



# 2009/10 Estimates for Vote Community and Voluntary Sector

Report of the Social Services Committee

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## Vote Community and Voluntary Sector

### Recommendation

The Social Services Committee recommends that the appropriations for the year ending 30 June 2010 for Vote Community and Voluntary Sector, administered by the Department of Internal Affairs, as set out in Parliamentary Paper B.5, be accepted.

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### Introduction

Vote Community and Voluntary Sector is used to purchase the administration of grants, community advisory services, and policy advice from the Department of Internal Affairs, and includes funding for the Charities Commission. While the Department of Internal Affairs administers the Vote, the Ministry of Social Development also provides support for the sector through the Office for the Community and Voluntary Sector. The amount sought to be appropriated to Vote Community and Voluntary Sector in 2009/10 is \$44.989 million, a decrease of \$1.244 million from 2008/09 appropriations.

### Government–community relationship

The Minister for the Community and Voluntary Sector said that a stronger Government–community relationship was an expected outcome for the Office for the Community and Voluntary Sector, and that a whole-of-Government approach was needed to achieve this. As the Vote cuts across a large number of varied portfolios, we were interested in the way the Department of Internal Affairs, the Office for the Community and Voluntary Sector, and other related agencies work together, especially in relation to providing policy advice to the Minister on sector-wide issues. We were told that the department and the Office for the Community and Voluntary Sector have similar functions and work together on many issues, and that staff from both organisations work directly with communities. We were also informed that the Office for the Community and Voluntary Sector is improving its links to many agencies and umbrella groups in the sector, partly as a result of its location within the Ministry of Social Development with access to the ministry’s networks and links to its policy functions.

We learned from the Minister that a number of initiatives are already working towards a strong Government–community relationship. For instance, we were pleased to learn that the Community Sector Taskforce, an autonomous agency set up in 2003 to develop this relationship, has recently been re-established with a focus on hard-to-reach communities in New Zealand, such as Māori, Pacific, and other ethnic populations. We look forward to observing progress from the taskforce, and will monitor its results in the coming year. The Minister told us that other initiatives, such as the successful Computers in Homes project, will continue to receive funding through the Community Partnership Fund this year.

We were interested to learn that the Association of Non-Governmental Organisations of Aotearoa (ANGOA) had recently presented a report on the Government’s intentions for an improved community–Government relationship. The Minister told us that the Government is working through the 15 recommendations in the report, and we understand

that advice on these recommendations should be prepared for the Minister to take to Cabinet in the next couple of months.

### **Pressures on the sector**

The Minister said that the Department of Internal Affairs had undertaken work on trends that would affect communities over the next five to 20 years, and had recognised some opportunities and challenges for the sector in coming years. They include an ageing population and increasing ethnic diversity, a need for innovative community-driven approaches to solving issues, and preparing for climate change.

We were particularly interested in pressures on the sector in the current recession, and asked what was being done to mitigate its effects. The Minister told us that, while no research had been done on this subject, the sector has clearly been affected by the economic downturn, especially by a fall in funding from philanthropic and other sources. The Minister said she had suggested a number of ideas to the sector for minimising these pressures, including cooperation between organisations where their work overlaps. Some of us raised concerns about the effect of the establishment of the Community Response Fund on the sector, and the Minister agreed that the fund had implications for the sector, although responsibility for it lay with the Minister of Social Development and Employment. However, she pointed out that the sector was affected by a number of Votes, and that it was trying to do the best it could in the current economic environment.

We were pleased to note that the Minister recognised improving community preparedness for the impacts of climate change as a challenge. The Minister said that her main objective regarding climate change was to encourage groups and organisations to think about its probable impact on communities, for example in flood-prone areas. As an example of the potential effects of climate change, the Minister noted that some parts of the Northland region might end up having to be relocated in the future as a result of severe flooding in the area in recent years.

### **Charities Commission**

In our 2007/08 financial review of the Charities Commission, we noted that the organisation had some trouble reaching its targets, mostly regarding a large backlog of applications. We were interested to learn that, in order to improve the commission's performance, the Minister encouraged the organisation to narrow its focus temporarily to processing applications. Its monitoring and education roles have been put aside until the backlog is cleared, probably in November this year. As a result, the performance of the commission in processing applications has improved markedly in the past few months. We were informed that the organisation has only 134 applications remaining in its backlog (and is expecting to receive between 2,000 and 2,500 applications in 2009/10), and is now meeting its target of processing 70 percent of applications within 30 days of receipt.

