

Briefing for Incoming Minister

COMMUNITY AND VOLUNTARY SECTOR

October 2005

THE DEPARTMENT OF INTERNAL AFFAIRS



Te Tari Taiwhenua

CONTENTS

INTRODUCTION	3
SECTOR OVERVIEW	7
STRATEGIC AND LEGISLATIVE FRAMEWORK	10
MINISTER'S ROLE	11
DEPARTMENT'S ROLE	12
KEY ISSUES AND THEMES	15
KEY STAKEHOLDERS	17
APPENDIX I: MEMBERSHIP OF STATUTORY BODIES	18

Introduction: Community and Voluntary Sector

Introduction to Internal Affairs

The Department of Internal Affairs' purpose is to serve and connect citizens, communities and government to build a strong, safe nation. The Department's vision is to be a recognised leader in public service – known for innovation, essential to New Zealand, and trusted to deliver.

In 2005, the Department administered six votes:

- | | |
|------------------------|----------------------------------|
| - Internal Affairs | - Community and Voluntary Sector |
| - Ministerial Services | - Civil Defence |
| - Local Government | - Racing |

(Ethnic Affairs is a separate portfolio within Vote Internal Affairs.)

The Department administers approximately 80 Acts and sets of Regulations, and around 1500 'local' Acts.

The Department employs around 1,100 people in 17 centres in New Zealand, plus small offices in Sydney and London. It has revenues of almost \$150 million per year from both Crown and external sources. It is the responsible department for many Crown entities and other statutory bodies.

Introduction to Ministerial Role

STATUTORY POWERS OF THE MINISTER

Under the Charities Act 2005, the Minister:

- Oversees and manages the Crown's interest in, and relationship with, the Charities Commission. This includes the power to direct the entity to have regard to government policy that relates to the entity's functions and objectives.
- Appoints the seven members of the Board, including one person as Chairperson of the Board and another as Deputy Chairperson of the Board.
- Attends (or designates a representative to attend) at least one annual meeting of the Commission each year in which a meeting is held.

FUNCTIONS OF THE DEPARTMENT OF INTERNAL AFFAIRS

The Department's activities under the Community and Voluntary Sector portfolio focus on working towards strong, sustainable communities, iwi and hapū through the provision of policy advice, administration of grants and community advisory services.

CROWN ENTITIES AND OTHER STATUTORY BODIES

- Charities Commission.

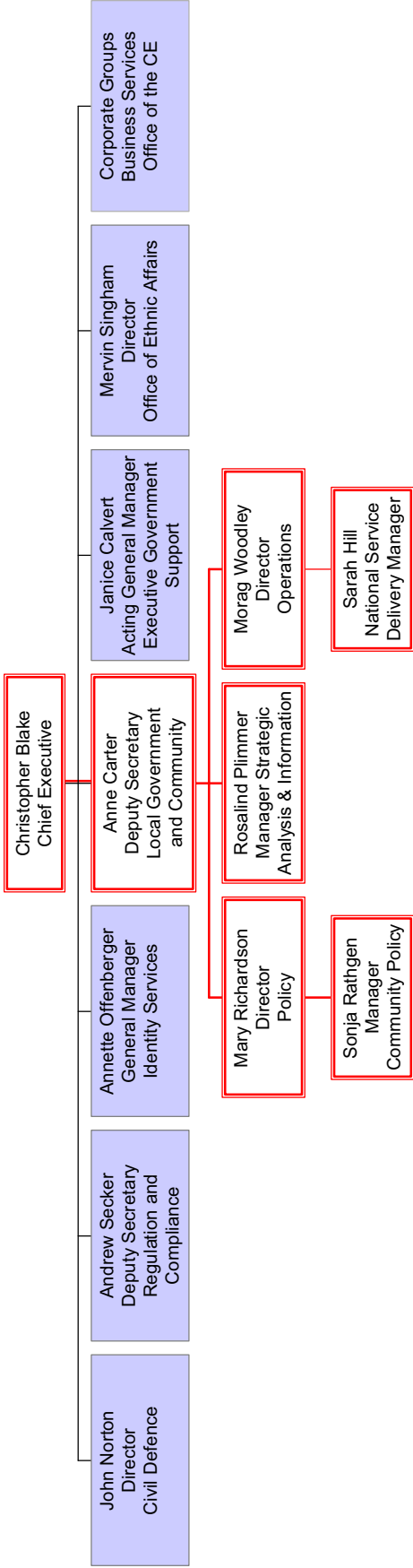
KEY STAKEHOLDERS

- Community leaders
- Iwi, hapū and Māori organisation leaders
- Board members, staff and volunteers of community and voluntary organisations
- Local government
- Office of the Community and Voluntary Sector
- Office of Ethnic Affairs
- Other government agencies with a community focus – Ministry of Social Development; Child, Youth and Family; Te Puni Kōkiri; Pacific Island Affairs; and Office of Disability Issues.

