



COMMUNITY WAIKATO

"Supporting strong communities"

Hei tautoko kia tuu pakari ai ngaa haapori

STATE OF THE SECTOR



Community Waikato State of the Sector Survey 2012

Background information

We received 32 responses to our questionnaire, 30 written and three as interviews. This is a drop on previous years. The survey was emailed out and was available on our website. This year we did not have the larger forums e.g. Charities Commission available that we have had previously which gave us the opportunity to distribute, discuss, gain opinions and interview people. We did note that a great deal of thought had gone into the majority of responses this year, with respondents clearly articulating both their own experiences and understanding and giving a strategic perspective of the sector as a whole from their position at the 'front line'.

Responses cover a reasonable spread demographically with 9 Hamilton, 7 Hamilton based but with whole of Waikato reach and a range from Waihi, Te Awamutu, Ngaruawahia, Tokoroa, Morrinsville, Thames, Putaruru, North King Country and Raglan. Three responses were from anonymous participants.

Respondents included community houses, disability and health services, community services, environmental groups, age support services, faith based community services, budget and foodbank services, youth focussed organisations, arts sector, children and family services and advocacy groups.

Question one asked how about organisations experiences over the last 12 months.

In previous surveys concerns about the impact of financial limitations and increased workloads on staff was paramount. This year concern was still expressed by many around staff well-being, particularly overwork and no or limited pay or cost of living increases and limited means available for staff professional development. Alongside this there is the strain of job insecurity for many employees with a number of organisations considering reduction in staff numbers as one of the few remaining options they have left if the organisation is to survive or remain viable financially.

Organisations in the main acknowledged that while there are specific stressors affecting people, particularly financial and long hours, by and large staff morale is high, as is the level of commitment and willingness to take on extra work and cut costs where possible. *"Staff morale here good but we are all a little nervous. Our clients are really hurting."*

One respondent noted *"I am disappointed that staff well-being is touted as an effect of money issues"* however most acknowledged that while lower remuneration and being unable to provide cost of living increases had an unavoidable impact on staff, they were well aware of staff needs, were taking

measures to ensure staff feel valued, informed and involved and working together to find other ways of supporting staff.

Some examples of this are:

“Keeping great staff has always been a priority and with less funding we are not able to increase remuneration so will have to look at other ways of thanking / compensating staff for the additional work done.”

“We are always aware that staff in our sector as a rule do it because of the passion rather than the remuneration and need to keep this in mind as we are a hub of our community we need to be seen to be caring for our staff in the same way we care for our community.”

“In the main, our staff are coping well and taking annual leave when they feel they are due for a break”.

“To assist the staff with work overload, we have tried to get skilled volunteers to help in some areas”.

“We have been really busy reducing costs wherever possible, and now have the ‘slimmest’ organisation we can. Staff workloads have diversified – for example we are doing our own cleaning rather than having cleaners”.

“Our funding remained the same for 2012 as 2011. We did not grant any wage increases in this period and did not lose any staff. We have staff who have been with us many years and have supervision and support in place to hear their concerns”.

“Staff well-being has been good in our organisation. We have worked together, employees, management and governance to overcome any issues that have become apparent. It certainly has been difficult to maintain levels of funding. What is happening is our compliance costs are increasing but our funding isn’t”.

Organisations spoke openly about their fears for the future and what higher demands and expectations of their services combined with less resources means for them.

“Our staff carry on because they are passionate about what we do, but sometimes wonder whether it is worth all the stress. The workload is way too much for them to cope with & whenever we find good volunteers to assist, they don’t stay long because they usually have to find paid work”.

“Unpaid overtime is necessary to get the work done. We are aware this is unsustainable in the long-term and an unfair burden on our staff, however at this moment this is a choice made by staff. The alternative is to radically cut the services we have to an already vulnerable and suffering community”.

“Costs are increasing all the time and we are being asked to do more with less”.

“Staff wellbeing has been a concern for many months as the amount of hours worked are way over the paid hours but in order to complete tasks the unpaid overtime is necessary”.

“Staff are frequently getting burnt out as they try to cope with the general running of the organisation, on top of their core business, which is working with, supporting and trying to improve services for their clients”.

“Staff stress levels as a result of high demand/lack of resources/lack of funding/employment security”.

“No staff in our organisation have had a pay rise for over a year (some for 4 years). Expenditure is being constantly trimmed and this is a stressful exercise in itself for any community organisation. Unless we can access free training, our staff cannot get valuable knowledge and insight into the work they do”.

“Along with less funding, we have seen a rise in the complexity and need of clients referred to our services. This stresses staff who have high workloads in any case and puts a strain on the whole organisation. The number of clients we are dealing with has also risen, and this uses resources we can no longer afford to replenish”.