We were also interested to hear that the commission had rejected 3,000 applications in six months, and asked the Minister whether the commission was perhaps being too rigorous or pedantic in evaluating applications. The Minister said she had raised the issue of the registration procedures, which she believed might be partly responsible for the length of time it had taken to clear the backlog of applications, but that the commission was reluctant to change its processes and criteria for approving applications.

The Minister told us she was pleased with the commission's performance in recent months, and that it had made significant progress. We intend to monitor the commission's work in clearing its backlog of applications over the next few months.

**Review of the Charities Act 2005**

We were also interested in the Department of Internal Affairs' review of the Charities Act 2005, planned for this financial year, and its implications for the commission. The Minister said that the review would focus on ensuring the Act was working as intended. It will not be a first-principles review, but will instead focus on adjusting the legislation as required. We will watch developments relating to the review closely over the next 12 months.

## Appendix A

### Approach to this examination

We met on 24 June and 1 July 2009 to consider Vote Community and Voluntary Sector. Evidence was heard from the Minister for the Community and Voluntary Sector, Hon Tariana Turia; the Department of Internal Affairs; and the Office for the Community and Voluntary Sector. We received advice from the Office of the Auditor-General.

### Committee members

Katrina Shanks (Chairperson from 24 June 2009)  
Jo Goodhew (until 24 June 2009, Chairperson until 24 June 2009)  
Chester Borrows  
Sue Bradford  
Hon Annette King  
Tim Macindoe  
Todd McClay  
Hekia Parata (from 24 June 2009)  
Dr Rajen Prasad  
Su'a William Sio

### Evidence and advice received

We considered the following evidence and advice during this examination:

*The Estimates of Appropriations for the Government of New Zealand for the year ending 30 June 2010*, Parliamentary Papers B.5, pp. 47–50 and B.5A, Vol 8.

Office of the Auditor-General, Briefing on Vote Community and Voluntary Sector, received 22 June 2009.

Minister for the Community and Voluntary Sector, Response to the standard Estimates questionnaire.

Response to additional questions, received 30 June 2009.

Vote Community and Voluntary Sector briefing paper, prepared by committee staff, 15 June 2009.

## Appendix B

### Corrected transcript of hearing of evidence 24 June 2009

#### Members

Katrina Shanks (Chairperson)  
Sue Bradford  
Hon Ruth Dyson  
Tim Macindoe  
Todd McClay  
Hekia Parata  
Dr Rajen Prasad  
Hon Maryan Street  
Lindsay Tisch

#### Witnesses

Hon Tariana Turia, Minister for the Community and Voluntary Sector  
Helen Leahy, Senior Ministerial Adviser, Office of Hon Tariana Turia  
Kathryn Paton, Private Secretary, Community and Voluntary Sector, Office of Hon Tariana Turia

#### *Ministry of Social Development*

Peter Hughes, Chief Executive  
Don Gray, Deputy Chief Executive, Strategic Social Strategy,  
Alasdair Finnie, Director, Office for the Community and Voluntary Sector

#### *Department of Internal Affairs*

Ann Carter, Deputy Secretary, Local Government and Community  
Marilyn Little, Director, Policy  
Jools Joslin, National Service Delivery Manager  
Mike Nathan, Pou Arahi,  
Damian Zelas, Manager, Crown Entity Monitoring  
Josie Whipps, Group Management Accountant

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| Shanks | Good morning, Minister, and good morning, Mr Hughes again. It's nice to see you at the table again so quickly. [Introductions] Thank you, Minister. If you'd like to start with your opening presentation, your opening position please.  |
| Turia  | Thank you. Tēnā koutou katoa. First of all, I want to say that it is a real privilege for me to have the community and voluntary sector portfolio. It's a portfolio that I value because of the contribution of 97,000 organisations that contribute almost \$4 billion to the economy through the great work that they do. So from Tangaroa College, where you have the engagement of the school and the community—huge progress in that school—right down |

to women who knit for those pre-natal children, there are just amazing people who just continually give with such generosity. I want to say that my goal has been to encourage the department to build effective relationships, so that we can have effective communities—empowered communities, so they have more control over their own situation—and certainly, trusting relationships with the Government sector, between the community and the Government. At the moment we are going through a recession, so it's more important than ever that those relationships are built.

