
- ⊗ only 11% of organisations believed they could increase their ability to provide services by making economies in overheads or administration
- ⊗ many providers had poor short-term liquidity and low levels of reserves.

266 Despite negative reactions from social service focused community organisations to the narrow focus of the 1996 CFA/Ernst and Young report and the ‘top down’ approach taken in conducting the research, there was considerable interest in the report’s findings. The Working Party considered, therefore, that a further assessment of this nature, broadened in focus and managed jointly with sector representatives, would be a valuable contribution to gaining a better understanding of the current ‘health’ of the wider social services sector (including organisations providing health, disability support and other social services).

267 The Working Party also noted Suzanne Snively’s work on identifying the value and costs of delivering services provided by the women’s refuges (see Section Two paras 131-132).<sup>97</sup> This work highlighted the gap between government funding and the actual cost of providing increased service and concluded that:

“...Government must be prepared to adequately fund third sector organisations such as Women’s Refuge, to enable us to respond to the changes and initiatives the Government has already indicated it wishes to pursue.”<sup>98</sup>

268 The Snively study provides important information about the funding pressures on a larger service provider. There is also a need for similar work on the activities of smaller less formal groups. Many of the community organisation representatives meeting with the Working Party were particularly concerned that the contribution made by smaller, less formal groups should be recognised and valued.

***“You get a bit from here and a bit from there. You are always chasing around to find the money.”***

<sup>94</sup> Community Funding Agency (CFA) was amalgamated with the Department of Child, Youth and Family (CYF) in 1999.

<sup>95</sup> Community Funding Agency (1996) *Study on the Viability of the Not-for-Profit Sector in New Zealand*. Conducted by Ernst and Young Ltd.

<sup>96</sup> *Ibid*, p74.

<sup>97</sup> Snively (1996) and PricewaterhouseCoopers (2000) *Op cit*.

<sup>98</sup> PricewaterhouseCoopers (2000) *Op cit*, p3.

## Non-government sources of funding

- 269 While many community organisations, especially in the social services sector, are largely, or even wholly, dependent on government for their resource base, the Working Party acknowledged that significant funding is also provided through both public and private charitable sources. Given the government/community focus of its deliberations, the Working Party did not address the role of philanthropic funding in supporting the community sector in any detail. Members were aware, however, of government's role through legislative responsibilities in relation to some publicly sourced charitable funds such as Lottery Grants Board funding, community trusts and licensing trusts. As noted in Section Two, these bodies provide valuable and substantial funding to the community sector, with many positive outcomes.
- 270 The Working Party was also aware of debate about the transparency of and accountability for community trust funding. Members noted that the trusts and their processes reflect the legislation that created them. Trustees are conscious of their responsibilities to local communities and that their capital bases were generated locally. They consider themselves to be within the 'third sector' and therefore fiercely value their independence. Working Party members could see, however, great merit in encouraging further dialogue between the trusts, central and local government and community organisations about their role as substantial contributors to community wellbeing. The review of the Local Government Act 1989 may also provide the opportunity for trusts to consider their part in community planning which is likely to be included within the review.

*"The Southland community has come up with a creative approach to developing a highly qualified and skilled local workforce. The Southland Joint Funders Committee, comprising Community Trust of Southland, Invercargill Licensing Trust, Invercargill City Council, Southland District Council, regional corporates and Gore District Council, has approved a \$7.25 million proposal to enable zero-fees to attract an additional 717 equivalent full-time students to Southern Institute of Technology in 2001. This will bring the Institute up to a total roll of 2,500 equivalent full-time students from 2001. Part of the funders contributions are for capital development to be undertaken by Southern Institute of Technology."*

- 271 In general, the Working Party considered it would be beneficial for central government to work closely with the broader philanthropic and fund-raising sector to share good practice and develop responses to common issues.

## Iwi/Māori and Pacific peoples' social service provider organisations

- 272 Iwi/Māori groups who spoke with the Working Party noted they had constantly lobbied government to voice concerns about perceived disparities in funding between Māori and other organisations. In other fora, Māori social service providers have also noted a number of further concerns about their funding relationship with government (see Table (vii) below).<sup>99</sup>

Table (vii)

### Summary of views of Māori social service providers

Māori providers:

- ① define their services as holistic
- ① deliver services in a range of situations and contexts, which means that there needs to be flexible contracting....
- ① frequently contract cross-sectorally with several agencies to deliver a range of services and, as a result, face high levels of compliance costs
- ① are concerned that contractual funding does not meet the full costs of providing services
- ① are also concerned that contracts are generally too short and do not include components for administration and provider development
- ① are accountable both to government agencies and the communities they serve
- ① have a key wider role to play in their communities, often not recognised by government agencies when consulting about the needs of Māori
- ① want reporting systems that actually mean something to them. 'Tick the box' forms are easy but mean nothing in terms of what is being done for clients.

- 273 Consultation recently undertaken by the Ministry of Pacific Island Affairs identified five very similar key concerns amongst Pacific peoples' communities, as indicated in Table (viii) below:

Table (viii):

### Summary of views of Pacific peoples' social service providers

Pacific social service providers consider:

- ① government department funding does not fit well with the holistic approaches taken by Pacific providers in addressing the needs of New Zealand-based Pacific peoples' communities
- ① relationships with government funders are unstable and inconsistent
- ① short-term funding cycles, for instance for one year, impede long-term planning and sustainability
- ① Pacific provider organisations have weak infrastructural support
- ① accessing funding for new ideas and infrastructure development is difficult.

<sup>99</sup> Adapted from information in: Aroturuki me to Arotakenga Monitoring and Evaluation Branch, Te Puni Kokiri (October 2000) *Māori Provider Views of Government Funding: Key Issues from the Literature and Interviews*, p8.

- 274 Government agencies were also criticised by Pacific peoples' communities for not developing policies specific to Pacific peoples and for consulting and liaising with Pacific communities as though they are one homogeneous group. Those consulted considered that funding and compliance models, and evaluation procedures, fail to incorporate best practice principles appropriate to working with Pacific peoples.

***"A blanket approach to Pacific peoples is not a good fit..."***

- 275 The Working Party observed that many of the issues raised by Iwi/Māori and Pacific peoples' social service providers - such as interest in delivering holistic services, the need for flexible contracting, the lack of consultation and the desire for meaningful reporting systems - are common to all community and voluntary organisations contracting with government. This does not mean, however, that the same solutions will apply across the board.

### Government's contracting model examined

- 276 The Working Party heard a steady stream of comments about the difficulties with the contracting model of funding. In particular, there was a sense that narrowly defined contracts for services had turned many aspects of social service and other community activity into 'commodities' or commercial transactions, losing sight of the whole service provided - or the whole organisation which had previously been the focus of central government's funding to community organisations.

***"Many of the larger NGOs had their origins in community passions which have been lost in the move to a corporate style of governance."***

- 277 Commentators observed that many organisations have adapted to the new contractual environment. There is evidence, for instance, that some Iwi/Māori and larger providers have welcomed the transparency and more contestable approach.<sup>100</sup> Nevertheless, even these groups have significant concerns about their inability to influence funding cycles or to negotiate the terms of contracts in any real sense, and about government agencies' contract administration.

- 278 Smaller, less formally structured groups were more likely to express resentment both about the lack of funding for community-initiated activities and the prevalence of the contracting model. People from these groups frequently commented that the compliance costs associated with receipt of government funds are often disproportionate to the sum involved.

- 279 Commenting in 1998 on the management of contracts by the former Community Funding Agency (now part of CYF), the NZ Council of Christian Social Services noted the following significant problems:

- ① a "take it or leave it" approach to negotiation
- ② contract negotiation and conditions "do not promote partnership"

<sup>100</sup> Comments from a range of people, including those attending a meeting of larger health and social service providers convened for the Working Party by health umbrella organisation Platform, November 2000.

- ⑥ contract management often encourages “micro management” and excessive intrusion by the government funder in the affairs of the funded organisation

***“We don’t want to write meaningless reports around numbers; it’s the social objectives of our agencies that should be measured.”***

- ⑥ many contracts require “excessive and ever changing reporting”
- ⑥ contract negotiation processes are based on “unrealistic planning and contracting timelines that are not adhered to”
- ⑥ contracting “undermines mutual trust and goodwill”
- ⑥ the contracting model “has a built-in bias against responsive, developmental, preventative and advocacy approaches to addressing social problems”
- ⑥ the contracting model “ignores and threatens the wider role of voluntary organisations in civil society”.<sup>101</sup>

**280** The Working Party was aware that this list of concerns was developed in 1998 as part of a review of CFA/CYF’s contracting relationships with community groups (see below paras 295-298). Members heard many comments, however, suggesting the issues raised in the NZCCSS report are apparent in contracting arrangements across a range of government agencies in the welfare, health and other sectors - and that these issues remain current. There was a clear impression that short-term funding horizons, contracts rolled over with increased service levels for the same funding, and unnecessarily complex reporting requirements that do not match the organisation’s own needs were all ongoing characteristics of current government contracting practice across the board.

**281** Contracting based on commercial models was considered appropriate for purchasing equipment and resources, or for services where professional standards are well established and

***“There is fragmentation of funding. For some organisations you have to be accountable for eight or nine contracts. There is a lot of administration work.”***

reporting is largely quantifiable. It was seen as less useful where outcomes are shared and provider organisations and services are constantly under development. Services focused on achieving behavioural change, it was suggested, are more difficult to deliver and to measure within the confines of a conventional contractual model.

**282** Public service contract managers noted that the primary focus of conventional, commercial contracting is on managing financial risk leading to an emphasis on *price* when frequently their key concern is to manage risks to the quality of services, such as accessibility, cultural appropriateness, and sustainability over time. A focus on achieving good *quality* outcomes may lead to departures from more conventional approaches to contract design, tendering and performance monitoring.

<sup>101</sup> New Zealand Council of Christian Social Services (May 1998) *Towards a Real Partnership: A NZCCSS Review of the Relationship Between the Voluntary Social Services and the NZ Community Funding Agency*. List adapted from Executive Summary, p4.

283 For their part, many iwi and community organisation people felt strongly that the essence of the contracting process, with the funding agency 'holding all the cards', is fundamentally contrary to the notion of 'co-determination' and co-operation in identifying needs, finding solutions and providing a quality service.

***"Accountability - who is it for? ... should be a two way thing; it's unequal."***

284 Quite apart from ideological considerations, it is clear that contracting presents a number of operational challenges in the community environment. Some officials and community representatives commented on the inadequacies of 'top down service development', rather than 'bottom up needs analysis'. There was general agreement that needs assessment and service development are better managed through the involvement of clients and providers despite the potential that these might eventually be contractual partners in delivering the funded service. Similarly, in a tendering process, the preferred provider in terms of community and cultural appropriateness and ability to deliver quality results may not be the agency that submits the most 'professional' looking tender in a purely commercial sense.

285 Providers, particularly Iwi/Māori and Pacific providers, eager to 'win' a contract because of a strong commitment to meeting the needs of their own people, and keenly wanting to be 'doing the job,' sometimes under-price their bids. In this situation, public sector contract managers report they may go back to the prospective provider seeking redevelopment of the proposal at a *higher price* - to reduce the risk further down the track of services failing to meet required standards or falling over through inability to carry costs.

286 It is equally the case, however, that providers will often feel they have no choice but to take on the contract at the lower inadequate price putting the service at risk through burnout resulting from unpaid contributions, drawing on reserves or cross-subsidies from other projects. The NZCCSS 1998 report reference to a 'take it or leave it' approach<sup>102</sup> to negotiation was echoed in comments heard by the Working Party. In these circumstances, with the tendering process driving down the price to the point where provider development, administration and training costs are 'dropped off', the notion of the consequent contract being 'fully funded', a term often used by government departments, is not appropriate.

287 For all iwi and community organisations, the narrow specification of services associated with contracting presents a further difficulty. Community providers have an interest in services that are holistic without distinguishing between the social, economic and cultural elements forced on them by separate government agencies and separate funding pools. For example, for a community provider, health status is not seen in isolation from other factors affecting wellbeing, such as education, employment and welfare needs. The child or adult receiving the service will not be viewed

***"You see other things that are needed but it is not in that person's contract to deal with that. The person might need food, clothing, have a lot of other needs. Why can't there be just 'one' person. Services fall over if it is not the whole person being dealt with."***

<sup>102</sup> NZCCSS (May 1998). Op cit, p4.

separately from the *whānau* or family community. The needs of all *whānau* or family members must be addressed in order to maximise the wellbeing of the individual family member.<sup>103</sup> Similarly, a group working on a truancy programme, for instance, may wish to work with the young person and his/her family to address the reasons behind the truancy, rather than simply focusing on returning the child to school.

288 Commenting on the piecemeal approach endemic in government social service contracting, one observer referred to current relations with Iwi/Māori, Pacific and other community-based providers as a 'spare parts' approach to service delivery, with separate agencies each entering into specific arrangements to provide the wheels, the brakes, the interior furnishings etc, but no one taking responsibility for the engine, or the whole vehicle.

289 Current discussions across government, iwi and the community sector about 'outcome-based' or devolved funding - designed to enable Iwi/Māori, Pacific peoples' and other community-based providers to determine the nature of services to be provided - are still under development but may go some way towards meeting these concerns.

***"Government agencies' 'trawl' for unconnected statistical information in the reporting process becomes an unrequited cost on the organisation."***

## Community Organisations Grant Scheme

290 In considering the particular funding difficulties encountered by smaller community groups, the Working Party heard many positive comments about the value of the parallel funding stream provided by the Community Organisations Grant Scheme (COGS). COGS was established in 1986,<sup>104</sup> using funding from the former Voluntary Organisations Training Programme (VOTP) and Project Employment Programme (PEP) to deliver funding for essential social services provided by community and voluntary organisations in local communities. Delivery is through Local Distribution Committees (LDCs) with strong community accountability processes associated with the selection of committee members and funding decisions. A National Advisory Committee (NAC) provides a link between the LDCs and the policy makers.

291 Government responsibility for supporting COGS moved from the Department of Social Welfare to the Department of Internal Affairs in 1990. Today there are 40 LDCs and a national funding pool of \$10,295,000, an amount that has not changed since 1995/96.

292 The Working Party acknowledged some negative feedback about some operational aspects of the COGS accountability processes, such as the distances to be travelled by people in rural areas required to attend accountability meetings. More positive comments were heard, however, about the ability of COGS to respond to local community needs, the element of community ownership, the general notion of community accountability and the recent simplification of funding application processes.

<sup>103</sup> Te Puni Kokiri (2000) *Māori Provider Views of Government Funding: Key Issues from the Literature and Interviews*.

<sup>104</sup> Refer to Department of Internal Affairs (1997) *Communities Working: The Community Organisations Grant Scheme's First Ten Years*, DIA for a history of COGS.

293 COGS funding has stayed around the \$10 million mark since its inception.<sup>105</sup> In recent years this has led to increasingly difficult issues for the NAC in its annual allocation of funds to each LDC and for the LDCs in meeting community needs. The Working Party noted that COGS distribution processes are capable of delivering a significantly increased pool of funding with only a comparatively small increase in administration and overheads costs. Members considered that an initial immediate increase in COGS funding to \$15 million, and further increases over time, would be an effective means of addressing the concerns of smaller community-based agencies, enabling them to make an important contribution to meeting the needs of their own communities.

## The Department of Child, Youth and Family

294 In listening to the views expressed by people from the wider social services sector, and in reviewing reports and papers prepared by the key organisations within the sector, the Working Party became aware that the operations of the Department of Child, Youth and Family (CYF) were a key focus of concern.