Minister for the Community and Voluntary Sector

Department of Internal Affairs Accountability Arrangements

This chart shows the areas and people of the Department of Internal Affairs (in red) who report to you as Minister for the Community and Voluntary Sector



1. Sector Overview: Community and Voluntary Sector

Communities are networks of people and the organisations they form. They bring together organisations, individuals and families. Members of communities are linked together through shared identities (whakapapa), or a common location (such as a neighbourhood or town), or mutual interest (for example, a sport or profession).

Strong, sustainable communities, iwi and hapū¹ are an important building block for achieving positive social, economic, cultural and environmental outcomes. Personal networks, employment, social services, local government, community events, recreational pursuits and volunteering provide individuals and families with opportunities to generate wealth, find security, have their needs met, and be involved.

Government has a key role in ensuring New Zealand's communities are strong and sustainable. As well as delivering the key services that are needed for a healthy nation (such as education and health), government helps individuals, family and whānau be more self-reliant by supporting the development of their communities.

Government contributes to strong, sustainable communities in a number of ways: providing resources for the development activities initiated by communities, iwi and hapū; supporting the community and voluntary organisations that serve communities; working with local authorities to support community planning processes; and promoting volunteering and participation in community activities.

The Department of Internal Affairs has a specific role in working towards strong, sustainable communities. The Department's community advisors, based in 16 offices across the country, work with community, iwi and hapū members to support their development projects. They bring local government, businesses, and other government agencies together to focus on the needs of communities. They provide information that community, iwi and hapū members need to advance their own development.

Capable community organisations are an important feature of strong, sustainable communities/iwi/hapū, as much of the work done by community, iwi and hapū members to improve their communities is done within such organisations. Over 23,000 incorporated societies, 10,000 charitable trusts and thousands more unregistered organisations exist.

¹ In the definition set out in this briefing, iwi and hapū are defined as distinct communities. This links with the Department's outcome of "strong sustainable communities, iwi/hapū".

The Department, through Vote Community and Voluntary Sector, distributes over \$15 million per year to community organisations. A further \$20.7 million is targeted to supporting information and communication technology (ICT) initiatives in communities over the next four years. The Department is the largest government grant maker to community and voluntary organisations.

The Department manages the process of Ministerial appointments to the Community Trusts. Community Trusts distribute over \$60 million per annum of public money across the country each year to support community initiatives and development. Supporting the appointment of capable board members ensures that the investment opportunities these substantial resources represent for communities are realised.

Much of the work that occurs within communities is voluntary. More than one million New Zealanders undertake some form of voluntary work. Recent research illustrates the importance of volunteers to communities. For every dollar provided to a voluntary agency, between \$3 and \$5 worth of services are delivered to the community.² Some Māori do not relate to the formal concept of volunteering, but Māori spend more hours than others working without pay for their community, iwi and hapū. The Department operates a number of programmes to support the work of volunteers, including support for Māori, Pacific and Ethnic volunteers.

The Department supports the Minister for the Community and Voluntary Sector in managing responsibilities for the Charities Commission. The Commission was established on 1 July 2005 to register, report on and monitor charities that wish to retain or obtain exemption from income tax. These processes will increase the transparency of charitable activities and strengthen public trust. The establishment of the Commission signals the recognition of the importance of charitable giving and philanthropy in the development of communities.

New local authority responsibilities under the Local Government Act 2002 require the identification of community outcomes and priorities and represent an important opportunity for communities. The Department's community advisors work with local authorities to encourage participation in community planning. The Department has responsibility for managing and facilitating the interface between central and local government in the community outcomes process, and for providing policy advice to central government on local government issues. Policy advice to the Minister for the Community and Voluntary Sector is well informed by such links to local government policy.

² New Zealand Federation of Voluntary Welfare Organisations and PriceWaterhouseCoopers (2004) *Counting for Something: Value Added by Voluntary Agencies*, Wellington.

The Department works alongside a number of other government agencies that have an interest in communities. The Ministry of Social Development provides the strategic overview of community and voluntary sector issues. The Office for the Community and Voluntary Sector, also reporting to the Community and Voluntary Sector portfolio, works alongside government departments which are developing policy affecting the community and voluntary sector. The Department also works with the Offices of Ethnic Affairs and Disability Issues, Department of Building and Housing, Police, Te Puni Kōkiri, the Ministry of Pacific Affairs, and Family and Community Services (Ministry of Social Development). It also works with community, iwi and hapū leaders, and community and voluntary organisations at national, regional and local levels.