The department has undertaken some work on looking at trends that will impact on communities over the next 5 to 20 year period, and from this work the department has identified opportunities and challenges. The key trends include that the New Zealand population is expected to grow to 5 million by the year 2020, and there will be an ageing of the overall population, while the Māori, Pacific and Asian populations will continue to be relatively youthful. The mixture of culture and age will create both challenges and opportunities, and we will need to ensure that the youth of today are really well skilled to meet the challenges of tomorrow. This is particularly relevant for young Māori and Pacific communities. Through the Treaty settlements, the collective economic wealth of Māori will grow, and there will be broader recognition of the cultural and intellectual wealth of Māori people.

The changing economic times, with a high level of unemployment and lower levels of income—and therefore of tax take—mean that communities need to be innovative in their solutions, and particularly in regards to youth. Climate change impacts will be significant, and many communities are so badly affected that it may well also mean that it will challenge the viability of some geographic communities to continue. Technology is going to be more important than ever going into the future, in terms of delivering public service, as a means of society being able to participate. Of more importance, we will need to build more resilience in whānau and families, as building blocks for our communities, and enable them to participate more fully in society and engage with Government.

I think we might move to the slides. [*PowerPoint presentation*]. The community and voluntary sector priorities—the outcomes that I hope to achieve as what I have already stated—are an effective community and voluntary portfolio, empowered communities, and trusting Government sector relationships. So we expect the Department of Internal Affairs to focus on strong, sustainable communities, hapū and iwi. The key focus for them is community development, administration of grants funding, and community advisory and information services that are funded through Vote Community and Voluntary Sector. The Office of the Community and Voluntary Sector is where we expect to have built strong, respectful relationships between the Government and communities. The key focus will be a whole-of-Government approach to strengthening the Government sector relationship, the provision of policy advice on cross-cutting, sector-wide issues—and that is funded through Vote Social Development.

Achieving the outcomes— that the sector has excellent access to national, regional, and local networks; cooperation and collaboration are being encouraged to build strength and capability; good funding practices are promoted; the promotion of generosity and community participation; and the active involvement of local people and local solutions.

We need to ensure agencies are appropriately placed and resourced; strong community-Government relationships; Government supports the sector's contribution to society; the sector is supported to acknowledge and respond to the Treaty of Waitangi; the Government strengthens its engagement with communities and citizens; and research on and by the sector is supported.

Vote Community and Voluntary Sector—the appropriations total is \$44.989 million, and is administered by the Department of Internal Affairs. The departmental appropriation is of \$22.157 million: \$15.117 million for grants administration, \$5.328 million for community advisory services, and \$1.712 million for the provision of policy advice. And non-departmental appropriations—\$22.832 million: \$5.066 million for the funding of the Charities Commission, \$17.766 million for grants to community and voluntary organisations. Approximately \$11.075 million is revenue from the Lotteries Grants Board. Thank you.

- Dyson Minister, can I first of all congratulate you on your presentation; it was very clear about where you want to go, which is really good. I thought it was very interesting that you put in that climate change—you know, it's like a big issue, and you've already got a huge portfolio. How are you going to try to make that work? I was just thinking about the involvement of the select committee looking at climate change. Have you been party to that, or are you just encouraging groups to get the debate going or think about it in the future? How do we go on that?
- Turia Well, basically it is about encouraging groups to actually respond to that issue. We know that we've got communities, especially up in Kaeo in the north, where that particular community may well have to relocate—the impact that that will have on them—and are really encouraging those and the wider Ngāpuhi community to see how they will engage with that community to ensure their tikanga is kept intact, wherever it is that they are going to be placed.
- Dyson So in terms of climate change policy in the Government, will you be asked to have an input from the community and voluntary sector?
- Turia Well, I haven't been asked, but I do see that the impacts of climate change can impact on communities, as we've seen through two major floods in the last 5 or 6 years.
- Bradford Is the Office of the Community and Voluntary Sector and the NGO sector—actually, both of those—attempting to grapple with the effect of climate change on the sector?