295 Community representatives frequently referred the Working Party to the 1998<sup>106</sup> and 1999<sup>107</sup> reports of the New Zealand Council of Christian Social Services (NZCCSS) focusing on community views of government funding arrangements. In the 1998 report, NZCCSS reviewed and commented on significant problems in the relationship between community organisations and the former New Zealand Community Funding Agency (NZCFA) which in 1999 amalgamated with the former Children, Young Persons and Their Families Service to provide a single interface across government's social services arm.<sup>108</sup> As noted (see para 280), the Working Party gained the impression that the views expressed in the 1998 NZCCSS report in relation to CFA/CYF's management of relationships with community organisations were widely endorsed in the sector and still current.

296 Key findings from the report included observations that:

*"It's a constant grind."*

- ⊗ CFA/CYF had consistently underperformed all other major social service funders in New Zealand both in its overall quality of service and in each of the 10 performance criteria<sup>109</sup> established by the community-based reviewers
- ⊗ the low ranking of CFA/CYF (in community organisation feedback to the NZCCSS report writers) could not be explained away as merely the disappointment of unsuccessful applicants
- ⊗ the performance problems identified were long term in nature and demonstrated a "failure to take on board and satisfactorily correct long-standing concerns"<sup>110</sup>

<sup>105</sup> Ibid, p6. Funding for COGS peaked at \$11.8 million in 1992.

<sup>106</sup> Op cit, NZCCSS (May 1998).

<sup>107</sup> Op cit, NZCCSS (March 1999).

<sup>108</sup> In 1999, the New Zealand Community Funding Agency (NZCFA) integrated with the Children, Young Persons and Their Families Service to form the Children, Young Persons and Their Families Agency (CYPFA). On 1 October 1999, CYPFA became, in its own right, a stand-alone Department of Child, Youth and Family Services – referred to as CYF.

<sup>109</sup> Op cit, NZCCSS (May 1998), p3. The 10 criteria were: clarity of funding criteria, reasonableness of information collected, consistency of requirements, reasonableness of expectations, flexibility and capacity to negotiate, stability of funding, keeping to timelines, relevant reporting requirements, overall compliance costs and sense of partnership.

<sup>110</sup> Ibid, p4.

- ⑥ there were significant problems with specific aspects of the CFA/CYF contracting process, including: low community sector confidence in the CFA/CYF needs indicator, service planning and purchase planning, and consultation.

297 The 1998 NZCCSS report also put forward a number of proposals for addressing the concerns it had raised, including:

- ⑥ several recommendations relating to the CFA/CYF needs assessment process and details of CFA/CYF contract management
- ⑥ development of three new standard contract clauses:
  - an “accountability to funder” clause, acknowledging the full range of community organisation stakeholders
  - an “independence” clause, acknowledging that organisations are free to modify, discontinue and seek funds elsewhere
  - a “whistle blower” clause, so that groups can speak out on systems failure and policies which adversely affect their clients and communities
- ⑥ a proposal that the Contributory Funding pool (see below) be replaced by two new funding streams:
  - a purchase-of-service contracting system for tightly specified services which government wishes to ensure are available
  - a grant programme for responding to and supporting community defined initiatives
- ⑥ introduction of a standard of three- to five-year funding
- ⑥ an allocation to support investment in training, research and development
- ⑥ development of a “collaborative ethos” within CFA/CYF
- ⑥ establishing a joint Voluntary Sector Project to review the relationship between voluntary organisations and government.<sup>111</sup>

298 The Working Party was aware from discussions with CYF officials that the agency is currently making very real efforts to address many of the concerns raised in the NZCCSS report and other feedback from the community sector. Members considered, however, that the continuing reference to these issues indicated there were underlying issues that are unlikely to be addressed by a shift in management culture or operational improvements.

299 Comments made to the Working Party primarily focused on management of the Contributory Funding pool (currently \$45 million) within Vote: Social Services. This funding pool, initially administered by the Community Funding Agency (CFA), and now managed by CYF, is intended to fulfil legislative obligations to:

“promote - the establishment of services (including social work services, family support services, and community-based services designed to advance the welfare of children and young persons in the community or the home);”<sup>112</sup>

<sup>111</sup> Ibid, pp 5–7. Note the recommendations listed here have been summarised from the report using direct quotes as indicated.

<sup>112</sup> Section 7, Children, Young Persons and Their Families Act 1989.

**300** The purpose and characteristics of this funding pool differ significantly from other funds administered by CYF, for instance, the \$25 million set aside to purchase and fund government-specified community-based programmes such as Family Start and Social Workers in Schools. The intention of the Contributory Funding pool has remained, as its title suggests, to ‘make a contribution’ to programmes initiated by community social service providers themselves. Through this fund, ‘contributions’ are provided to a variety of *iwi* and community organisations and services. This approach is referred to as ‘partial funding’. At present, CYF calculations indicate some proposals receive up to 85% of their submitted costs from the Contributory Funding pool; for others the Contributory Funding pool funds only around 25% of their proposed costs.

**301** The ‘partial funding’ aspect of the management of the Contributory Funding pool, has been bitterly contested by many community social service providers, particularly where CFA/CYF required assurances that the service to be part funded would be delivered in its entirety. From government’s viewpoint, the rationale for this approach was not unlike the commercial sponsorship of an activity such as a cultural event or a sporting fixture, where the sponsor will require, beforehand, evidence that the event has sufficient other funders and is well planned and, after the function, evidence that it took place and met expectations.

**302** With CFA/CYF’s Contributory Funding, however, the ‘partial funding with full accountability’ approach is complicated by a number of factors. The language used by CFA/CYF to describe the funding agreement mirrors that of ‘fully funded’ services, with standardised references to the ‘purchasing’ and ‘funding contracts’. Secondly, while CYF continues to maintain that the funding is intended for community-defined services, the experience of the sector is that CYF is partially funding services that it has itself determined and prioritised. Community providers also argue that their ability to customise programmes to suit their communities is constrained by overtly prescriptive contracts that are unilaterally determined by CYF.

***“Most voluntary organisations did not start out as providers to capture government contracts but the sector is now seen primarily as a deliverer of services with whom government contracts.”***

**303** In any case, for community-based organisations, and particularly for newly emerging agencies, the distinctions between the various pools of funding within the same agency are lost. The impression is simply that some proposals are ‘fully funded’<sup>113</sup> and others are not, and that the fund is primarily intended to supplement the child-centred social work focus of the wider CYF organisation.

**304** The premise that community-based organisations will find other sources of funding to balance the contribution made by the Fund itself, that government is merely a co-sponsor or co-funder in the arrangement, is also resented. The Working Party heard that many community organisations find identifying other funding to supplement the ‘contribution’ from CYF is a struggle. The very notion of ‘partial funding’ in itself contributes to the time-consuming experience of casting around to pull together funding from a variety of sources.

<sup>113</sup> Refer to para 224 above for qualifications on the expression ‘fully funded’.

*"I am sick of being a volunteer and having to spend most of my time chasing small bits of funding from here, there and everywhere instead of being able to do the 'real work' which I love."*

Where the extra sources are found by packaging together funding this seems to be a very inefficient way for government to operate and unnecessarily time-consuming for organisations.

- 305 Another consequence of partial or contributory funding is the extent to which it encourages community organisations to underestimate the full costs of their proposal. If the payment made by CYF represents less than the cost of delivering the bare essentials of the service itself, then even where the community organisation has fully costed and included the valid administrative and organisational development elements of the proposal, the notion of a CYF 'contribution' to overheads becomes meaningless. This has the effect of driving down the identified service 'price' to net service costs only.
- 306 Finally, in reporting to Parliament on the Contributory Funding pool, CYF reports state that the funding is "used to contribute to the securing of these outputs". To community-based organisations, this appears to be a claim for achieving 100% of delivery for only part of the contribution.

### The Working Party's view

- 307 The Working Party heard a high level of concern about CFA/CYF's administration of the Contributory Funding pool with consistent messages that community trust in CYF has been seriously undermined to the point where it is unrealistic for that trust simply to be rebuilt on the basis of the current agency arrangements.
- 308 Working Party members considered that the primary focus of the Contributory Funding pool should be on supporting community-initiated social service projects in the broadest sense and that there is no valid reason for the pool to continue to be managed as at present. The proposal contained in the 1998 NZCCSS report that a grant programme for responding to and supporting community-defined initiatives<sup>114</sup> should be clearly separated out from this pool of funding was endorsed. Taking the NZCCSS proposal further, however, the Working Party considered that this new stream of funding should include the majority of the existing funds.
- 309 Working Party members further considered it would not be possible to achieve the required clarification of objectives and clarification of the purpose of this funding stream if it continued to be managed by an agency with a history of poor and difficult relationships with iwi and community organisations. Accordingly, the Working Party proposed that government consider removing the bulk of the Contributory Funding pool from CYF to an agency where the focus on community-initiated activity could be supported and enhanced.
- 310 On a more general level, the Working Party formed the view that concerns about funding issues have come to dominate what should be a wider relationship based on partnership and shared goals. The delivery of social and other services and the functioning of a healthy democratic society are dependent on the community and the government sector each having the resources and willingness to work together to achieve mutually beneficial outcomes. The cost to government of meeting its objectives without the assistance of Iwi/Māori, Pacific peoples' and other service providers and interest groups is too often overlooked.

<sup>114</sup> NZCCSS (March 1998) Op cit, p6.

- 311 While the attitudes and approaches adopted by individual public servants (particularly regional staff) within the major community funding agencies were often appreciated, community representatives expressed a lack of trust and, on occasions, outright bitterness and hostility towards some agencies. This strongly indicates that a substantial change in funding delivery practice, and underlying relationships, is required.

#### **IMMEDIATE ACTION**

The Working Party recommends:

*(A) In regard to the administration of government funding for community organisations:*

- ④ funding commitments of less than \$30,000 should become grants, with reporting requirements appropriate to the level of funding
- ④ as a contracting standard, there should be a presumption of three- to five-year funding, with periods of less than three years requiring explicit justification - for instance, shorter-term funding might be appropriate where new initiatives are being tested or piloted or where the project itself is less than three years in duration
- ④ payments by government to *iwi* and community organisations should be made in accordance with the contract schedule, with any late payments carrying a penalty fee at Department of Inland Revenue rates
- ④ contracting practices should include negotiations conducted in good faith, with the inclusion of performance measures of value to both parties, recognising that this may require resourcing for training for both the funding agency and the contracting community organisation
- ④ departments should involve *iwi*/Māori, community and voluntary organisations in reviewing processes for managing contract disputes
- ④ all contracts with *iwi*/Māori, community and voluntary organisations should allow for a component that recognises the administrative and other overhead costs to the organisation, including support for volunteers, staff training and organisational development
- ④ government departments should report to Parliament only on the proportion of service purchased or funded i.e. departments should not claim 100% responsibility where there has been only a partial contribution to the cost of delivering the service.

*(B) In regard to the location and availability of funding:*

- ④ the Community Organisation Grants Scheme (COGS) allocation should be immediately increased from \$10 million to \$15 million with subsequent increases over the next three years to \$20 million
- ④ the Contributory Funding pool currently managed within the Department of Child, Youth and Family should be reviewed and the bulk of the allocation transferred to an agency able to ensure a focus on supporting community-initiated activities.

- 312 Viewing the government funding process as a whole - from identification of needs, to service planning, and then contract specification, negotiation and monitoring - the Working Party considered that further work is required to develop mutually effective funding arrangements between government and Iwi/Māori, community and voluntary organisations. This work should build on the following projects:
- ④ work undertaken by Treasury to develop guidelines for government departments contracting with non-government organisations
  - ④ State Services Commission mapping of government funding to non-government organisations
  - ④ the Ministry of Social Policy co-ordinated project to reduce compliance costs and develop improved practice in government funding for community organisations.
- 313 The Phase Two work programme should also draw on the expertise of Iwi/Māori, community and voluntary organisations, and on the research and reports on funding issues completed by the sector over the past decade.

#### **PHASE TWO ACTION**

The Working Party recommends:

- (A) *That the Phase Two Steering Group should establish a work stream led by a group comprising officials from key government funding agencies and iwi and community representatives to:*
- ④ draw together recent work by Treasury, the State Services Commission and the Ministry of Social Policy
  - ④ review existing and potential government community funding arrangements and their effectiveness in meeting the objectives of government and the community as partners
  - ④ consider the interests of particular groups: Iwi/Māori, larger service providers, smaller community groups and others
  - ④ consider the distinct interests of service providers and service users
  - ④ consider the appropriateness of current funding in relation to provision of information, policy and advocacy, training and accountability roles
  - ④ consider options for improving accountability and reporting
  - ④ develop specific proposals for addressing the particular concerns of Iwi/Māori and other organisations
  - ④ develop good practice models
  - ④ monitor and advise on process improvements arising from the above.

*Implementation tool:*

A protocol for government funding of community organisations.

*(B) That, in consultation with the community sector, the Government should work with other community funding bodies to:*

- ⑨ develop and share good practice models of funding decision-making
- ⑨ address other related issues such as appointments to community funding bodies
- ⑨ explore the interface issues between private sector funders, community trusts and state funding agencies.

*"Our urban community arts organisation launched an appeal to raise \$12,000 to meet a funding shortfall that had arisen because the local Council had reduced its funding support when it made its funding contestable.*

*"Our organisation was founded in 1977 and has a volunteer management committee and around 100 members. The committee raises money for community arts projects carried out with around 60 community groups. It also administers a small grants scheme to about 30 groups annually.*

*"The changes helped a few groups to access funding directly. But the allocation to our group had helped a much wider range of community arts projects to happen.*

*"We can find sponsors and donations for the projects, but not for administration or development of the organisation itself.*

*"Our volunteers are now in survival mode: the full-time position has been replaced by a part-time appointment. Twenty-five years of volunteer contribution are on the line. The Council received extraordinary value for its small investment and put it all at risk over \$12,000 in the name of contestability."*

## C: Strengthening the community sector

- 314 The fragility of many Iwi/Māori, community and voluntary organisations - and the 'sector' itself - was a constant theme in discussions with the Working Party. This is an issue clearly linked to the resourcing concerns already discussed. In the health and social services, for instance, even agencies that have embraced the 'contracting' environment, become, in effect, voluntary sector 'corporates', report that they face a constant battle to break-even, and beneath the surface there is a constant sense that their ongoing viability is uncertain.<sup>115</sup>
- 315 Community representatives noted the inequity between government agencies and iwi and community organisations in relation to investment in training, administration, information technology and other support systems. The difficulties faced by community groups seeking resources for organisational and skill development have grown in an environment characterised by contracting for narrow service delivery and increasingly complex accountability requirements.
- 316 Beyond the larger service providers, many community organisations have experienced the process of accessing government funding as a time-consuming dilemma, requiring the need to balance a struggle for funds against their desire to maintain independence and their role in advocacy and social change which they perceive to be their primary purpose. The time involved in seeking funds and completing complex and repetitive accountability documents is resented by staff and volunteers, some of whom may spend weeks each year seeking the funding needed for the following year. These are often key people employed to develop policy and programmes for the agency, and this important 'real' work is constantly under pressure from these other administrative details. Volunteers frequently state that they offered their time to support people in need, not to complete paperwork.
- 317 For Māori, in the absence of any overarching agreement on Treaty obligations, providers feel they battle at every step to establish their identity and their own direction. This struggle is a constant drain on resources and a distraction from the work they have set out to achieve.
- 318 Adequate resourcing, although a major contributor to the vulnerability of the community sector, is not the only concern. The priorities for expenditure of resources - time and dollars - are also an issue. The resources of many community organisations are constantly targeted at direct service delivery, with very little left for their own organisational development. The lack of longer-term investment in the community sector over many years has weakened the development of many iwi and community organisations. This has been compounded by inadequate research and lack of basic data about organisations in the sector.