2. Strategic and Legislative Framework: Community and Voluntary Sector

The Charities Act 2005 is administered by the Department of Internal Affairs and provides for the establishment of the Charities Commission and the process of registering, reporting on, and monitoring charities.

The Sustainable Community Development Framework guides the Department's work with communities, iwi and hapū. It outlines *why* government is interested in strong, sustainable communities. The framework is based on analysis of New Zealand and international research and was jointly released by the Department of Internal Affairs and the Ministry of Social Development. A community development approach involves government supporting communities to make their own decisions and undertake activities aimed towards self-reliance. Guidelines for working with iwi, hapū, and Māori, Pacific and ethnic organisations have also been developed.

3. Minister's Role: Community and Voluntary Sector

The Ministerial role is to be a focal point for the government's interventions and strategies at the community level. It is also to participate actively in building a strong government relationship with the community and voluntary sector. An emerging role for the Minister of Community and Voluntary Sector is leading the community aspects of the Digital Strategy and helping to realise the opportunities provided by information and communication technologies for communities, iwi and hapū.

Included in the portfolio is the Office for the Community and Voluntary Sector (Ministry of Social Development). The Office works alongside government departments which develop policies that affect the community and voluntary sector.

There are strong linkages in this work with the role of the Minister of Local Government, given the new responsibilities of local government to facilitate community identification of outcomes and to report on these in Long-Term Council Community Plans. There are also strong linkages with the roles of the Ministers of Māori Affairs, Social Development, Pacific Island Affairs and Ethnic Affairs.

The Minister is also seen by many people working in the sector as the appropriate person to whom to express concerns and make recommendations for improving government policy and systems, and voluntary and community sector resourcing.

Under the Charities Act 2005, the role of the responsible Minister is to oversee and manage the Crown's interest in, and relationship with, the Charities Commission. This includes the power to direct the Commission to have regard to government policy that relates to the entity's functions and objectives. The responsible Minister also appoints the Board and attends at least one annual meeting of the Commission each year.

4. Department's Role: Community and Voluntary Sector

The Department is responsible for:

- *Policy Advice* - providing policy advice with community development perspectives and support for the Minister responsible for the Community and Voluntary Sector
- *Monitoring* – providing advice about the performance of the Charities Commission in meeting the Government's expectations and objectives as set out in its annual Statement of Intent and Output Agreement
- *Managing the appointment process for trusts on behalf of a number of Ministers, as well as trusts for which the Minister of Community and Voluntary Sector is responsible* – providing advice and managing the process of appointments
- *Community Advisory Services* – advisors work with communities/hapū/iwi to build services and relationships between other government agencies, local authorities and community organisations as well as provide support to organisations to develop organisational capability plans. A third of the advisors are Māori or Pacific people, which encourages the delivery of credible and effective services to Māori and Pacific communities. Advisory work includes the implementation of Connecting Communities, a Digital Strategy initiative that facilitates the uptake of ICT in communities, hapū and iwi. Advisory staff are based in 16 regional offices:

Kaitaia	Whangarei	West Auckland	Manukau
Hamilton	Rotorua	Gisborne	New Plymouth
Napier	Palmerston North	Wellington	Nelson
West Coast	Christchurch	Dunedin	Invercargill

- *Administration of Grants* – the Department administers nine Crown and six non-Crown funding schemes (funds to be allocated in 2005/06 are detailed below).

Crown Funded Schemes

- *Community Organisation Grants Scheme (COGS)* (\$12.355 million) – grants for community organisations.
- *Community Partnership Fund* (\$20.7 million over the next four years) – a Digital Strategy initiative to support the development of community partnerships that will improve people's capability and skills to use ICT and develop digital content
- *Community Development Scheme* (\$1.880 million in 2005/6 and \$2.15 million in 2006/07 years) – salaries for community development workers

- *Community Internship Programme* (\$0.300 million) – provides for the placement of interns in community organisations
- *Crime Prevention Community Project Worker Scheme* (\$0.207 million) – salaries for youth development initiatives
- *Youth Development Fund* (\$0.473 million) – funding for youth development projects for youth at risk
- *Youth Work Training Scheme* (\$0.200 million) – provides training opportunities for youth workers
- *Māori Community Development Workers* (\$0.200 million) – funds community development workers in Māori communities
- *Support for Volunteering* (\$0.450 million) – projects to support local volunteer centres.

Non-Crown Funded Schemes

- *Winston Churchill Memorial Trust* (\$0.100 million) – fellowships for short-term practical research projects
- *Norman Kirk Memorial Trust* (\$0.045 million) – funding for individuals and groups in New Zealand and South Pacific.