- Turia I haven't actually had any representation on that, other than from in the north, where the possibility of relocation may well happen from climate change. And that's the reason why I referred to it.
- Bradford Because there could be other parts of the country—
- Turia Oh, absolutely; I'm sure there will be.
- Parata In your overhead presentation that we've got, one of the key focuses of the Office of the Community and Voluntary Sector is provision of policy advice on cross-cutting sector-wide issues, and climate change isn't exactly an example of a cross-cutting sector-wide issue. How is that policy advice mined from such a diverse network of mainly voluntary organisations, which I imagine every day are just focusing on whatever their core activity is, as opposed to what I imagine is some very rich policy advice that they are coming across as they carry out their daily work? So how does that actually achieve that key focus?
- Turia Well, I think it would be quite easy for the Department of Internal Affairs—their advisers, who are out there in the field—to connect with those communities and provide that advice back in.
- Parata And is there a mechanism by which that formally enters the policy channels of MSD?
- Hughes Well, MSD is a very large organisation. We have 9,500 staff—and most of those staff are—
- Parata As a former policy wonk\_\_\_\_\_
- Hughes No, we don't have 9,500 policy analysts. But most of those staff are in front-line roles, so they're sitting in front of clients every day, up and down the length and breadth of the country, and are increasingly well linked and also into their communities. That was one of the reasons for basing the office on the MSD platform. It enabled a relatively small agency to be able to leverage that huge, big delivery network we have in MSD—and they do.
- Parata So what—they data-mine, do they? But how does it turn from their actual on-the-front-line experience into information that is captured in a policy sense, such that it can be—it informs the provision of policy advice? I mean, because most agencies are only focusing their \_\_\_\_\_. This one is across the entire gamut, and obviously some of the most vulnerable parts of it.
- Hughes The two agencies work together, so there is the Office of the Community and Voluntary Sector based on the MSD platform, and then there is a similar function in the Department of Internal Affairs. We work together. The Department of Internal Affairs, as the Minister says, is well linked at the community level, and has been for some time. There is a wealth of information that they are able to tap into in their dealings with community and voluntary groups. The Office of the Community and Voluntary Sector

has that vast MSD distributor network at its disposal. For example, the regional commissioners for social development meet monthly. That's a forum where a range of people will go and talk with them about issues and what people are saying on the ground, including the office. The office is also well networked across the rest of the whole of Government, as it's required to do, because it's got this cross-Government coordination role. And it's also well linked into the other MSD policy functions, as well. In addition to that, there are relationships with a range of umbrella groups and community and voluntary sector organisations.

- Shanks            If I can just ask a question around the Community Partnership Fund, can you give us examples of how that actually works and what your success \_\_\_\_\_
- Turia             I think one of the great successes has been the Computers in Homes project. That's been very exciting: people, for the very first time ever, having access to computer training—families—and being able to work with their children. I think that's been an amazing project. We've seen the Computer Clubhouse, which has been targeted in areas of high deprivation. I think the first clubhouse has been established in Ōtara, and there's been a lot of work done out in Porirua, as well. There are also Hector's World, which is a set of resources for children to be safe on the Internet, and Kete Horowhenua, which is a community-built digital database for arts and heritage resources about Horowhenua. There's the Ngāti Wai project, which is also an ICT project, with six ICT learning centres based at Northland marae to undertake community development. Those are some of the projects from that particular community partnership.
- Bradford        This is another topic, so I still want to ask—I mean, it is a really interesting project. But that funding around computers, is it continuing?
- Turia             At this stage, yes.
- Bradford        Right. Just on another topic altogether: what is happening and what support, if any, is going in now to the whole area of NGO-Government relationships? You've still got it as one of the outcomes from community-Government relationships, and I know you've been very involved with that in the past. So what's happening, and where's that going now?
- Dyson            [Computer beeps] That was the computer talking to us—
- Bradford        Well, is the Government supporting, as the former Government did—or once upon a time used to support—the community sector task force and other initiatives before and after that? Is there any support going into similar initiatives now?
- Turia             Oh, absolutely.
- Bradford        So what is happening?