***“Demands on organisations and individuals in the application processes are often disproportionate to the level of funding provided. The cost of time taken in the application and reporting processes are a drain on both volunteers and organisations.”***

<sup>115</sup> Robinson, B (November 2000) *Trends in the Health of the Not for Profit Services for Older People Sector: A Report for the New Zealand Council of Christian Social Services, NZCCSS.*

- 319 The Working Party acknowledged recent initiatives to build the capacity of these organisations and concluded that ongoing effort to build the strength of the sector should be a priority. In particular, members noted that finding ways of investing time and resources in cross-sectoral initiatives such as research and information technology projects and in ongoing skill development and enhancement of governance structures will all be an important challenge in Phase Two of the relationship-building work.

### Balancing unpaid volunteers and paid staff

- 320 A number of comments highlighted a range of issues relating to the recruitment, training and professional development of people who volunteer and work in community organisations.

*“Volunteers used to be the icing on the cake. Now they are providing the bread.”*

### ***Difficulties recruiting volunteers, given new and competing demands for voluntary effort***

- 321 Emergency services, sports coaching, and several other traditional areas of voluntary activity report increasing difficulties in recruiting new volunteers to their activities, very often resulting in an ‘ageing’ membership.<sup>116</sup> A recent study,<sup>117</sup> however, suggests that, rather than a decline in the overall numbers of people volunteering, there has been a shift in focus of voluntary effort. As new services and interests develop these place additional calls on the pool of voluntary effort. School boards of trustees, for instance, recent entrants to the ‘voluntary’ sector, have demanded a heavy commitment from parents.

### ***Increasing emphasis on professionalism, particularly in the health and social services***

- 322 The introduction of contracting and the rising concern about standards of service delivery have led to a growing professionalism in counselling, advocacy, care and protection services. This has placed growing demands on agencies to improve training, to streamline services, to develop and monitor standards and to implement risk management strategies. All of these developments carry major costs - not usually covered by contract funding. At the same time, the pressures of responsibility and accountability for these changes have become onerous - and even frightening - for many current and potential volunteers.

*“Some people have come along just wanting to ‘make a cup of tea’ and found themselves on the executive and becoming legally liable for contracts.”*

### ***Changing patterns of working life***

- 323 With many two parent families now relying on both parents being in paid work, significant numbers of single parent families and people in full-time paid employment working longer hours, commitment to community causes beyond the needs of the immediate family is difficult. Balancing this, however, is the extent of community work undertaken by people not in the paid workforce: older people, unemployed people and those at home. As our population ages, it is likely there will be an ongoing trend towards an ageing volunteer workforce with consequences that need to be further explored.

<sup>116</sup> Hillary Commission (June 2000) *Volunteers in Sport, Fitness and Leisure*.

<sup>117</sup> Lyons M, Wilkstron, F and Clary, G (1998) *Comparative Study of Volunteering: What is Being Studied?* Journal of the Institute for Volunteering Research 1 (1), pp 45-54.

### ***Pressure of working with people in desperate situations***

324 Recent studies<sup>118</sup> have recorded the growing inequalities between high and low income households in New Zealand and, using relative measures, increasing numbers of New Zealanders who live in poverty. For those who work in the social services sector, this context of hardship is an everyday reality. The pressure of unmet needs gives a constant sense of urgency to the work. At the same time, the Working Party heard that the struggle to obtain adequate ongoing funding and the lack of administrative and other support on the job lead to stress and burnout amongst both unpaid volunteers and paid staff. For many in *iwi* and community organisations, a decision to work at the local community level is often associated with considerable sacrifice at a personal and family level.

### **The role of umbrella, national and other strategic groups**

325 The value and effectiveness of umbrella and other strategic groups were discussed on several occasions with the Working Party. It was clear to members that the existence of a cohesive group of umbrella, national and strategic organisations was a critical requirement for any process of moving to a formal agreement between government and the community sector. The absence of a strong and coherent voice across the sector in New Zealand was a key factor in the Working Party's conclusion that it is not appropriate at this point to pursue a formal agreement (see Section Six).

326 In reaching this conclusion, the Working Party had no intention of suggesting there was a moral imperative for the community sector to 'tidy itself up' and become united under one overarching formally constituted umbrella body - or that this would ever be a possibility at a practical level. As noted in Section Two, the diversity of the broader community sector arises from the scope and multiplicity of its interests, and the historical development of responses to meet emerging needs. Pluralism will inevitably remain an important feature, and indeed strength, of the sector. Any means of supporting the strengthening of the sector must take into account its 'untidy but dynamic diversity'.<sup>119</sup> Means of working cross-sectorally to ensure the voice of the broad community sector is heard and valued are likely to involve less rigid structures such as joint *hui*, conferences or congresses, fora to exchange views and collaborative research.

327 A number of community representatives made the case that the umbrella or 'peak'<sup>120</sup> body role is critical to the viability of the community sector and to the contribution of the sector to civil society. Collective responses to issues that cut across the community sector, or that concern particular sub-groups within the sector, require strong umbrella and strategic groups. Individual smaller organisations rarely have the time or resources for research or broad policy development. They also look to umbrella and national organisations for some of the information, training and management support that they need.

<sup>118</sup> Op cit, Krisnan (1995), Waldegrave et al (1996) and Mackay (1995).

<sup>119</sup> See Section One para 33 of this report.

<sup>120</sup> See Glossary. See also Section Two paras 137–139.

<sup>121</sup> For instance, in the social services sector, the Australian Council of Social Services (ACOSS) received A\$0.465 million in 1999/2000 as its annual grant from the Federal Government as a contribution to a total budget of A\$1.001 million. Similarly, the National Council of Voluntary Organisations (NCVO) in England, the Scottish Council of Voluntary Organisations (SCVO), the Welsh Council of Voluntary Organisations (WCVO) and the Northern Ireland Council of Voluntary Organisations (NICVO) all receive substantial financial support from their respective home country governments.

328 In comparison with the non-government sectors of many other countries, national, umbrella and strategic groups within New Zealand are fragile, poorly resourced and undervalued as a source of policy advice and strategic leadership.<sup>121</sup> While some national level organisations have, with difficulty, conducted valuable and important studies on aspects of community

activity, there is very little sense of a clearly articulated sector ‘voice’ backed up by a body of robust and independent research. The Working Party concluded this is a substantial barrier to accessing the full and rich contribution of Iwi/Māori, Pacific peoples, community and voluntary organisations to civil society and social and economic wellbeing in New Zealand.

329 The shift from organisation-based funding to contracting for narrowly defined services led to uncertainty in government funding for liaison, advocacy and co-ordination functions. Some officials supported this approach, suggesting that government funding is more appropriately directed to groups at the local community level, and these may, if they choose, fund their own umbrella, national and strategic groups. This would mean that only those groups that are valued by their members would thrive.

330 Community representatives consistently commented, however, that the decisions that led to the withdrawal of support for many umbrella and national organisations were short-sighted, reflecting an unrealistic understanding of the pressures on local community groups to use all their available resources to meet immediate needs. The approach taken also underestimates the value to government of the contribution that can be made when groups are sufficiently developed and resourced to play an active role in the policy process and in supporting the viability of their own sector.

331 Community people also observed that New Zealand Governments have had an apparently ambivalent attitude to the funding of umbrella and strategic groups. Through the Ministry of Foreign Affairs and Trade, government funds a number of umbrella and strategic collective groupings in the Pacific and elsewhere and provides support for the Council for International Development (CID), the umbrella group for a number of aid and development groups in New Zealand. There appears to be reluctance, however, to value the contribution of similar groups operating inside New Zealand.

332 While there were strong views supporting the value of the contribution made by national, umbrella and strategic groups, the Working Party also heard concerns about their role, particularly from Iwi/Māori organisations and from people involved in local and smaller community organisations.

333 In particular, Māori were concerned that national and umbrella groups are not appropriate to the *hapū* and *iwi* basis of Māori society. While there are a number of well regarded national Māori organisations, such as the Māori Women’s Welfare League and the New Zealand Māori Council, these have developed over the years largely as a response to the demands of participation in pakeha society. For *iwi*, strategic alliances that may come together over

***“Government needs to recognise the specialties of umbrella bodies and therefore their different emphases. In turn, umbrella groups need to confront issues of mandate.”***

***“Umbrella bodies are representational devices which may not have sufficient grounding in the grassroots.”***

particular issues are often a more culturally appropriate form of organisation in the Māori world.

334 Some Māori commentators were also critical of the history of many pakeha umbrella and national organisations, regarding these groups as essentially mono-cultural and threatened by Iwi/Māori interest in establishing their own organisations and processes. There was an explicit suspicion in these comments that pakeha umbrella groups were cut off from local communities and had disproportionate access to government policy processes and decision-making.

335 These suspicions were also apparent in the comments of other community group representatives, particularly outside Wellington. It was clear that some people working at the local community level do not feel well served by their national and umbrella organisations. The Working Party was also aware that people closely involved in responding to desperate social needs, on call for emergency services, working hard to forestall an environmental hazard or struggling to keep pace with the daily and weekly demands of a sports team often feel impatient with the time required to engage in longer-term strategising.

***“Umbrella bodies are representational devices which may not have sufficient grounding in the grassroots.”***

### The Working Party’s view

336 The Working Party acknowledged the tensions between national, umbrella and strategic groups and their constituencies - the people who are active at the local community level and face the pressures of dealing with immediate and often desperate needs. As with any sector, people at both levels may at times fail to consult adequately or may adopt undemocratic processes. Members also acknowledged that traditional pakeha models of achieving collaboration at the national and strategic level may not be appropriate to *iwi* or to Pacific people.

337 In balance, however, members considered the appropriate response to these difficulties was to address them by investing effort and resources into developing effective and relevant structures to assist the *iwi* and community sectors to contribute fully to civil society in New Zealand.

***“When you are up to your neck in alligators, it is hard to remember that your original task was to drain the swamp.”***

338 With regard to more general issues relating to the capacity of the sector to meet its own needs, the Working Party noted that a number of government initiatives have attempted to address the ability of health, social service and education providers to meet both government and community objectives. Recently, for instance, programmes have been launched to improve the capacity of Māori and Pacific peoples’ providers to meet the needs of their communities.

339 The Working Party considered there is a potential for this raft of initiatives to overlap and confuse, for government objectives to be imposed over those of local communities, and for momentum to be lost over time. Members were also concerned that the initiatives may be

focused on the 'capacity' of individual providers at the expense of inter-agency co-operation and building links across different sub-sectors, such as health, sport, fitness and leisure, youth, and aid and development. The Working Party considered, therefore, that it would be useful to review all current initiatives to ensure their coherence.

**“‘Capacity’ in the term ‘capacity-building’ is not well understood by government.”**

#### **IMMEDIATE ACTION**

The Working Party recommends that:

- (A) *To ensure the immediate viability of umbrella and strategic collective groups within the social services sector, the Government should:*
- ⊗ provide funding to the social services umbrella groups and an Iwi/Māori provider collective voice at a level that will ensure their capacity to sustain their critical strategic and developmental contribution to the next phase of development of the sector.
- (B) *To recognise government’s strategic investment in ‘capacity-building’ of Iwi/Māori and Pacific provider development, and to ensure that this investment is well co-ordinated, government should:*
- ⊗ review the overall coherence of the initiatives, means of strengthening Iwi/Māori and Pacific peoples’ ownership, good working models and plans for ongoing development.

- 340 In considering action to support the community sector in the longer term, the Working Party recognised that the primary responsibility for ongoing development of Iwi/Māori, community and voluntary organisations lies with the organisations themselves and cannot be government led. Nevertheless, the actions of the public sector impact significantly on community organisations and there is a need for government to remain aware of this in pursuing its own goals. Members considered, therefore, that the proposed Phase Two Steering Group (see Section Seven) should take a facilitative role in assisting the development of community and voluntary organisations as a ‘sector’, taking care to work with and support initiatives within the sector and not to duplicate or override such initiatives.
- 341 Action to support the development of the sector was perceived as involving action at two levels:
- ⊗ support for national, umbrella and strategic collective groups, noting that for Māori and Pacific peoples, and some other groups within the community sector, strategic networks may be located regionally rather than nationally
  - ⊗ encouragement and support for people and organisations active in their local communities.
- 342 In working at the national and strategic level, the Working Party considered it would be critically important for the Phase Two relationship process to facilitate processes to address a number of issues of ongoing and common interest such as:
- ⊗ the nature of effective partnerships

- ④ working with local government
- ④ management systems, training and skill development
- ④ supporting volunteers and volunteering
- ④ developing monitoring and evaluation capacity
- ④ gathering data to improve understanding of the social and economic contribution of Iwi/Māori, community and voluntary organisations
- ④ developing and resourcing a research programme to inform all of the above.

**343** In addition, the community sector would need to be centrally involved in the key Phase Two work streams identified by the Working Party:

- ④ developing participatory democracy
- ④ reviewing resourcing and accountability arrangements
- ④ building public sector capacity to engage with Iwi/Māori, community and voluntary organisations.

**344** Focusing on work at the regional and local community level, the Working Party considered the Steering Group should work alongside the community sector to facilitate development of local initiatives such as:

- ④ protocols with local government and the regional staff of central government agencies
- ④ strategies to resolve local issues
- ④ locally based training and capacity-building
- ④ local cross-sectoral planning and other collaborative activities.

**345** The Working Party considered whether there was a need for a new source of funding to energise cross-sectoral linkages at the local level. Members noted that there appear to be a number of funding sources available for resourcing specific projects: charitable trusts, community trusts, local government, and central government funding. It is also important that there should not be a presumption that a lack of networking and co-ordination necessarily arises from lack of funding. The Working Party considered, however, there may be a need to assist some communities with the development costs of strategic and cross-sectoral relationship-building and this should be monitored in Phase Two.

**346** The Working Party also noted several developmental issues raised in dialogue with community sector representatives and also referred to a variety of submissions and reports over the past decade. While the Working Party itself was not able to address these specific issues in any depth, there was agreement that they should form part of the agenda for further development work in Phase Two. In summary these issues include:

- ④ human resources: initiatives to support volunteers and volunteering, dealing with the pressures of increasing demands for 'professionalised' services, and skill development and training
- ④ information management and information technology
- ④ governance and accountability issues
- ④ research and knowledge about the sector and its contribution to our society.

### **Risks of Steering Group engagement in developing the capacity of the sector**

- 347 The Working Party acknowledged there were risks if support for the community sector were to be perceived as a government attempt to direct development of the sector. This risk will be reduced, however, if the Steering Group:
- ④ has broad support across the community sector and focuses primarily on initiatives led from within the sector
  - ④ gives priority to assisting government to view the community sector as a resource and partner, rather than an adjunct or subsidiary.

#### **PHASE TWO ACTION**

*The Working Party recognises that the primary responsibility for leading the ongoing development of the community sector lies with the community organisations themselves.*

To support this direction, the Working Party recommends:

*(A) That the community sector should be supported to:*

- ④ initiate means of building relationships across the sector and of working together to identify common problems and develop common strategies for addressing needs such as:
  - working with volunteers
  - managing and supporting paid staff
  - training
  - planning and governance
  - policy development
  - information technology
  - research
  - advocacy
- ④ develop a strategic approach to building a shared funding base for this collaborative activity through government and private sources
- ④ inform government on a regular basis on the health and viability of the community sector

*(B) That government should:*

- ④ develop a strategy for investing in the community sector, including specific commitment to resourcing umbrella, national and strategic groups as appropriate across the sector

*(C) That the Phase Two Steering Group should:*

- ④ work with national, umbrella and other strategic groups to facilitate the strengthening of an independent and viable community sector
- ④ work with community organisations to facilitate community involvement in problems solving and planning at the local level.