Other Non-Crown Funded Schemes which are part of Vote Community and Voluntary Sector but are the subject to a Memorandum of Understanding with the Minister of Internal Affairs

- *Lottery Grants Board Grants to Statutory Bodies* (\$56.318 million) – grants to Creative New Zealand, New Zealand Film Commission, Sport and Recreation New Zealand (formerly the Hillary Commission) and New Zealand Film Archive
- *Lottery Grants Board Grants to Community Organisations* (\$39.587 million) – distribution committees make grants to community organisations, with administrative support provided by the Department
- *Minister of Internal Affairs' Lottery Grants Discretionary Fund* (\$0.150 million) – discretionary grants outside the scope of the distribution committees.

Other Non-Crown Funded Schemes which have an appointment process that is managed through Vote Community and Voluntary Sector but are the responsibility of other Ministers

- *Peace and Disarmament Education Trust* (\$0.190 million) – funds projects that promote sustainable development in the South Pacific. Appointments administered on behalf of the Minister of Disarmament and Arms Control.
- *Pacific Development and Conservation Trust* (\$0.310 million) – makes grants to support education and research to promote peace. Appointments administered on behalf of the Minister of Disarmament and Arms Control.
- *Community Trusts* (approximately \$60 million) – 12 regional trusts that distribute resources to local communities from the proceeds of the sale of Trustee Banks. Appointments administered on behalf of the Minister of Finance.
- *Chinese Poll Tax Heritage Trust* (\$0.250 million) – funding to support the promotion and maintenance of Chinese culture and history in New Zealand.

5. Key Issues and Themes: Community and Voluntary Sector

There are a number of strategic issues that face an incoming Minister of Community and Voluntary Sector:

- *There is a wide variety of capability and capacity within the community and voluntary sector.* New Zealand's communities are becoming increasingly diverse in ethnic composition, access to resources and levels of wealth and poverty vary between communities. Some communities are growing rapidly, while others are in decline. The organisations that serve these communities are also diverse. Some are well-established national voluntary organisations with relatively stable funding sources while many others are small, informal local organisations.
- *Community leaders are concerned about increasing demands and costs of compliance and scrutiny.* The increasing costs of compliance with legislation and regulation, and scrutiny from government and other funders is a concern for some community leaders. Many community organisations require additional capability to respond. Funding for building capability is, however, considered limited and piecemeal.
- *There are many voices within the community and voluntary sector.* The diverse range of organisations and the communities they serve means there are many different perspectives and issues within the sector. There are challenges in deciding who represents a community or an organisation and in identifying different perspectives and issues.
- *Working with the range of community and voluntary sector stakeholders is a challenge for government.* Taking a community development approach (which means working alongside communities, hapū and iwi on issues of importance to them) means the Department can work effectively with the wide range of organisations and communities. The Department will continue to build its capability to work effectively with Māori, Pacific and ethnic communities.
- *Collaboration with local government is important.* The community outcomes processes mandated under the Local Government Act 2002 and increased willingness of government agencies, community organisations and local government to work together provide ideal conditions for addressing the diverse range of issues and opportunities for communities, iwi and hapū.

- *Collaboration with other government agencies is essential.* A number of initiatives are improving the way government agencies work with communities, hapū, and iwi such as streamlined grant application processes, use of multi-year funding agreements and the co-ordination of local initiatives. There is still much work to do to clarify the respective roles of government agencies to work effectively with communities, hapū, and iwi and co-ordinate work at the national, regional and local levels.

The Department's current community and voluntary sector work programme includes:

- *Managing the community aspects of the Digital Strategy.* This includes establishing the Community Partnership Fund, implementing a Connecting Communities strategy and working with Microsoft to upskill community members so that they can train others in ICT.
- *Supporting the establishment of the Charities Commission* which includes policy work to develop registration forms and support for the newly established board and employees.
- *Providing advice on the appointments to Trusts and statutory bodies.*
- *Developing a Community Investment Framework* to guide government's investment in communities.

6. Key Stakeholders: Community and Voluntary Sector

- Community leaders
- Iwi, hapū and Māori organisation leaders
- Board members, staff and volunteers of community and voluntary organisations
- Local government
- Office of the Community and Voluntary Sector
- Office of Ethnic Affairs
- Other government agencies with a community focus – Ministry of Social Development; Child, Youth and Family; Te Puni Kōkiri; and Pacific Island Affairs.

Membership of Statutory Bodies: Community and Voluntary Sector

CHARITIES COMMISSION

Name	Date of Original Appointment	Expiry Date of Present Term
Sid Ashton (Chairperson)	13 June 2005	12 June 2008
Judith Timpany (Deputy Chairperson)	13 June 2005	12 June 2007
Kerry Ayers	13 June 2005	12 June 2008
Ian Calder	13 June 2005	12 June 2007
Frank Claridge	13 June 2005	12 June 2007
Amohaere Houkamau	13 June 2005	12 June 2008
Patricia Webster	13 June 2005	12 June 2008