- Turia Well, you will probably—I don't know whether you do—know the funding was removed from the community sector task force. That has been re-established, and the community sector task force has had its first meeting. So that will be rolled out, and the focus of their work will be on engaging with the more difficult to reach communities. We are talking about Māori, Pacific and the ethnic communities. We are looking at refreshing those people who were on the task force, adding to it, and I'm expecting some really good work to come out of that, because more and more we are getting community organisations talking about how they build bicultural relationships. I think the task force is very well set to be able to do that. And they are looking at quite a different model to how they were working last time. So instead of the national grouping being the ones who go out and do all the talking and work, they are in fact picking up on particular communities and engaging people in those communities to carry out those functions. And I feel really positive about that.
- Bradford To what extent are they autonomous, as opposed to directed by your department?
- Turia They are autonomous.
- Bradford They are autonomous. So are they still working for ngā iwi tātou katoa—
- Turia I am not sure—
- Bradford —or for Māori and Pasifika in general I think \_\_\_?
- Turia Ngā iwi tātou katoa? Um, definitely. But there is a focus on those three groups, mainly because they are the hard-to-reach groups.
- Dyson Have you sent the statement on that? I didn't know it had been re-established. So this is now in the public arena?
- Bradford I'm quite sure there'll be interest in this. Obviously it's been a bit below the radar—at least, for us.
- Dyson Or we just missed it; I don't know.
- Bradford When was the announcement of the reinstatement of the funding and the new direction?
- Turia Can somebody help me?
- Paton There was a Budget statement in the Budget packs.
- Bradford Oh, it was in the Budget packs.
- Turia It was in the Budget packs.

Bradford Well, can I just ask one more thing on that? Is there anything particular, anything more significant, seeing we missed your statement, in terms of the support for the research on and by the sector that was always part of that task force work area or particular research project? Where's that at now?

Turia Well, we're still actually working through that. You're talking about the centre for research—

Bradford Yes, and associated activity.

Turia Associated activity—sorry?

Prasad Is it in the Budget pack.?

Bradford It's in the Budget pack, is it?

Turia No. No, it's not.

Bradford But it's still happening—the support is still going in?

Turia Not to my knowledge at this point.

Bradford OK. So it's a separate—

Turia They are certainly still engaged with the task force. I have met with the centre, and they are looking for resources.

Bradford But not supported by Government at this stage?

Turia At this point they haven't been given funding.

Bradford Thanks for that.

Prasad Thank you for your presentation, Minister. There are two matters I want to raise. One was a letter that the Minister of Social Development earlier had said it was over to you, and your response to it is part of the question I want to ask you. It is around the family violence area—

Turia But that actually doesn't come under the Office of the Community and Voluntary Sector portfolio.

Dyson You have to ask Tariana that under the social development appropriation. You will have to ask her to come back.

Turia Well, you can tell me what your question is—

Dyson I mean, try to ask her before the end of the day, and she will explain it eventually—OK, so that is why it's where it came from—

Prasad I'll just leave that out.

- Dyson            You can ask it.
- Prasad            You want me to ask it? I was thinking—some certainty around the work of the task force, particularly its funding requirements going forward. And a second thing—your responses to that—there is a \$2.8 million fund for Māori. I don't know whether it's adequate or not, but to complete the \_\_\_\_\_ work over the next few years \_\_\_\_\_ on helping the programme? Just so we can get a reading of your commitment to the work of the task force and to supporting that funding.
- Turia             Absolutely.
- Prasad            The question I was going to ask—and this is general; \_\_\_\_\_ thinking about \_\_\_\_\_ The community and voluntary sector broadly speaking really cries out to be based on a firmer footing. They always seem to have more or less uncertainty around the whole of the funding arm \_\_\_\_\_ and now that you're involved in collaborating with the MSD in their work with the community and voluntary sector, how do you think we're moving now regarding placing the community and voluntary sector on a firmer footing? To what extent has the partnership programme that was there—it's been parked to some extent, and it's going to affect that—
- Turia             Look, that's really a question you should have asked of Paula Bennett. She is responsible for the Pathways to Partnership funding. But I can say to you that the sector has been affected by the recession. They have lost money from the philanthropy sector, and we have been working very closely with them to look at how they can sustain themselves. And the department has been working very closely with them on that particular issue. We're looking for them to collaborate more with one another, to look at where savings can be made where there is some crossover in the services that they are providing. And they've been quite happy with that. Of course, they would like more money, but in a time of recession that is not always possible.
- Parata            Minister, have you undertaken any research on the impact of the recession in this sector?
- Turia             Not at this point.
- Bradford         Just turning to another topic, I note that the department intends to review the Charities Act, and I just wondered if you could tell us anything about when that's happening or what progress has been made in relation to that, and within that, the review of the Charities Commission itself by \_\_\_\_\_
- Turia             It's not the \_\_\_\_\_
- Carter            Well, no. There isn't a review of the Charities Commission. In terms of the legislation, we thought that given they're getting through their registration process—that's nearly completed—it would be a good time in this next financial year just to have a look at the legislation—