## D: The capacity of central government to understand and work with community organisations

348 A further theme in the views expressed by a wide range of organisations, from larger 'corporate' agencies to smaller community groups, was the perception of having been treated arrogantly by government agencies. There was a very strong view that the 'bureaucracy' did not understand or respect Iwi/Māori, community and voluntary organisation values, objectives and operating constraints. One remark, repeated on more than one occasion, suggested that, on the government side, the relationship over the past two decades has been characterised by a 'culture of contempt'.

349 While there are individuals in the public sector with experience of working in iwi and community organisations, the systems and processes of government are not geared to an understanding of the sector. As one Australian commentator has noted:

"Overall, there is very little knowledge in government of the third sector as a whole - its operating logic, its dynamic - i.e. how it grows and declines; its relationship with the household sector... There are many areas where better knowledge of the third sector and of the development of third sector theory could have helped governments improve policy making and avoid policy disasters... In most fields, government approaches the third sector as a resource to be exploited. Yet such exploitation may change the third sector - it may even help to destroy it."<sup>122</sup>

350 A lack of understanding of the sector was particularly apparent in two areas: organisations' governance and accountability arrangements, and their advocacy role. Iwi/Māori, community and voluntary organisations have a variety of complex governance and accountability structures - through trustees, members, beneficiaries, executive committees, boards, bicultural or multi-cultural structures and other arrangements. These are often bound by extensive history and tradition - and serve purposes that are not well understood by officials. The inability of some government agencies to appreciate the timeframes required by community organisations working within an accountability structure that may require consultation with a number of regional bodies and/or a part-time voluntary executive or board is a frequent cause of frustration.

***"Government agencies do not have a good 'understanding' of community organisations and their goals. This lack of understanding compromises the undertakings that might be contained within, for instance, a contract."***

351 Iwi and community groups also have multiple purposes - they often provide advocacy and information services alongside service delivery - and this may not be understood or valued by government funding agencies. Many community organisations - large and small - voiced concern about the 'high price of dissent'. There is reluctance to criticise publicly government policies or behaviours, arising from a fear of 'biting the hand that feeds'. This circumstance is less likely to arise as an issue in the commercial business environment that has formed the model on which government officials, particularly in the past 15 years, have based their relationships with community groups.

<sup>122</sup> Lyons, M (2000) *A Knowledge Base for Effective Partnership*, Paper to Third Sector and State Partnerships Conference, Deakin University, 13-14 December.

## The Working Party's view

- 352 The underlying theme throughout the Working Party's deliberations was the need for government to change the way it does business, to become more responsive to other 'voices'. The formal systems and structures of government are not easy to modify and the expectation from the *iwi* and community sectors that there will be meaningful change within government is not high, although it has grown throughout the period of the Working Party's deliberations.
- 353 The Working Party considered, however, that there were several actions that would assist government and the community sector to work together to find ways of improving their working relationship.

***"Community organisations perceive they are unable to criticise publicly government policies or behaviours. Concern is focused around risk in 'biting the hand that feeds'. This further emphasises the multiple purposes of many community organisations to not only provide services but to advocate."***

***"You soon realise that the Government is the boss, not a partner."***

### **IMMEDIATE ACTION**

The Working Party recommends:

- ④ government agency recruitment practices should acknowledge experience working in and with *iwi* and community organisations
- ④ government agency induction and training programmes should include an introduction to relevant *iwi* and community organisations
- ④ government agencies should ensure consistent messages are given by front-line staff to minimise the impression that the information provided depends on 'who you get in the office on the day'
- ④ government department public relations should be monitored to ensure that all New Zealanders are treated with respect, dignity and compassion.

### **PHASE TWO ACTION**

The Working Party recommends:

- ④ development of a seminar series and other initiatives to improve understanding within government agencies of *iwi*/Māori, community and voluntary sector aims, objectives, structures, accountability arrangements and operating realities
- ④ a programme of two-way secondments and exchanges between government departments and *iwi*/Māori, community and voluntary organisations, with the proviso that this would be developed in a way that would not incur costs on community participants.

*“Since 1990, the Auckland Peoples’ Centre has provided essential social services to its members. Today, for a membership fee of \$10 every four weeks, members and their families can access a range of social services including: benefit advocacy, hairdressing, adult education, counselling, employment generation, a dental service and medical services (free to people with a Community Services Card).*

*“These services are provided at three branches in Central Auckland, and at Mangere and Manurewa in South Auckland.*

*“The doctors’ surgeries provide medical care to over 9000 people. The dental department provides affordable dental care and has a contract to provide free dental care to mental health consumers and to Community Services Card holders in pain. The Centre’s benefit advocates are also engaged in consultation with the Ministry of Social Policy and the Department of Work and Income.*

*“The Centre also has memoranda of understanding with Auckland Healthcare’s Community Mental Health Services and with the Human Rights Commission. The first of these sets out how a relationship will be developed to address the needs of mental health consumers. The second relates to an empowerment programme for people likely to face discrimination.*

*“The Auckland Peoples’ Centre continues to expand to close gaps in access to essential services. It has the capacity, as acknowledged by Auckland Healthcare and the Human Rights Commission, to work co-operatively with statutory agencies. It also has the capacity to engage constructively with government in regards to the development of positive change within the Department of Work and Income.*

*“With 10 years of experience and credibility in Auckland, it would be reasonable to assume that the future financial viability of the organisation is secure. Sadly this is not the case. The Auckland Peoples’ Centre has no guaranteed sources of long-term funding. Everything is on a contract by contract basis for particular services with no capacity to invest in development. At present, the Centre faces the prospect of disestablishing current positions in an attempt to bridge a budget deficit.”*

*Section Five*  
**Other Specific Issues**



354 As required by its terms of reference, the Working Party considered background material provided by officials and others on four topics of particular relevance to consideration of the role of Iwi/Māori, community and voluntary organisations, and their interrelationships with other parts of New Zealand society and the international community. These topics are:

- ④ taxation and charitable status
- ④ relations with local government
- ④ relations with the business sector
- ④ international relations.

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## A: Taxation and charitable status

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356 Governments have historically supported ‘charities’ through the tax system by exempting charitable organisations from income tax and providing tax incentives for those who donate to charity. New Zealand’s legislative recognition of charities dates back to the Charitable Uses Act 1601 in England, which listed ‘good works’. Building on this, an English legal case in 1891 resulted in four categories of charitable purposes. These are still recognised by New Zealand courts and appear in the Income Tax Act 1994:

- ④ the advancement of religion, or
- ④ the relief of poverty, or
- ④ the advancement of education, or
- ④ any other matter that is beneficial to the community.

357 Using these categories, the Department of Inland Revenue considers applications for charitable status. Approved organisations are eligible for tax exemptions on their income and must be established for the benefit of the public rather than benefiting private individuals, with the exception of those bodies aimed at relieving poverty.

358 The Income Tax Act also provides for tax rebates for individuals and corporates which give donations to approved ‘donee organisations’. These organisations must be focused on “charitable, benevolent, philanthropic, or cultural purposes”<sup>123</sup> within New Zealand. If the focus of their work is overseas, special approval for donee status must be sought from Parliament.

359 There are several reasons for government support of organisations defined as charities through tax rebates and exemptions. Income tax is normally focused on activities carried out

<sup>123</sup> Income Tax Act 1994.

for personal gain, whereas organisations receiving tax relief provide goods and services of public value and do not distribute profit to stakeholders. Many charitable organisations struggle to have sufficient funds even with tax exemptions. If they did not provide their services, government would, in many cases, have to pick up their tasks. Also, taxation policies can reward altruistic activities (e.g. donating and volunteering) which are valued by society.

## Review of Taxation of Charities

- 360 During the course of its deliberations, the Working Party heard from many community people concerned about a number of issues relating to the legal status of *iwi* and community organisations for ‘charitable’ purposes and the cultural appropriateness of that definition in relation to Māori and Pacific peoples’ community organisations. The Working Party also met with the Treasury and Inland Revenue officials involved in developing a proposal to undertake a Review of Taxation of Charities. A discussion document will be released shortly.
- 361 The proposed Review would consider whether the definitions of charitable purpose are appropriate, including whether it makes sense to have different eligibility criteria for approval as a charitable organisation as opposed to a donee organisation.

### ***The definition of ‘charitable purpose’***

- 362 The phrase “any other matter that is beneficial to the community” is very open-ended and enables a wide range of organisations to be eligible for tax exemption. The Review discussion document is likely to outline a range of options for addressing the issue of definition.
- 363 One option would be to limit the definition to what might be considered ‘genuine’ charity, such as the relief of poverty, illness, distress or other suffering. This would mean that entities such as independent schools, universities and religious organisations may no longer be eligible for tax exemption. Extra revenue generated by reducing the breadth of tax exemption could be channelled into additional assistance for those retaining charitable status.
- 364 The Working Party considered, however, that there is a need for a wider definition to be introduced to reflect the need to ‘modernise’ the activities regarded as ‘charitable’ given that views, and activities, have changed significantly since 1601. There are now a number of new activities, such as environmental protection and waste management, that many would regard as appropriate for a ‘charitable’ agency. In reaching agreement on a definition, care will be needed to ensure that the impact on any organisations that might lose eligibility is considered. Working Party members also felt strongly that any proposed changes should not be driven by the need to release dollars for other tax changes, such as increasing tax deductibility levels for corporate donations. It may not be possible to achieve fiscal neutrality in any changes arising from the Review.
- 365 The Working Party was also aware that many *iwi* and community organisations have concerns about the difficulties in determining the nature of activity that is ‘beneficial to the

community' and making distinctions between organisations on this basis, or distinguishing between different activities conducted within the same organisation. For instance, a member of an Iwi/Māori organisation might regard providing a service for a member of his/her *whānau* as a family matter but caring for a member of another *hapū* or *iwi* as a voluntary or charitable act.

- 366 Some *iwi* and community organisations are also uncomfortable with the current legislation because they do not feel that their activities are accurately described as 'charitable' given that this expression may suggest a condescending attitude towards their clients, members or beneficiaries. This difficulty reflects the different traditions within the community sector - with some organisations derived primarily from a 'charitable' tradition and others from a tradition of common interests or 'mutuality'. There is a need, however, for further discussion about where the line should be drawn. Should a trade union, for instance, have 'charitable' status?
- 367 Further, the Working Party noted that organisations whose members are linked by blood or contractual ties are currently excluded from charitable status as they are perceived as providing member benefits not public benefit. As with the notion of volunteering, this creates difficulties for organisations serving extended family groupings, such as *iwi*, Pacific and other family-based communities. The Working Party understands that a discussion document by Te Puni Kokiri on the taxation of Iwi/Māori authorities is to include a proposal that blood ties no longer be a barrier to charitable status.

### ***The regulatory/governance framework***

- 368 There is very little regulation or monitoring of organisations classified as charities in New Zealand. While incorporated societies are required to produce annual accounts, have a constitution, and hold Annual General Meetings, these requirements do not apply to charitable trusts. Charitable trusts are registered under the Charitable Trusts Act 1957. The Attorney-General can enquire into the nature, objects, administration and management of a trust, but does so only in a dozen or so cases every year.
- 369 With regard to tax exempt status, a charitable organisation is not legally required to gain Inland Revenue confirmation of its charitable status. Such decisions are ultimately up to the courts, and are based on centuries of case law. There is little legislative or administrative oversight of whether a tax exempt organisation is keeping to 'charitable' purposes and providing public benefit.
- 370 There are several options for addressing the issue of accountability, ranging from a registration process overseen by a formal regulatory body, to self-regulation of issues that might also include other aspects of accountability, for instance, accountability for donations received by organisations defined as charitable. The Working Party was aware of discussions within the community sector proposing development of a self-regulatory mechanism based on an agreed code of practice. Members considered it critical that any review of charitable status for tax purposes should be framed in a way that would facilitate and not pre-empt consideration of the wider issues.

### **Other issues**

- 371 Other issues drawn to the attention of the Working Party by officials and community representatives included:
- ⌚ consideration of an increase in the maximum tax rebate allowed for individuals and corporate organisations
  - ⌚ issues related to the eligibility of charitable organisations for tax deductions on commercial activities
  - ⌚ the treatment of imputation credits on dividends received by charitable organisations
  - ⌚ the general exclusion from donee status of charitable organisations working outside New Zealand, an issue of particular concern to New Zealand-based Pacific communities seeking to donate funds to organisations in the Pacific
  - ⌚ the issue of whether non-cash contributions to charitable organisations should be treated as donations for tax purposes
  - ⌚ identification of means of facilitating the rebate process for individuals providing charitable donations to organisations within the context of the current move towards a minimal paper-based tax collection system
  - ⌚ concerns of international development non-government organisations that grants from government are liable for GST, even though they are fully expended overseas.

### **The Working Party's view**

- 372 The Working Party was aware that several community sector bodies, including the Funding Institute of New Zealand, Philanthropy New Zealand and the Interchurch Working Party on Taxation, are currently pressing the Government to undertake the proposed review. Given the level of interest, members supported the review proceeding and also agreed that the discussion document and consultation process should:
- ⌚ enable discussion on a modern and broad definition of 'charitable' purpose that is not just about 'charity' in its narrowest sense
  - ⌚ take care to ensure the complexity of the issues is presented in a manner that will enable a broad range of Iwi/Māori, community and voluntary organisations to understand the issues and participate in the discussion.

#### **IMMEDIATE ACTION**

The Working Party recommends that the proposed Review of Taxation of Charities should proceed, and that the discussion document and consultation process should:

- ⌚ enable discussion on a modern and broad definition of 'charitable' purpose
- ⌚ take care to ensure that the complexity of the issues is presented in a manner that will enable a broad range of Iwi/Māori, community and voluntary organisations to understand the issues and participate in the discussion.

## B: Relationships with local government

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- 373 All local authorities have some degree of relationship to the *iwi* and community organisations within their territorial boundaries, although this varies considerably.

### The relationship between local government and *iwi* and community organisations

- 374 The legislation regulating what local government can or must do is broad and this adds to the diversity across regions. Local authorities have a general 'power to act' on the behalf of their communities. For some authorities this has led to provision of a wide range of community services; in others, authorities provide very little. The extent of involvement depends on the demands of particular communities, the philosophy of elected councillors, the financial resources of the region and the operating policies of the council.
- 375 The Working Party noted that the provision of sporting and recreation facilities and support of sport and cultural activities are universal features of local government, involving oversight of assets of over \$2.5 billion,<sup>124</sup> and distribution of funding on behalf of the Hillary Commission and Creative New Zealand. There is also support in some areas and among some community groups, for local authority involvement in Safer Community Councils, Strengthening Families and some other cross-sectoral initiatives. Waitakere City Council, for example, has been the catalyst for a number of these cross-sectoral initiatives, including recent active support for a social services-devolved funding project.
- 376 The introduction of the Local Government Act in 1989 and the Resource Management Act (RMA) in 1991 required greater interaction with businesses, ratepayers and general citizens. Authorities were required to ask for community input into their annual plans and budgets. Council planners also had to demonstrate use of community processes in preparing regulatory documents such as District Plans and, more recently, authorities needed community opinion for their Long Term Financial Strategies.
- 377 For most local authorities this was a new experience. Even now, some 10 years later, few would claim to be reaching into the corners of their communities very successfully. Despite attempts at better practice, for many involved in *iwi* and community organisations there is still a long way to go. In some cases, the amalgamation of local authorities has led to a distancing of community organisations and local communities from decision-making.
- 378 Although there have been positive moves by a few territorial authorities to resource *iwi* to enable them to give their views on resource management issues, for Māori the RMA is in itself deficient in that it delegates decision-making to local authorities and not to *iwi*. This is particularly an issue given the experience of *iwi* that few local authorities go beyond token responses in recognising their status as *mana whenua* within the locality of each authority.

<sup>124</sup> Hillary Commission (1995) Study conducted for the Commission by Deloitte.

- 379 Local government's relationship with the wider community sector is also influenced by the policies of central government. In addition to specific interventions, the overall direction of central government policy influences what happens socially and economically at the community level. When those impacts on communities are negative, local government may be looked to for support, advocacy, or increased funding.
- 380 Similarly, local government itself, through its own policies and processes, impacts on *iwi* and community organisations. Changes in housing policy, the level of commitment to economic development, introduction of service charging for community facilities such as libraries, swimming pools and recreation facilities, funding for arts and cultural activities - all have substantial effects. If these changes involve withdrawal of services, the impact may be keenly felt. In some cases, for instance, local government restructuring and amalgamation have contributed to levels of unemployment within communities.
- 381 At times, however, the impact of change within local government has been positive, providing the ability to 'shake off' conventional and often parochial and fragmented ways of operating and to improve relationships with non-government organisations and communities. The way local authorities approach planning and use their catalyst and advocacy roles can also stimulate local economic development and strengthen the environment in which *iwi* and community organisations act to fulfil their goals. Waitakere City's strategic plan ('the Greenprint'), for instance, clearly outlines that role for the Council while integrating economic, social and environmental objectives.
- 382 *Iwi* and community organisations are not the only parts of the 'community' to which local government must be responsive. Individual rate payers, local business, schools and other parts of the community also lobby local government to meet their needs. Local government therefore has to balance the needs of differing 'voices' within its community.

### The role of local government in working with *iwi* and the community sector

- 383 Local government can play a variety of roles in relation to communities and community organisations.

#### **Advisor**

- 384 The provision of information is now a key role generally for local government. In some areas, community service staff have taken on a more active advisory role. People from the community sector commented, however, that, as with many central government agencies, frequent restructuring and high staff turnover within local government have in many cases severely impaired the quality and usefulness of the information and advice provided.

### **Funder**

385 In addition to the funds noted above (see para 375), most regions have funds available for distribution to local community organisations. The range of funds and other resources provided by local government is noted in Section Two (see paras 121 and 122). Issues and concerns regarding the provision of funding and other resources are similar to those raised in relation to central government resourcing, reflecting uncertainty about annual funding and changes in political favour. The Working Party was aware that while some *iwi* and community organisations find their local council responsive, many do not. Changes in central government funding also impact on local government. For instance, when central government reduces or withdraws funding, local organisations may look to local government to fill the gaps.

### **Catalyst**

386 In some regions local government acts as a catalyst, initiating or encouraging the development of community organisations, or their involvement in particular activities. There can be a tension in this role. Local groups sometimes consider that councils are not fully aware of existing services that are already trying to meet the need identified or could expand to do so. There are, however, many positive examples where collaboration between local authorities and community organisations, or between an authority and the local *iwi*, has produced innovative solutions to local problems.

387 The way local authorities approach the planning and management of their local areas, both future and existing, can create a positive or negative effect on the environment in which *iwi* and community organisations work. An example of this might be the provision at *the right time* of community facilities in a densely settled new subdivision with many young families, so that a sense of community can be encouraged by having space for meetings, discussions and local activities.

### **Advocate**

388 Local government sometimes takes on the role of advocate for community organisations. This may be directly, by representing their views on a particular issue in discussions with central government, or indirectly, by advocating about issues of general interest to these organisations.

389 This role may be controversial where *iwi* or community groups feel the local authority has not consulted appropriately and does not have the mandate or the information to speak on their behalf. The Working Party heard some suspicion on the part of many regarding the expertise and intentions of local government in this regard.

390 Councils can, however, play a significant role in gathering and analysing data about the impact of central government policy or other economic and social change on their communities. This information may be used by *iwi* and community organisations when they participate in their own right in central government policy development processes.

- 391 Some local authorities have also successfully developed ways of supporting local communities to advocate within their own council processes. In 1991, for instance, Lower Hutt City Council conducted a study of the effects on the people of Lower Hutt of a recent central government economic package. The report explored a range of social impacts including those on Māori, Pacific peoples, youth and older adults. It made suggestions on how the Council might better respond to those impacts and meet its social planning responsibilities.<sup>125</sup>
- 392 Similarly, in 1996, Christchurch City Council carried out a Housing Needs Study<sup>126</sup> triggered by changes in central government involvement in housing and based on an earlier Council report in 1993.<sup>127</sup> The 1996 report gathered the views of community organisations and Council-owned housing clients to inform and advise Council on its future role.
- 393 Local government can also bring its collective power to bear on issues. The national organisation of local government, Local Government New Zealand, plays a key role in advocating with central government on issues of concern to local government nationwide. Over the past 10 years this has included advocacy around social issues such as poverty and unemployment, as well as matters directly relating to local government functioning. This advocacy often arises out of and supports the work done by community organisations.
- 394 Over the years, there has been tension in the relationship between central and local government. Recently, active steps have been taken to improve this relationship through the Central/Local Government Forum. The flow-on effect of this dialogue should be helpful in the context of improving relationships with the iwi and community sectors as well.

### **Facilitation**

- 395 Local government is well situated to play a facilitation role between central government agencies and the community sector. When invited, local government can sometimes assist in ensuring better delivery of central government programmes in the local community. For example, the Strengthening Families<sup>128</sup> initiative to improve the co-ordination of services to families has revealed the extent to which local government can assist government and community-based social service agencies to work co-operatively together.
- 396 The Working Party was aware, however, that there is some ambivalence on the part of many iwi and community organisations on many of the occasions where local government assumes this facilitative role. There is always the fear that local government will inappropriately presume to ‘represent’ local community organisations.

<sup>125</sup> Lower Hutt City Council (1991) *Government's December Economic Package — Some Effects on the People of Lower Hutt*, Community Development Division.

<sup>126</sup> Christchurch City Council (1996) *Housing Needs Study 1996*, Report of the Housing Review Working Party to the Christchurch City Council.

<sup>127</sup> Christchurch City Council (1993) *The Role of the Christchurch City Council as a Housing Provider: A Review and Assessment of Policy Options*.

<sup>128</sup> Strengthening Families is a joint initiative of the health, education and welfare agencies of government aimed at bringing all government agencies concerned with family welfare together in a co-operative forum to improve interagency collaboration in service delivery.

### ***Engagement in planning and policy***

- 397 A key process in which local government and the *iwi* and community sectors intersect is in planning and policy. As noted, many local authorities seek community input into their annual plans and development of other policies. *Iwi* and community groups are often particularly active in providing feedback. Some councils also actively work with *iwi* and community organisations to develop specific policies. Examples include: working with Age Concern Councils on senior citizens policies, with *mana whenua* on resource issues and with youth groups on the provision of facilities for young people. These organisations are also a source of information for local government as it undertakes research and needs assessment.
- 398 While involvement in policy and planning is welcome when it results in better policies and facilities, some community representatives commented that this can put their resources under further pressure. Very often the timeframes involved place a strain on community groups. This is particularly frustrating if there is a substantial commitment required, but little by way of obvious impact on resulting policies or developments.

### **Issues in the relationship with local government**

- 399 The relationship between local government and the *Iwi/Māori*, community and voluntary organisations varies considerably between regions. There were, however, two common issues or questions about this relationship raised with the Working Party.

#### ***Should local government be more involved in the community?***

- 400 Some groups, organisations and individuals considered that local government should become more involved and integrated with communities at a more local level, especially in the delivery of social services. They argued that people get the best deal when services are delivered locally, by and for local people. Local government does have the potential to understand and ‘know’ its community and to take a lead in the delivery of appropriate services. At the very least, some groups and individuals would like to see local government given a much stronger role in facilitating the co-ordination of services delivered locally by central government agencies.
- 401 There were also community representatives, however, who considered local government to be as bureaucratic and out of touch as central government. These people were wary of establishing or enlarging yet another layer between those who need services, and central government, which has the power and the funding to provide them.

#### ***Local government is not ‘the community sector’***

- 402 The Working Party also heard from people who felt that, while local government has an obvious interest in the wellbeing of *iwi* and community organisations, it cannot and should not replace them. Locally based *iwi* and community groups contribute more than the provision of services. They also provide opportunities for the participation of citizens and for the growth of community wellbeing. They represent the free will of individuals and express the needs and opinions of different groups within the community.

- 403 These roles cannot be replaced by local government, no matter how well intentioned and in touch councils may be. Local government needs Iwi/Māori, community and voluntary organisations to exist as separate entities. Similarly, the community needs local government to take its place in the complex web of relationships between central government, the community and Iwi/Māori.

### The Working Party's view

- 404 The Working Party was aware of the positive efforts by some local and regional authorities to improve relationships with communities and with local *iwi* and community organisations and to include them more effectively in planning, resource management and decision-making processes.
- 405 The Working Party also heard, however, some strongly negative views arising from the attitudes and practices of authorities that have remained in a narrow and conservative mode. Even those who are working hard for change within local government conceded there is some distance to go before reaching the point where the relationship between their council and local community was as good as it could get. The slow pace of change and the long-standing conservatism of many parts of local government have led to a pessimism about the potential for local government to engage openly with *iwi* and community organisations and this is difficult to dispel.
- 406 A further review of the Local Government Act is in progress. It seems likely the revised legislation will require further participatory processes for local government. The concurrent series of central/local government fora will also assist in achieving better co-operation between the two levels of government.
- 407 For all these reasons, the Working Party considers it would be valuable for local government to be more closely involved in the proposed Phase Two relationship-building work programme proposed in Section Seven of this report.

#### **PHASE TWO ACTION**

The Working Party recommends:

- ⑤ that Phase Two of the relationship-building work programme proposed in this report should include a strategy to ensure that local government is involved, through the Steering Group and working groups, in specific projects and in any community consultation and engagement programme.

## C: Relationships with the business sector

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- 408 Within the timeframe for its deliberations, the Working Party did not manage to engage directly and formally with representatives of business organisations. However, members agreed there are features of the role of the businesses and their relationship with *iwi* and community organisations that could be considered more fully in future relationship-building work.
- 409 The 'business sector' in New Zealand is no easier to define than the community sector. The group of activities or organisations seen as comprising 'business' ranges from the sole trader, family farm and corner dairy through to large multi-national corporations. The 285,404 business enterprises<sup>129</sup> recorded by Statistics New Zealand in February 2000 were engaged in activities as diverse as agriculture and fishing, manufacturing, construction, communication services, transport, financial and insurance services, accommodation and hospitality services, culture and recreation, tourism and health, education and other social services. The extent of any involvement between businesses in these sectors and *iwi* and community organisations varies substantially.
- 410 Further, the Working Party noted that there is a range of bodies representing different parts of the business community. These include: the Business Roundtable, Chambers of Commerce, Trade Associations, the Small Business Enterprise Centres Association of New Zealand, Business for Social Responsibility and the New Zealand Business Council for Sustainable Development. Each of these varies widely in terms of engagement with *iwi* and with the community sector. For some, involvement is limited to comment on government policy relating to communities or individual acts of sponsorship. For others, such as the Small Business Enterprise Centres Association, there is more substantial involvement through sharing of business training and support services.
- 411 *Iwi/Māori*, community and voluntary organisations have three key areas of interaction with the business sector:
- ④ as consumers of business products and services
  - ④ as potential competitors
  - ④ as recipients of support from the business community.
- 412 For many New Zealanders, including people involved in *iwi* and community organisations, the nature of interactions with business has changed substantially over the past two decades. Globalisation and increasing foreign ownership of key areas of our economy have distanced people active in local communities from direct personal access to the sources of power and decision-making in significant areas of their lives. People who spoke with the Working Party commented that this has contributed to the marginalisation of many sections of our society and added to the complexities of working within organisations committed to social change.

<sup>129</sup> Statistics New Zealand (2001) *New Zealand Demographic Statistics*.

## Consumers of business products and services

- 413 In some parts of the world, local community people have responded to the need to bring greater control to their purchasing options by developing a range of consumer purchasing blocks. In New Zealand, this has not been a strong feature of community sector activity. There are, however, some successful local examples of organisations collaborating to achieve this, most notably food co-operatives, but also groups such as a Christchurch-based Community Services Trust which has developed a local stationery and purchasing business, and the Christchurch Buying Group, an emerging Christchurch group working collectively to purchase electricity.

## Potential competitors

- 414 There are a number of areas, primarily in the social services, where organisations regarding themselves as part of the community sector compete directly with private business. These service areas include: early childhood education, elder care services and rest homes, counselling and alcohol and drug treatment, and many existing and emerging areas of health.

## Recipients of business support

- 415 Some businesses make *donations* to community organisations. The trends in this form of support in New Zealand are not clear because information from donor businesses is difficult to come by. David Robinson<sup>130</sup> suggests, on the basis of research such as the Johns Hopkins Not For Profit Comparative Study across countries with comparable charitable environments, that the business sector provides as little as two cents in the charitable dollar via both donations and sponsorship. It is thought actual levels of support may be much higher when *donations 'in kind'* are factored in. Small retailers, for example, are more likely to be New Zealand owned and locally based and may possibly be more frequent donors of free or reduced cost goods and services to local community groups.
- 416 A comparatively small number of business people have established *formal charitable funding bodies*. One of the best known and most influential of these has been the group of charitable trusts founded by Sir John McKenzie and continued by his son, Sir Roy McKenzie, and other family members. In the year 2000/01, the J R McKenzie Trust made 491 grants totalling \$2,235 million. A newer participant, and now also the largest, is the Tindall Foundation established by Margaret and Stephen Tindall. In 1999/2000, the Tindall Foundation distributed \$7.4 million in grants under three main funding criteria: families, employment and environment.

<sup>130</sup> Robinson, D (1996) Op cit.

- 417 *Sponsorship* is sometimes perceived as the 'rising star' in the funding of community and voluntary organisations. At a national level it may appear that there is a larger pool of sponsorship funding than ever. However, while the level of sponsorship provided by business at a regional or national level is in some instances significant, sponsorship is often focused on major sports and performance events or on supporting some high profile arts, environment, health and social service organisations or programmes. Indeed, public criticism of the drain on the sponsorship pool from 'big events' sponsorship such as the America's Cup campaign suggests that this is not an easily available source of funding for most community organisations.
- 418 In New Zealand, sponsorship of this nature is rarely purely philanthropic and is more often part of the marketing strategy of the sponsoring business. One consequence is that sponsorship deals tend to favour causes perceived as enhancing the sponsor's product - through glamour, cult personalities or 'cuddly' animals. It is a lot more difficult to attract funding of this nature for causes such as dealing with incontinence or young men with head injuries.
- 419 Some research suggests there can be significant return benefits to the sponsor where relations are based on sponsorship of this kind, as members of the sponsored organisation are more likely to purchase the goods of the sponsor at the expense of other competing businesses.
- 420 At the local level, work by Jenny Douthwaite and Tio Fiola<sup>131</sup> suggests that sponsorship relations between small businesses and local community organisations, while often described as 'sponsorship', do not fit the classic sponsorship model. Local business people as neighbours, as parents and as members of service clubs, contribute significantly to the life of their own communities. Often their support, although enacted through the business, is an indication of personal support for a community group with which he or she may have a strong link.
- 421 Some businesses have strong links with the *iwi* and community organisations in the area of creating work opportunities. This may range from individual *work placements*, to contracting with community organisations in developing income generating projects.
- 422 *Corporate volunteering* is a new term for a long-standing role of business in community life. A small but growing number of firms encourage staff to become involved in community and voluntary organisations, and in some cases allow paid time off work to do so. This practice appears to focus mainly on one-off events and although this is a positive trend, more New Zealand research needs to be conducted on the social and economic benefits of long-term corporate volunteering of this nature.

<sup>131</sup> Douthwaite, J and Fiola, T (1999) Unpublished report for the UNITEC Not-For-Profit Management Community Funding Course.