- Bradford This financial year?
- Carter —in 2009-10.
- Bradford Oh, OK. So it's definitely not 2009—
- Carter Yes, in 2009-10, to have a look at the legislation to see if there need to be any changes—which would be a normal thing we would programme in, in the kind of cycle.
- Bradford And in terms of the commission itself, it hasn't completely kept up with its targets. I mean, is there a review happening on the commission's performance, or is there anything on that specifically?
- Turia I've had a number of meetings with the chair of the commission. I am really pleased to report to you today that they have worked really hard on getting registrations up to date. We have 134 still in the queue. There are 3,000 that have been sent back to charities—this is over a 6-month period—and some of them haven't responded yet. My advice to the commission has been that they should write to those organisations, and take them off the queue and ask them to reapply. Six months is a long time to be waiting for information from them. I am really pleased with how they have performed in the last 3 months, though I must admit there were some considerable concerns around getting the registrations completed.
- Bradford You may not know this, but what's the rate of new registrations coming in? I presume they're keeping up with the new ones. It's the backlog that's a problem?
- Zelas The commission is working on an assumption of around 2,000 to 2,500 new applications in 2009-10, and they're reporting that currently they are meeting their target of registering 70 percent of their applications within 30 days of receipt\_\_\_\_ I guess there is still the issue\_\_\_\_\_ update 3,000\_\_\_\_ information\_\_\_\_\_
- Bradford It sounds like the measures you're taking are firm.
- Turia Yes, we've had some interesting discussions around the registrations, but I am pleased that the game has been lifted and we've got down to 134 in the queue—which I can tell you is considerably less than there were.
- Bradford Because they come in front of us from time to time—
- Turia Yes.
- Dyson How did they do it? How did they improve their performance?
- Turia What I suggested to them was that they shouldn't be focusing on the monitoring at this point—monitoring and education—and that all staff should be applying themselves to getting the registrations complete, so the

monitoring and education can begin to take place from November onwards. So basically it's putting staff across—

Dyson How many staff did they have on monitoring and education, before you instructed them to—

Turia I honestly don't have a clue.

Zelas I believe they were looking at having about 10 staff going through—

Dyson No, no. When the Minister directed them to move their focus from monitoring and education to registration, how many staff did they have doing the monitoring and education?

Zelas About 10 staff.

Dyson Wow!

Zelas —and also they recruited some extra staff, who are on fixed-term contracts, with an extended term in their contracts to maintain the capability of their instruction team.

Dyson So would you say they were meeting the requirements of the law?

Zelas As far as I'm aware, yes.

Dyson How are you going with the statement of Government intentions, and the review that was undertaken?

Turia The review that was undertaken of?

Dyson The statement of Government intentions and its application. ANGOA led it. This is not a trick; I'm happy for you to come back.

Gray ANGOA completed the report and it was released by the Minister, just a couple of weeks ago. There are a number of recommendations which the Government is working through on that, including the ones like refreshing the Statement of Government Intentions, and then through to technical ones related to things to do with a focus on research and what have you. So at the moment we're going to work through—

Dyson What's the timetable for getting Government consideration of those recommendations? That has to go through a Cabinet process?

Gray We're providing advice to the Minister to take to Cabinet around about July or August.

Dyson Has there ever been any funding that has gone to support COMVOICEs? Do you know? I was just thinking about that in relation to Hekia saying "How do we get a voice for the sector?". I don't know.