- 423 There are currently only a handful of businesses in New Zealand with formal programmes. For example, EDS has a Global Volunteer Day, Body Shop staff are released for four hours per month to volunteer in areas they collectively agree on, Otis has a Special Olympics Partnership, the Warehouse has a 'clean up' day and recently Avis staff have become involved in reading programmes in Auckland schools.
- 424 Current interest in corporate volunteering has arisen through:
- ⌚ growing expectations from consumers of socially responsible business practice
  - ⌚ acknowledging the importance of the community sector in maintaining social cohesion
  - ⌚ increased demand from community groups for volunteers with business and management skills
  - ⌚ employers and employees involved with the movement for industrial partnerships seeking opportunities for worker/management team activity, as well as making a difference in their community.
- 425 Employee and corporate volunteering creates a natural 'win-win-win' for employees, business and community. However, the current 'one-off' focus means there is tendency for corporate volunteers to make labour-intensive contributions, for instance painting a building, rather than using the skills for which the corporate staff might be employed in their own workplaces. These skills, for instance strategic planning and financial management, are not always appropriate to community organisations but there is nevertheless room to expand the range of activities undertaken by corporate volunteers.
- 426 In addition to the direct benefits arising from the activity itself, corporate volunteering can, if well managed, contribute to goodwill and understanding between the business and community sectors. Within New Zealand, the network of Volunteer Centres now present in several urban areas has recognised the value of corporate volunteering and taken a proactive role in promoting it. The Working Party considered this is an area where the Government might usefully encourage further development.

### The impact of business on the community sector

- 427 The business and *iwi* and community sectors also impact on each other in a variety of more complex ways. Businesses, large and small, significantly affect the social and economic wellbeing of local communities. For example, if a large business within a small community starts up or relocates, it can significantly alter the total infrastructure of that community. Such changes, in turn, impact on the demand for services provided by local *iwi* and community organisations and their ability to provide them under pressure.

- 428 Community organisations also have an impact, often invisible, on business. The services and activities provided by community groups are essential to a stable community infrastructure. Without these activities and organisations some employees may not be able to participate effectively in the paid workforce.<sup>132</sup> In particular, Iwi/Māori, community and voluntary organisations provide specific and essential assistance when a business opens or closes.<sup>133</sup>
- 429 Government policies affecting business also impact on the wider community. However, *iwi* and community organisations feel they are often not considered at all in consultation about government's business policies. They feel there is an assumption that they will always be there to 'pick up the pieces' in response to whatever social changes might arise in local communities, switches in business focus or withdrawal of business activity.
- 430 The economic restructuring and social policy reforms of the 1980s and 1990s, for instance, had enormous impacts on New Zealand community-based organisations - and this load continues. People from Iwi/Māori and social service organisations meeting with the Working Party commented frequently on the high levels of stress experienced within their agencies as they worked to confront the cumulative problems that stemmed from structural changes in the economy, changes in benefit rates and user pays social policies.

### The Working Party's view

- 431 The issues noted above suggest that business, central government and the *iwi* and community sectors would each benefit from improved understanding and interaction. There is a need to consider ways of facilitating this exchange without putting increased pressure on the resources of the *iwi* and community organisations or undermining the viability of business.

#### **PHASE TWO ACTION**

The Working Party recommends:

- ① that Phase Two of the relationship-building work proposed in this report should include a strategy to ensure that business groups are involved through the Steering Group, in specific projects and in any community consultation and engagement programme.

<sup>132</sup> For example: counselling, budget advice, homework and after school care, health and fitness activities.

<sup>133</sup> For example: befriending of new employees through social clubs etc, health programmes, playgroups and childcare, redundancy support, assistance with training and looking for work.

## D: International obligations

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- 432 The international backdrop to the issues being addressed by the Working Party is one of growing engagement between governments and civil society organisations<sup>134</sup> worldwide to pursue common interests.
- 433 Reflecting this, heads of state and governments from around the world, who were gathered in New York from 6-8 September 2000, adopted the United Nations Millennium Declaration. The Declaration committed the world's governments to “work collectively for more inclusive political processes, allowing genuine participation by all citizens”, and to “develop strong partnerships with the private sector and civil society organisations in the pursuit of development and poverty eradication”.
- 434 References to the importance of relations between governments, civil society and indigenous peoples have become increasingly common in the United Nations and other multilateral fora such as the Commonwealth. A summary selection of these statements is provided in Appendix Five.
- 435 There is also a growing expectation within United Nations human rights treaty bodies, for example, that governments will work with the local non-government organisations, including indigenous peoples' and community and voluntary organisations, to disseminate information about international human rights commitments, including in producing state parties' reports under these treaties. The recommendations of the treaty bodies are not legally binding. Nevertheless, along with the language now common in many international documents, they carry moral force and can help strengthen the development of effective interaction between governments and other sectors at the domestic level.
- 436 Government officials and *iwi* and community representatives with a strong interest in links with international bodies observed that the international commitments made by the New Zealand Government and the encouragement to action contained in international documents, are not widely known within the government, *iwi* and community sectors within this country.
- 437 The Working Party agreed that government ministries or departments responsible for particular policy areas should, in line with the expectations of international fora and agencies, ensure that information is provided to all relevant sectors and groups, including other government bodies and the organisations of the *iwi* and community sectors. Members further considered that proactive and transparent systems should be in place for this purpose and that systems should also be in place for seeking input to New Zealand reports to international bodies, and for developing national policy positions to take to international fora.

<sup>134</sup> The term 'civil society organisations' used in this international context includes the *iwi*/Māori, community and voluntary organisations that are the focus of this report, as well as *iwi*, trade union and formal church institutions that may not consider themselves to be solely

### ***The place of Iwi/Māori organisations in international relations***

- 438 The need for Iwi/Māori organisations to maintain direct and autonomous links with both their indigenous counterparts overseas and many other international bodies was acknowledged by the Working Party. Members noted the contribution made by Iwi/Māori organisations to the development of the draft Declaration on the Rights of Indigenous Peoples and the representation of Māori both within the official negotiation process and through parallel processes.
- 439 The Working Party also acknowledged, however, some tension between Māori and the Government about the notion of self-determination and who is able to represent the views of indigenous people in the international arena.

### ***Involvement in official New Zealand delegations***

- 440 Members were aware that difficulties had arisen in relation to the inclusion of Māori along with community sector representatives in official New Zealand government delegations. In 1992, for instance, Iwi/Māori organisations argued strongly that indigenous representation at the United Nations Conference on Environment and Development in Rio de Janeiro should be based on the Treaty of Waitangi and stand separately from that of the remainder of the non-government organisations. In the event, Dame Atairangi Kahu was present at Rio and other Māori representatives were part of the official delegation and present at the final signing ceremony.
- 441 The principle of iwi and community sector participation within New Zealand Government delegations to international fora, and in parallel events alongside such events, is now well established. Such participation is encouraged by United Nations agencies that now have well developed systems for non-government involvement.
- 442 Prior to the Rio Conference in 1992, a set of guidelines for participation by non-government representatives in official delegations was developed with input and feedback from a broad cross-section of New Zealand non-government organisations. These were updated recently and approved by Cabinet. Amongst other things, the revised guidelines recognise the benefits which non-government participation can bring to official delegations and encourage government agencies to 'consider the value' that will result. In this regard, however, the guidelines do not meet the expectations of some Māori who are seeking direct official representation as indigenous people.
- 443 The guidelines note it is generally expected that non-government members of official delegations, or their sponsoring organisation, will meet their own travel and accommodation costs. Such costs may be met officially only when participation has been specifically requested by government. The agreement of the Ministry of Foreign Affairs and Trade is required for approval of non-official delegation members, who, in turn, must sign on to a set of standards in areas such as respecting confidentiality and liaison with the media.

- 444 The Working Party supported the involvement of *iwi* and community sector participation in official delegations to international events whenever relevant and considered that aspects of the current arrangements should be discussed with interested parties with a view to improving the capacity of non-government organisations to participate and make a contribution in the international arena.

### ***Links with international counterparts***

- 445 Many *iwi* and community sector organisations have their own links with counterparts overseas, for example through international umbrella bodies such as the World Council of Indigenous Peoples, the International Union for Conservation and Nature (IUCN), the International Council of Women (ICW), the International Council of Social Welfare (ICSW), the Pacific Islands Association of NGOs (PIANGO), the Asia/South Pacific Bureau for Adult Education (ASPBAE) and a wide range of Commonwealth professional associations.
- 446 Such links provide opportunities to share experience, exchange information and skills and participate in international discourse of relevance to issues and developments in New Zealand. Few organisations in this country, however, have the resources to cover affiliation costs, much less participate in international conferences, seminars and workshops.
- 447 The Working Party noted that the benefits of international interaction with peers and counterparts have been recognised by the Ministry of Foreign Affairs and Trade, which has established a travel fund for non-government organisations in the international development sector. The fund is managed by the Council for International Developments (CID), the umbrella non-government body for the sector, within criteria and procedures agreed with the Ministry.

### **The Working Party's view**

- 448 The Working Party considered that the involvement of people and organisations from the *iwi* and community sectors is critical to the quality of New Zealand's contribution to the development of international protocols and agreements. Members agreed there are a number of issues that should be addressed, relating to the approach taken by government agencies in informing, consulting and supporting *Iwi/Māori*, community and voluntary organisations to participate effectively in international arenas.

### **IMMEDIATE ACTION**

The Working Party recommends:

- ④ relevant government ministries and departments should establish mechanisms and processes to enable:
  - the prompt dissemination of information on international commitments and expectations to all relevant parties
  - meaningful input by organisations within the *iwi* and community sectors into national reports to international bodies and the development of official New Zealand policy positions for international fora
- ④ such mechanisms and processes should:
  - be based on separate parallel approaches for *iwi* and for the community sector
  - be Treaty-based, with *iwi*/Māori-defined processes for Māori
  - be developed jointly, not just determined by government
  - allow for meaningful input into policy development from the beginning, and not just in response to government positions that have already been determined
  - include provision for adequate resourcing to cover the costs of consultation and participation
- ④ the revised guidelines covering the participation of non-government organisations in official delegations in the international arena should be reviewed in discussion with government and interested *iwi*/Māori and other non-government organisations
- ④ where the benefits of linking with international bodies can be clearly shown and there are no other funding sources available, relevant government ministries and departments should, for the organisations in their sphere of interest, give full consideration to covering costs of affiliation to those international bodies and of participation in key international events.

*Section Six*  
**A partnership - vision,  
values and principles**



449 In responding to the many issues raised by people active in their communities, the Working Party was keen to be forward-looking and to develop a vision of an effective working relationship between government and Iwi/Māori, and community and voluntary organisations. In establishing a new set of relationships, members felt it was critical to acknowledge the mistrust that had arisen over the past two decades. Some time must be spent in unpacking and debating these concerns. Members considered, however, it was also important to have a clear sense of where the relationships should be heading.

450 The Working Party affirmed the value of the role played by Iwi/Māori, community and voluntary organisations and considered there is no doubt that society is enriched by strong and flourishing *iwi* and community sectors. This must be the starting point for any commitment to improved relationships between these sectors and government. Equally important is the willingness of all partners to acknowledge difference in culture, values, systems and structures while also seeking common ground.

451 Any vision of future relationships must be:

⌚ **robust** - able to withstand the tensions and differences, while also seeking areas for collaboration to meet shared goals, and

⌚ **respectful** - partners must value and understand the contribution made by the others.

452 Drawing on these two key principles, the Working Party developed a vision of a framework of relationships between government and Iwi/Māori, community and voluntary organisations in which each would be willing and able to understand each other's roles and work together in an environment where the Treaty of Waitangi is honoured, citizens can participate fully in decisions that affect their lives and communities can adapt and flourish as circumstances change.

***“Partnership is only possible when reciprocity exists and goals are shared.”***

453 In particular, the Working Party considered that, in New Zealand, an environment in which there was a flourishing relationship would be one where:

⌚ strong and active communities are the foundation of the country's social, economic and environmental health

⌚ there was a genuine partnership between the *tangata whenua* and later arrivals to New Zealand expressed in policies and practices that enable the beliefs and customs of each to co-exist

- ⑥ the diversity of the range of migrants to New Zealand and their descendants is recognised and welcomed
- ⑥ the work of community organisations is valued, respected and actively nurtured
- ⑥ there is recognition that community activity at all levels underpins a decent and caring society
- ⑥ business is an active contributor to public as well as private good
- ⑥ there is co-operation and collective action across the community sector
- ⑥ central and local government work together to play a supportive role to communities, developing policies and delivering services with active local and regional participation.

454 The Working Party was aware of extensive literature on the nature of partnerships and the extent of work in this area, both within New Zealand and internationally, but did not have an opportunity to explore this in any depth. Members considered this material should be drawn on as part of Phase Two of the relationship-building work. As a first step, members identified several *principles* and *values* they considered critical. These are listed in Table (ix).

*Table (ix)*  
**Relationship principles and values**

Principles	Values
A values-based relationship	<i>Tika, pono, aroha</i> , integrity, trust, honesty, humility and compassion
Acknowledging the independence and autonomy of the partners	Empowering, acknowledging the validity of the values and objectives of each partner
Acknowledging the interdependence of the partners	Seeking co-operative ways of working
Tolerance	Demonstrating respect, valuing diversity and accepting ambivalence
Commitment to an evolving relationship	Working together to determine matters, sharing the problem and co-operating
Commitment to active and open dialogue	Valuing, inviting and facilitating the contribution of each partner
Equity	At all times seeking fairness, justice and the best outcomes for all
Sustainable development	Working to integrate social, economic, cultural and environmental objectives and outcomes

- 455 The Working Party noted the universality of these principles and values and suggested they might form the basis for discussion in developing protocols and agreements at each level within the diversity of relationships between government and the community, and within the sector itself.

### Assessing the value of a formal agreement

- 456 As required by its terms of reference, the Working Party considered the appropriateness of a formal agreement between government and Iwi/Māori, community and voluntary organisations.
- 457 The significance of an ‘agreement’ as a means of demonstrating commitment to an improved relationship, depends very much on the degree of formality of the proposed agreement. For instance, this range might include:
- ⊗ a statement of intent by government in regard to its own responsibilities and relationship standards
  - ⊗ a set of relationship principles that could be incorporated into particular, more specific agreements or contracts
  - ⊗ a charter or protocol that could be adopted as appropriate in a variety of circumstances
  - ⊗ a charter or protocol in which the parties would make commitments concerning their shared interests
  - ⊗ a formal written contract covering areas of shared interest and means of monitoring observance
  - ⊗ legislative recognition binding two clear partners to agreed actions within an agreed accountability framework.
- 458 The Working Party heard different views on the value of pursuing a more formal agreement: some argued that an overarching and/or formally negotiated agreement is unnecessary and would distract from action to address the state of the relationship itself; others considered a formal statement would be useful in establishing a ‘bottom line’ and might also assist in extending commitments to new ways of working beyond one term of government.

459 A process by which an agreement might be formally negotiated presumes two or more willing parties that understand each other and value the contributions each brings to the relationship. It also presumes the parties are clearly identified and that each has the mandate to reach agreement. For any agreement to achieve a real sense of partnership, the *interdependence* of the shared arrangement must be built on acceptance of the *independence* of each partner in the relationship. International experience suggests that broad political support is also a critical element and that this takes considerable time to develop.

***“Developing trust between government and local communities is time consuming and requires realistic investment.”***

460 Within the New Zealand context, a formal agreement would require strong and strategically focused community organisations at the national and umbrella level to build intersectoral links and develop common views of the matters to be negotiated and agreed upon. Participation of appropriate Iwi/Māori, and Pacific peoples’, organisations would also be necessary, along with an acknowledgement that, while Māori may have shared interests with community and voluntary organisations, many Iwi/Māori groups also have a broader role.