- Turia I don't know, either—COmVOiceS?
- Hughes We can give you that detail in writing.
- Dyson COmVOiceS hosts things in Parliament—it's a cross-party thing—
- Turia Yes, they did recently. I don't think they are part of my portfolio, but I might be wrong. COmVOiceS? They hosted something recently with us—
- Gray We've worked with them, but I'm not sure where the funding comes from.
- Carter? No responsibility for them.
- Turia No responsibility for them.
- Dyson OK. Just back on the money: the point made earlier on, I think, was really valid, in terms of the reduction in various funding bodies and what they are going to be giving out to the sector this year. The Minister for Social Development was here immediately prior to you, and talked about the Community Response Fund and how that's going to be given out through the regional panels, on the basis of organisations showing that they have increased demand and that they've had decreased funding from philanthropic organisations—decreased funding from other sources, non-Government sources. It seems to me that it still doesn't address the fundamental issue for the community and voluntary sector, which is the rate that they're getting paid at. So there's no provision in that funding for an increased rate. That's separate contract negotiations, and the Pathways to Partnership money has gone; it's not there for that purpose any more. That seems to be a huge pressure on the sector at the worst possible time.
- Turia Well, I think it's been a huge pressure on the Government, as well. But we are in a recession. There wasn't extra money to go out into the sector, and that's been acknowledged.
- Dyson The Pathways to Partnership money was already budgeted, though, wasn't it, for the 4 years?
- Turia That's right, and I'm not going to comment on Pathways to Partnership, because I have no responsibility, at all. That's MSD.
- Dyson It has a direct implication for the community and voluntary sector—
- Turia I'm sure it does; it sure does.
- Dyson —the 97,000 organisations that you mentioned earlier on.
- Turia Well, 97,000 organisations didn't get the Pathways to Partnership funding, as you're probably aware. But I'm not even aware of who qualified for Pathways to Partnership; it's not an issue that the sector have in fact raised

with me as being a critical issue for them. That negotiation has been going on with the Minister, Paula Bennett.

Dyson           It just seems that you sort of carry the can without having any say into the other policy decisions that have a big implication for the sector. What about the flow-on effect? If the big social service providers—not the Barnardos, but the St \_\_\_\_\_, say. If they can't get any of this additional funding, so they go back to ASB or J R McKenzie, or whatever, and they get the money from there, the little ones that you deal with, that are outside the social service providers, will have an even smaller bucket in funding. Have you raised that with the Minister of Social Development? Do you see what I mean? The domino effect of canning that Pathways to Partnership money is going to be huge for the rest of the sector.

Turia            If the money is canned. My understanding is, it hasn't been canned.

Shanks          I think that's outside the scope of the \_\_\_\_\_

Turia            Some of it has been, and it's not part of my vote. I have set—

Dyson          But the \_\_\_\_\_

Turia            Yes, of course. If we talk about the implications, there are many votes that actually affect the community and voluntary sector, and the difficulty we acknowledge is that we are in a recession right now. People have accepted that; they are trying to do the very best they can with the money they have got. And I really appreciate how difficult it is for them.

Dyson          Can I just ask another question about the Charities Commission? Is the review of the legislation a first-principles review or whether this is working as it was meant to? You know, how big is the scope? I am just getting very excited at the possibility.

Little          Well, don't get too excited. It's not a first-principles review; that's sad. The review was timetabled about 3 years out from the legislation being enacted: a review of how the Act and its regulations were working. We haven't scoped it yet, but our expectation would be that we're probably looking at tweaks rather than at something fundamental. It's about making sure that what is there is working.

Dyson          What about what I recall as being the quite considerable debate, both at the select committee and in the House later on, between—you know, you get two lawyers in the room and you've got three opinions. And I don't mean to be too disparaging of them—that's not true; quite disparaging. But it just seemed to me that if the legislation is being reviewed, it might be an opportunity to clarify that legal tension. How rigorously should applications be processed in order to meet the intent of the legislation? That's sort of part-way between first principles and operational. I mean, you were talking about the 3,000 that have been sent back. Heaven only knows why they've

been sent back—probably some for good reasons, but others might be for quite pedantic reasons.

Turia Well, we have talked about that—definitely—with the commission, and I think that what’s happened is they’ve had a particular process that they’ve used for every single application and are reluctant to change that process. Yes, they are very rigorous in the way that they look at each proposal, and I think that that is partly why they’re taking so long to get through them.

Dyson That might be an opportunity to expand the review just a little, to see if that point could be picked up.

Turia Mm, thank you.

Dyson You would get cross-party support for that.

Shanks Thank you very much, Minister, and thank you all very much for coming along today.

**conclusion of evidence**