461 The nature of the community sector in New Zealand is not currently well understood by government. Equally, there is no consensus across Iwi/Māori, community and voluntary organisations as to their identity as a single ‘sector’ or how such a broad collection of organisations might work together to negotiate a formal agreement. The Working Party heard from representatives of *iwi*-based groups a view that many would be in a position to enter into formal Treaty-based agreements or protocols with the Crown. There is, however, no clear set of collective or umbrella structures through which the remainder of the community sector, in its broadest sense, could come together to agree on a single formal agreement. The Working Party concluded therefore that it would not be possible to pursue a formal overarching agreement between government and the ‘community and voluntary sector’ at this point.

## Government Statement of Intent

462 There are a number of steps, however, that could be taken towards preparing the ground for such an agreement. Section Seven summarises a number of proposals intended to facilitate the development of the community sector.

463 In addition, the Working Party considered that the current Government’s commitment to a positive working relationship with community and voluntary organisations should be expressed in a formal Statement of Intent. Such a Statement should set out the principles on which its own attitudes and behaviour would be based, and would be an important step in restoring the confidence of the community sector.



*Section Seven*  
**The way forward:  
proposals for  
implementation**



464 Developing effective working relationships between government and Iwi/Māori, community and voluntary organisations requires both immediate steps and a substantial commitment over time - a 'journey' in which the partners work together to develop trust and understanding through shared experience. The Working Party acknowledged the pressure from many in government and in the community for visible and specific action right now. This initial review has, however, demonstrated the need for ongoing development of particular streams of work to enable stronger relations to emerge and flourish.

465 In developing its proposals for the path forward, the Working Party identified:

- ④ a proposal for addressing, at a broader level, relations between Iwi/Māori and the Crown and the implications of the Treaty of Waitangi in government relations with communities and community organisations
- ④ a proposal that the Minister Responsible for the Community and Voluntary Sector should, on behalf of the current Government, issue a *Statement of Intent* making a commitment to a positive working relationship with community and voluntary organisations and setting out the principles on which Government's own attitudes and behaviour would be based.
- ④ a Phase Two relationship building process, co-ordinated by a steering group, and comprising the following four themes or streams of work:
  - developing a participatory style of government
  - reviewing resourcing and accountability arrangements
  - supporting the strengthening of the community and voluntary sector
  - improving the ability of central government to understand and work with community organisations.

466 Actions proposed were developed either for immediate implementation or as part of an ongoing Phase Two work programme:

**IMMEDIATE ACTION**

- ④ Steps that will contribute immediately to rebuilding effective relationships. These actions would have a positive impact, while also demonstrating the current Government's good faith and commitment to change.

**PHASE TWO PROPOSALS**

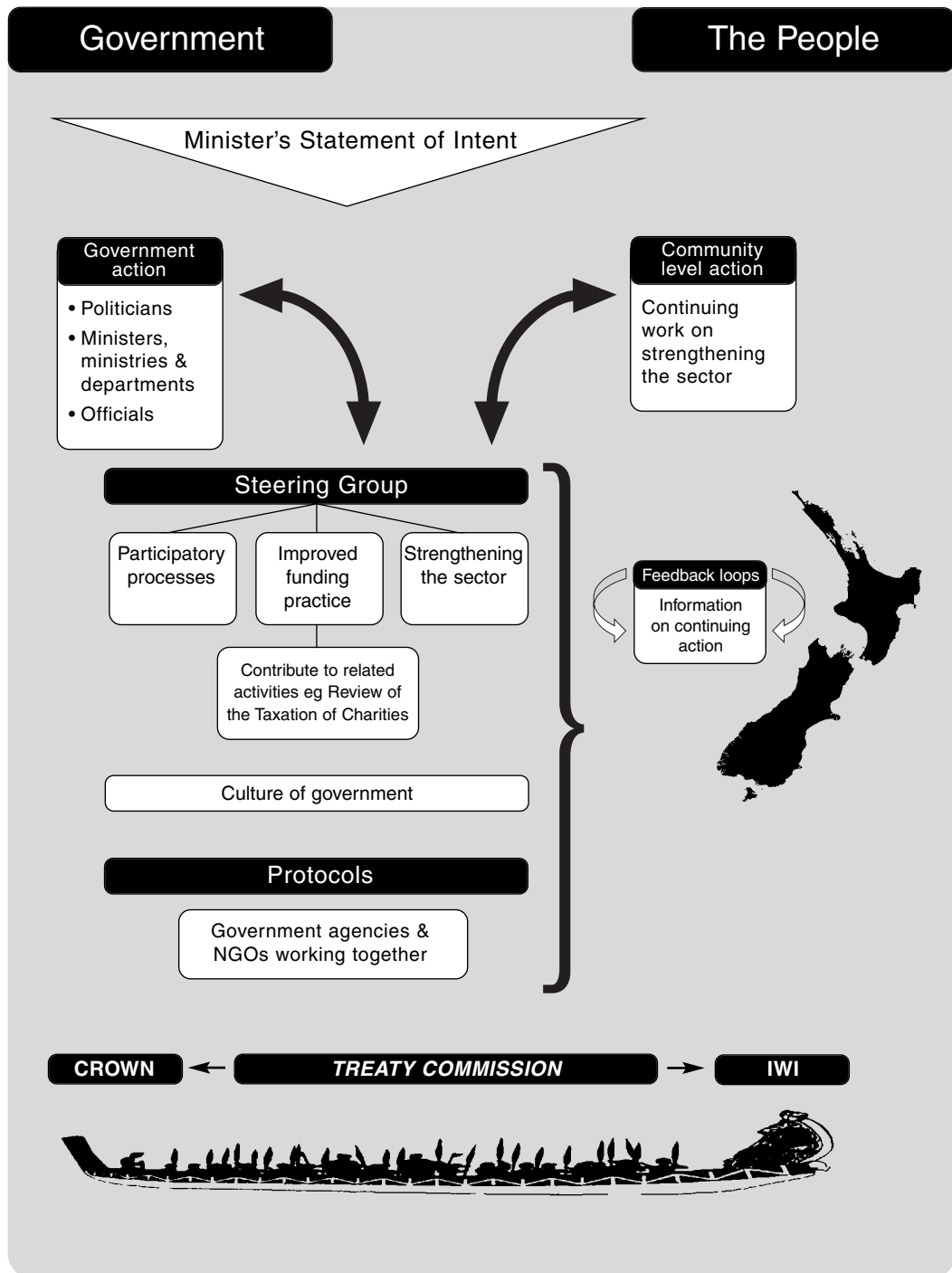
- ④ A broad and inclusive programme of actions requiring further development over time.

## The way forward: Phase Two Steering Group

- 467 The Working Party considered there was a need for the Phase Two relationship-building work to be led by a Steering Group. The Steering Group would take responsibility for overseeing and monitoring the progress of specific work streams. Developing effective communications among all the parties involved - including feedback loops to Iwi/Māori, community and voluntary organisations, and ways of drawing on their expertise - would also be an important responsibility.
- 468 The Steering Group would be informed by an ongoing Officials Reference Group and similar mechanisms for maintaining and developing strong links with organisations within the *iwi* and community sectors.
- 469 Officials and community representatives, aware of similar processes in other countries, were strongly of the view that political ownership and leadership is essential if real change is to be achieved. Working Party members agreed it is critical there should also be a regular forum for exchange of views between the Steering Group and interested Ministers.
- 470 The Working Party proposed that the Steering Group should comprise five members with the appropriate skills, knowledge and experience to provide leadership of the process. One member would act as Chair and spokesperson of the Steering Group and would take responsibility for co-ordinating the overall process. Three of the members would lead the proposed work streams. A further member would take responsibility for ensuring there is an Iwi/Māori focus across each of the work streams.
- 471 The work streams led by the Steering Group members would be the primary arena in which a wider group of government and community representatives would engage with each other to carry the relationship-building work forward. It is proposed that three working groups be established, focusing on:
- ④ developing a participatory style of government
  - ④ addressing government resourcing of community organisations and accountability issues
  - ④ working with the community organisations to strengthen the community sector.
- 472 The Steering Group, and the Phase Two work programme, would be time limited, with a progress report to the Government in December 2001 and a final report in May 2002 indicating ways of ensuring the work is successful and ongoing.
- 473 The Working Party considered it essential that the Phase Two work programme be sufficiently resourced to enable effective involvement of all parties in this critical developmental phase. This would represent an upfront investment to achieve longer-term gains. The proposals outlined below assume a commitment by the current government to supporting this work both through financial resources and political time, energy and leadership.

474 The recommendations for further action are outlined in the remainder of this section.

*Schematic Framework for Phase II*



## Government's Statement of Intent

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The Working Party:

- ⊙ considers the time is not right for a formal agreement between government and the community sector
- ⊙ believes there is an urgent need for the current Government to demonstrate its commitment to a new way of working with the sector
- ⊙ proposes that clear objectives for government agencies in restoring an improved relationship with the community sector be articulated through a formal Government *Statement of Intent*
- ⊙ suggests that such a *Statement* might include the following elements.

### **Introduction**

The **Statement of Intent** should acknowledge that:

- ⊙ there is considerable residual anger and mistrust in the community, arising from the experience of many people and groups in dealing with government over a number of years
- ⊙ Iwi/Māori, community and voluntary organisations play a unique and vital role in New Zealand society

The **Statement** should recognise that:

- ⊙ an independent and vibrant community sector is essential to the functioning of a healthy civil society and the organisations of the sector are entitled and obliged to represent freely the interests of their members
- ⊙ at the same time, the interdependence of government, Iwi/Māori, community and voluntary organisations is also vital to government in achieving its goals of social participation, social equity and strengthened communities.

### **Principles**

The **Statement** should affirm that a future relationship between government and the community sector must:

- ⊙ be a Treaty-based relationship
- ⊙ recognise the independence of the community sector
- ⊙ enable the mutual interests of both government and the community sector to be achieved through co-operation

- ⊗ demonstrate effective two-way communication
- ⊗ involve leadership from government Ministers and from within the community sector itself
- ⊗ acknowledge and support the positive role played by umbrella, national and strategic collective bodies
- ⊗ embrace innovation and creativity
- ⊗ be based on public accountability and appropriately flexible good practice standards.

### **Values**

The **Statement** should also affirm that the following values are at the heart of a robust and respectful relationship:

- ⊗ honesty
- ⊗ trust
- ⊗ recognition of diversity
- ⊗ integrity - *tika* and *pono*
- ⊗ compassion and caring - *aroha* and *manaakitanga*.

### **Intention**

To restore the basis for a better relationship, the current Government should make a commitment to ensuring that government agencies give priority to:

- ⊗ valuing and understanding the contribution of community, voluntary and Iwi/Māori organisations
- ⊗ building effective working relationships and partnerships between these organisations and government.

### **Path forward**

- ⊗ Good relationships are built on trust, appreciation of different points of view and shared effort over time. To make real progress towards achieving an effective relationship between government and the community sector, government will need to make a clear commitment to implementing the Phase Two relationship-building proposals throughout 2001 and 2002.

## The Treaty of Waitangi and Crown/Iwi relations

### **OVERARCHING RECOMMENDATION**

The Working Party proposes that the Government consider establishing a high level, highly mandated body such as a **Treaty of Waitangi Commission**, with representation of the Crown and *iwi*, to consider the Crown/Iwi relationship and advise on future directions. The Commission could consider such issues as *iwi* self-determination, constitutional change and ways of implementing agreed outcomes.

### **IMMEDIATE GOALS OF THE TREATY OF WAITANGI COMMISSION**

The Working Party proposes that the Treaty Commission's considerations should include:

- ④ reviewing implementation of the recommendations of *Pūao-Te-Ata-Tū*
- ④ developing an education programme to improve understanding of the Treaty of Waitangi
- ④ developing good practice models based on a Māori world view, rather than a Māori 'perspective', to improve the performance of government agencies
- ④ developing through independent external review more effective Treaty audits of law, policy and practice in the state sector
- ④ considering issues such as direct Crown funding to Iwi/Māori health and social service providers, enabling Māori to determine their own needs, service responses and accountability measures.

### **THE WAY FORWARD: PHASE TWO RECOMMENDATIONS**

The Working Party also recommends that, to improve the relationship between government and Iwi/Māori organisations providing services in the community, the Phase Two Steering Group should:

- ④ facilitate development of resources to assist community organisations to introduce and use mechanisms such as: responsiveness to Māori plans, Treaty audits and inclusion of Treaty components in social audits
- ④ take action to address inequitable funding arrangements which impact negatively on Iwi/Māori providers compared with other providers
- ④ improve intersectoral approaches to Iwi/Māori strategies and programmes to create a more holistic approach to service delivery
- ④ ensure an independent review is undertaken of Iwi/Māori providers to establish a 'snapshot in time' that identifies their capacity, delivery effectiveness and capacity to meet the relevant needs of Māori
- ④ create a Māori-defined and accessible complaints process for Iwi/Māori providers and government relations, including establishment of a monitoring process for the complaints and their outcomes so that this can be used as a tool for measuring institutional racism.

## **Developing a participatory style of government**

### **IMMEDIATE ACTION**

The Working Party recommends:

*That the Government should:*

- ④ fund a community-based organisation to develop and maintain a database of Māori, Pacific and community people available to undertake policy and research work in public sector processes and projects.

*That all ministries and departments should:*

- ④ ensure that Māori, Pacific and community sector experts are routinely considered alongside other specialists when policy and research skills are sought for particular projects
- ④ ensure officials are clear that advice prepared for Ministers should include consultation with Iwi/Māori, community and voluntary organisations and that the extent of any such consultation should be signalled in Cabinet papers
- ④ complete a stocktake of current methods of engaging with the public (including gathering feedback from different kinds of community organisations) to identify the strengths and weaknesses
- ④ review use of 0800 number services, noting a need for:
  - prompt human pickup for the initial contact
  - prompt access to a skilled, knowledgeable person to respond to queries
  - alternative forms of communication when access to a telephone is restricted e.g. rural communities.

## **PHASE TWO ACTION**

The Working Party recommends:

*That the Government should:*

- ④ provide regular information on the social state of the nation through a mechanism such as an annual report on significant indicators and trends
- ④ ensure that information on social indicators links with ongoing development of measures for reporting on environmental and fiscal health
- ④ in the context of the current reform of the Local Government Act 1989, work with local government and the *iwi* and community sectors to ensure ongoing improvement of community engagement processes in strategic planning and development of central and local government policies and services at the local and regional level
- ④ ensure that the resourcing available to government agencies for engaging with *iwi* and community sector representatives is sufficient to enable officials to participate effectively giving the relationship the respect it deserves
- ④ ensure government agencies proactively develop effective mechanisms for collaboration across policy development and service delivery to facilitate 'joined-up government'.

*That the Phase Two Steering Group facilitate:*

- ④ a substantial training programme for officials and improved processes in government agencies for engaging *iwi* and community organisations in policy development
- ④ social, economic and environmental audits of government agency policies and activities as part of their annual review processes
- ④ a programme of regional fora, *hui* and fono for politicians (Ministers and Members of Parliament) and their departmental chief executives to engage in dialogue with *iwi* and community organisation representatives
- ④ work with local government and community organisations to facilitate the exchange of successful local engagement and decision-making models and practice.

*Implementation tool:*

Development of a consultation protocol.

## Reviewing resourcing and accountability arrangements

### **IMMEDIATE ACTION**

The Working Party recommends:

(A) *In regard to the administration of government funding for community organisations:*

- ④ funding commitments of less than \$30,000 should become grants, with reporting requirements appropriate to the level of funding
- ④ as a contracting standard, there should be a presumption of three- to five-year funding, with periods of less than three years requiring explicit justification - for instance, shorter-term funding might be appropriate where new initiatives are being tested or piloted or where the project itself is less than three years in duration
- ④ payments by government to *iwi* and community organisations should be made in accordance with the contract schedule, with any late payments carrying a penalty fee at Department of Inland Revenue rates
- ④ contracting practices should include negotiations conducted in good faith, with the inclusion of performance measures of value to both parties, recognising that this may require resourcing for training for both the funding agency and the contracting community organisation
- ④ departments should involve *Iwi/Māori*, community and voluntary organisations in reviewing processes for managing contract disputes
- ④ all contracts with *Iwi/Māori*, community and voluntary organisations should allow for a component that recognises the administrative and other overhead costs to the organisation, including support for volunteers, staff training and organisational development
- ④ government departments should report to Parliament only on the proportion of service purchased or funded i.e. departments should not claim 100% responsibility where there has been only a partial contribution to the cost of delivering the service.

(B) *In regard to the location and availability of funding:*

- ④ the Community Organisation Grants Scheme (COGS) allocation should be immediately increased from \$10 million to \$15 million with subsequent increases over the next three years to \$20 million
- ④ the Contributory Funding pool currently managed within the Department of Child, Youth and Family should be reviewed and the bulk of the allocation transferred to an agency able to ensure a focus on supporting community-initiated activities.

## **PHASE TWO ACTION**

The Working Party recommends:

(A) *That the Phase Two Steering Group should establish a work stream led by a group comprising officials from key government funding agencies and iwi and community representatives to:*

- ④ draw together recent work by Treasury, the State Services Commission and the Ministry of Social Policy
- ④ review existing and potential government community funding arrangements and their effectiveness in meeting the objectives of government and community partners
- ④ consider the interests of particular groups: Iwi/Māori, larger service providers, smaller community groups and others
- ④ consider the distinct interests of service providers and service users
- ④ consider the appropriateness of current funding in relation to provision of information, policy and advocacy, training and accountability roles
- ④ consider options for improving accountability and reporting
- ④ develop specific proposals for addressing the particular concerns of Iwi/Māori and other organisations
- ④ develop good practice models
- ④ monitor and advise on process improvements arising from the above.

*Implementation tool:*

A protocol for government funding of community organisations.

(B) *That, in consultation with the community sector, the Government should work with other community funding bodies to:*

- ④ develop and share good practice models of funding decision-making
- ④ address other related issues such as appointments to community funding bodies
- ④ explore the interface issues between private sector funders, community trusts and state funding agencies.

## Government and Community Sector relationship

### The way forward: Phase Two work programme

#### Strengthening the community sector

##### **IMMEDIATE ACTION**

The Working Party recommends that:

- (A) *To ensure the immediate viability of umbrella and strategic collective groups within the social services sector, the Government should:*
- ⊙ provide funding to the social services umbrella groups and an Iwi/Māori provider collective voice at a level that will ensure their capacity to sustain their critical strategic and developmental contribution to the next phase of development of the sector.
- (B) *To recognise government's strategic investment in 'capacity-building' of Iwi/Māori and Pacific provider development, and to ensure that this investment is well co-ordinated, government should:*
- ⊙ review the overall coherence of the initiatives, means of strengthening Iwi/Māori and Pacific peoples' ownership, good working models and plans for ongoing development.

##### **PHASE TWO ACTION**

*The Working Party recognises that the primary responsibility for leading the ongoing development of the community sector lies with the community organisations themselves.*

To support this direction, the Working Party recommends:

- (A) *That the community sector should be supported to:*
- ⊙ initiate means of building relationships across the sector and of working together to identify common problems and develop common strategies for addressing needs such as:
    - working with volunteers
    - managing and supporting paid staff
    - training
    - planning and governance
    - policy development
    - information technology
    - research
    - advocacy
  - ⊙ develop a strategic approach to building a shared funding base for this collaborative activity through government and private sources
  - ⊙ inform government on a regular basis on the health and viability of the community sector.
- (B) *That government should:*
- ⊙ develop a strategy for investing in the community sector, including specific commitment to resourcing umbrella, national and strategic groups as appropriate across the sector.
- (C) *That the Steering Group should:*
- ⊙ work with national, umbrella and other strategic groups to facilitate the strengthening of an independent and viable community sector
  - ⊙ work with community organisations to facilitate involvement in problem solving and planning at the local level.

### Building the capacity of government agencies to engage with community organisations

#### **IMMEDIATE ACTION**

The Working Party recommends:

- ① government agency recruitment practices should acknowledge experience working in and with *iwi* and community organisations
- ① government agency induction and training programmes should include an introduction to relevant *iwi* and community organisations
- ① government departments should ensure consistent messages are given by front-line staff to minimise the impression that the information provided depends on 'who you get in the office on the day'
- ① government department relations with the public should be monitored to ensure that all New Zealanders are treated with respect, dignity and compassion.

#### **PHASE TWO ACTION**

The Working Party recommends:

- ① development of a seminar series and other initiatives to improve understanding within government agencies of *iwi*/Māori, community and voluntary sector aims, objectives, structures, accountability arrangements and operating realities
- ① a programme of two-way secondments and exchanges between government departments and *iwi*/Māori, community and voluntary organisations, with the proviso that this would be developed in a way that would not incur costs on community participants.

## Government and community sector relationship The way forward: Phase Two work programme

### Steering group

#### **PHASE TWO ACTION**

The Working Party recommends:

*Establishment of a five member **Phase Two Steering Group:***

*Comprising:*

- ① a chair
- ① three expert members who will lead the following work streams:
  - developing participatory policy and other processes
  - funding and resourcing
  - strengthening the sector
- ① one member to lead a Māori-defined approach across all streams of work

*Noting:*

- ① members will include officials and community representatives
- ① the Steering Group will second and involve other government and community sector representatives as required

*Steering Group members will be responsible for:*

- ① overseeing and monitoring the progress of working groups focusing on agreed sub-projects within the work programme
- ① leading development of relationship protocols between government agencies and particular community organisations
- ① supporting initiatives within the community sector to build relationships both with government and across the sector
- ① ensuring a co-operative, interweaving of the relationship-building work with other concurrent government, community and Iwi/Māori processes
- ① facilitating understanding of the contribution of non-government organisations to a flourishing civil society
- ① developing and implementing a strategy for engaging central and local government politicians in working with Iwi/Māori and community organisations
- ① developing and implementing an effective communication strategy

*Reporting to government as follows:*

- ① interim report by December 2001
- ① final report by 31 May 2002.

#### Action recommended on other specific issues

##### Taxation and accountability issues

###### **IMMEDIATE ACTION**

The Working Party recommends that the proposed Review of Taxation of Charities should proceed, and that the discussion document and consultation process should:

- ① enable discussion on a modern and broad definition of 'charitable' purpose
- ① take care to ensure that the complexity of the issues is presented in a manner that will enable a broad range of Iwi/Māori, community and voluntary organisations to understand the issues and participate in the discussion.

##### Relations with local government

###### **PHASE TWO ACTION**

The Working Party recommends:

- ① that Phase Two of the relationship-building work programme proposed in this report should include a strategy to ensure that local government is involved, through the Steering Group and working groups, in specific projects and in any community consultation and engagement programme.

##### Relations with the business sector

###### **PHASE TWO ACTION**

The Working Party recommends:

- ① that Phase Two of the relationship-building work proposed in this report should include a strategy to ensure that business groups are involved, through the Steering Group and working groups, in specific projects and in any community consultation and engagement programme.

#### International relations

##### **IMMEDIATE ACTION**

The Working Party recommends:

- ④ relevant government ministries and departments should establish mechanisms and processes to enable:
  - the prompt dissemination of information on international commitments and expectations to all relevant parties
  - meaningful input by organisations within the *iwi* and community sectors into national reports to international bodies and the development of official New Zealand policy positions for international fora
- ④ such mechanisms and processes should:
  - be based on separate, parallel approaches for *iwi* and for the community sector
  - be Treaty-based, with *Iwi/Māori*-defined processes for *Māori*
  - be developed jointly, not just determined by government
  - allow for meaningful input into policy development from the beginning, and not just in response to government positions that have already been formulated
  - include provision for adequate resourcing to cover the costs of consultation and participation
- ④ the revised guidelines covering the participation of non-government organisations in official delegations in the international arena should be reviewed in discussion with government and interested *Iwi/Māori* and other non-government organisations
- ④ where the benefits of linking with international bodies can be clearly shown and there are no other funding sources available, relevant government ministries and departments should, for the organisations in their sphere of interest, give full consideration to covering costs of affiliation to those international bodies and of participation in key international events.

#### Research proposals

The Working Party considers that research and information about the community sector would be enhanced by pursuing the following proposals:

##### **Membership and participation**

*Key question: Who participates in the community sector and why?*

This might cover: How extensive is 'overlapping' membership between organisations? Are there 'joiners' and 'non-joiners'? What are the motivators, enablers and barriers to participation and membership? Are there differences between leaders, active members and nominal members? What is the role of community organisation participation in supporting democracy and active citizenship? What are the impacts of participation on members and their perceptions of their role? What is the difference between membership that is energising and sustainable, and membership that is demotivating and leads to burnout?

##### **Nature of the Iwi/Māori 'manaaki' sector**

*Key question: What is the nature of this sector?*

This might cover: What is the 'size' of the sector? Who participates? What is the range of activity involved? What are the critical Māori cultural and institutional support systems for this activity? How is this activity changing over time? What are the current trends and influences?

##### **Nature of Pacific peoples' community sector in New Zealand**

*Key question: What is the nature of this sector?*

This might cover: What is the 'size' of the sector? Who participates? What is the range of activity involved? What are the critical cultural and institutional support systems? How is this activity changing over time? What are the current trends and influences? What are similarities and differences between each Island grouping?

##### **Small community organisations**

*Key question: What are the particular demands and issues facing small, 'flax-roots' groups – especially those relying entirely on volunteers?*

This might cover: Are there unique coping strategies of small organisations? Are there particular management and governance needs? Are there effective strategies for coping with 'economies of scale' that could be shared? Are there advantages in remaining small and avoiding the pressures that accompany increases in size?

*(continued)*

### **Nature of the informal community sector**

*Key question: What is the nature of the informal community sector in New Zealand?*

This might cover: What is the estimated size of the sector (number of 'groups and networks')? What is the range of activities involved? How are they funded?

### **The history of the community sector in New Zealand**

*Key question: What have been the key trends in the development of the community sector in New Zealand?*

This might cover: What were the social/historical origins of the sector in New Zealand? Have there been clear phases in its development? Who have been the players? What have been the key internal drivers? What have been the external influences? What have been and are the relationships between the Iwi/Māori, pakeha, Pacific peoples' and other strands? How does the community sector in New Zealand compare with the non-government sectors of other countries?

### **The role of churches and other faith-based communities**

*Key question: What contribution has been made by the churches and other faith-based communities to the community sector in New Zealand?*

This might cover: What has been the role of the churches in the development of the community sector in New Zealand? How does this compare with the non-government sectors of other countries? What has been the contribution of churches and faith-based communities to: volunteering, charitable giving, development of organisations at the local community level? What are the current trends? Are there differences across Māori, pakeha, Pacific peoples' and other communities?

### **Fund-raising**

*Key question: How do community organisations in New Zealand raise funds and contributions 'in kind'?*

This might cover: What actually happens? Are there differences between different types of organisations? Can we establish guidelines for best practice?

### **The nature of charitable giving to the community sector in New Zealand**

*Key question: Who gives, how much and why?*

This might cover: spread and concentration, the relationship between volunteering and donating, the demographic characteristics of 'givers' and 'non-givers', and of 'major givers' and 'minor givers'. The research might explore the proposition that there is a small 'civic core' that does most of the giving. Are there any trends? Are there identifiable cultural differences in giving? What are the motivators, enablers and barriers to giving?

*(continued)*

### **The viability of the social services sector**

*Key question: Given that government is very dependent on the community sector for delivery of essential social services, what is the current viability of the community social services sector in New Zealand?*

This might cover: What information is available at present? What can new research tell us about current viability? What are the trends? What does this information tell us about the appropriate action to be taken by government in supporting the sector?

### **The economic contribution of the community sector to New Zealand**

*Key question: What is the extent and value of the contribution?*

This might cover: What are the resource flows in and out of small and large community organisations? Is there information available about the different 'sub-sectors': social services, sport and recreation, environment, emergency services, arts, culture and heritage, etc? Can we extend understanding of the value of the unpaid contribution made by people in community organisations? What do we know about the sector as an employer of paid staff? What would be the consequences for government (and New Zealand society) if community organisations ceased activity? What does this information tell us? How could information about the economic value of the contribution of community organisations be improved?

### **The contribution of the community sector to civil society in New Zealand**

*Key question: What is the extent and value of the contribution?*

This might cover: What information is available at present? What information is there about the different 'sub-sectors': social services, sport and recreation, environment, emergency services, arts, culture and heritage, etc? What does this information tell us? How could this information base be improved? What are the links between this information and international civil society research?

### **Leadership – in the community sector**

*Key question: What is the nature of leadership in the community sector?*

This might cover: Who are the leaders? What are their characteristics? What are the pathways into leadership? What are the motivators, enablers and barriers to leadership in the community sector? Are there trends? The research might explore the proposition that there is a leadership succession crisis in the community sector.

*(continued)*

**Partnerships: Case-studies and positive models**

*Key question: What are the elements of successful partnerships?*

This might cover: partnerships between community organisations and central and/or local government, partnerships with businesses, and partnerships, collaboration and networks within the sector between community organisations. What works? What doesn't work? What are the motivators, enablers and barriers?

**Treaty-based partnerships: Case-studies and positive models**

*Key question: What are the elements of successful Treaty-based partnerships within the community sector?*

This might cover: What information is there about partnerships between community organisations and Iwi/Māori organisations? What works? What doesn't work? What are the motivators, enablers and barriers?

**Advocacy, innovation and service-delivery functions**

*Key question: Is there an optimal balance among these roles?*

This might cover: What are the elements of client and policy advocacy? What works and doesn't work? What are the trends, motivators, enablers and barriers?

**Governance arrangements**

*Key question: What governance arrangements are used in New Zealand?*

This might cover: What are the trends? What actually happens in community organisation boards and committees in New Zealand? What helps and what hinders a successful board or committee? What value is added by different governance arrangements – in terms of: strategy? income generation? achieving outcomes? enhancing civil society/social capital? Who sits on boards and committees? Why are they there? Who is not likely to be there?

**Accountability systems and processes**

*Key question: What is the nature of accountability in the community sector in New Zealand at this point in time?*

This might cover: What are the models of accountability? To whom are organisations accountable? For what? In what ways? What works or does not work? For those organisations dependent on government funding, what are the tensions in managing dual accountability? What are the motivators, enablers and barriers to effective accountability systems?

*(continued)*

### **Management practices and trends within the community sector in New Zealand**

*Key question: What is the nature of management practice in the community sector in New Zealand?*

This might cover: What are the key patterns? Are there identifiable models? Are there differences across the sector? Are there trends? Is there an approach that could be viewed as particular to the community sector in New Zealand? What has influenced management practice in the sector? Have private sector practices and trends influenced the sector? Have public sector practices and trends influenced the sector? What are the skill strengths of community sector managers? What are the skill deficits of community sector managers? What training is available?

### **The community organisation life-cycle**

*Key question: What are the factors involved in the emergence and decline of community organisations?*

This might cover: Are there identifiable characteristics in those organisations that continue and adapt to changing circumstances? Are the 'birth' and 'decline' of organisations unavoidable phenomena? What facilitates community organisation formation and sustainability?

### **Evaluation and review**

*Key question: What evaluation and review of practices currently take place in community organisations in New Zealand?*

This might cover: What approaches, tools and resources are used? By what types of organisations? Where are the skills found? What are the training needs in this area? In what other ways do organisational learning and change take place? What else helps or is the source of organisational change?

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