“I am not sure if things are getting better or we are just acclimatised to the struggle. We lost a couple of staff members, one through illness (senior management) who I believe was made worse by the constant stress she was under just trying to meet our basic financial requirements particularly sourcing funding for wages which seems almost impossible to gain in this new climate”.

“The other implication is that the remuneration in the sector, which is already undervalued, continues to be affected by funding difficulties. Unfortunately funding, or lack thereof, often becomes the reason not to value/reward staff appropriately”.

“Government limits access to funds by segregating activity into activities they will or will not fund- this does not reflect need ‘on the ground’ or in the community”.

There are “hardening attitudes towards vulnerable members of communities, especially from Government”,

“We could easily utilise the services of 4 or 5 staff members. At the moment we have the equivalent of 2.5 full time staff”.

The difficulties of gaining funding both any at all or sufficient to meet even basic needs was a theme running through most responses. Being turned down by funding sources that have always been reliable in the past, or receiving considerably less funding than previously has been a common experience.

“Funding organisations & Philanthropic Trusts are all reducing their grants and donations by at least 40%. Some funds have been disestablished or significantly reduced”.

“Many smaller funders that we have been able to rely on historically for furniture / operational / power etc... we have had declined by in the last twelve months”.

“During the last year, we were fortunate to secure the funding we needed for our operational budget, but we have put extra time, effort and staff resources into funding applications and fundraising initiatives. We have certainly felt more pressure than ever before to do everything possible to stand out to funders as a “worthy cause”. We are dependent on a number of Ministry of Health and Ministry of Education contracts and the government’s recent policy reviews and changes, and its focus on reducing public service spending, has been unsettling and created uncertainty in terms of on-going funding. It means we are reluctant to move forward with certain initiatives and strategies to support our children and families because we feel we have to “tread water” until things are more settled. We are conscious that some in our sector are struggling. This creates a sense of despair and disenchantment in general; that organisations which offer significant and much-needed support for our communities are having to cut services drastically, or face closure, at a time when their help is needed the most”.

“Having failed to raise all of the funding needed we were forced to call on our reserves to meet the deficit”.

“For the first time in 25 years we have only been able survive by using reserves and receiving assistance from The Community Response Fund. Now the latter has finished and with Lottery Support being halved we are facing the loss of \$70,000 out of an operating budget of \$210,000. Unless something radical alters the outlook, the future of the agency in its current form is bleak. Being the only

agency in the community offering the range of services we do this has the potential to be very serious for our community”.

“Funding is a huge issue. This has not been so critical in the past, but the loss of the Community Response Fund, the capping of Lottery and Philanthropic grants, and many more providers looking for funding as avenues become closed has combined with dropping income from contracts to cause much concern”.

“Funding continues to be very competitive and rejections are more the rule, rather than the exception. It must be hard for the funders too! The problem is that any Board which approves a deficit budget expects high levels of funding to be achieved, irrespective”.

“It is so frustrating when you see so many funds from Gaming Machine Trusts going to things like Professional Sports, when so many community organisations that are assisting ‘people’ are facing closure”.

Lotteries salary capping in particular was noted as seriously affecting organisations ability to meet salary payment requirements. Funding for wages and in particular funding for administration roles was noted as difficult to access.

“It’s always been difficult to raise funding for salary and wages, now it’s worse”,

“It is always difficult to get funding for Administration purposes”,

“Over the last twelve months accessing funding for wages has been the hardest to get with some funders granting less than previous years, this has a flow on affect to the services that can be provided”

“Community funding has reduced and due to this we will have to review one position later in the year”.

“Yes it has become more difficult to access funds, particularly to find support for staff costs and salaries. This has caused some concern for job security.”

“NZ Lotteries has capped salaries funding at \$20,000 which has immediately cut \$10k from our salaries funding and this is the hardest funding of all to source”.

‘Our organisation has & still is finding it increasingly harder to access funding, especially for general operating costs & wages. Our Manager is paid (\$18 per hour)!, well below the standard rate for the

level of responsibility for the job and the Trust has been unable to increase the hourly rate for any staff due to severe funding restrictions. Realistically if we had to replace the Manager we would be hard pushed to find anyone to do it for the current hourly rate she is being paid”.

Organisations speak of belt tightening and noted a number of ways they have diversified their use of resources. These included moving to cheaper premises, examining roles and making changes to ‘who did what’ in their organisation, doing their own cleaning, selling equipment, and social enterprises such as ‘op-shops’ and sale tables at a market. While some use is made of volunteer assistance it was notable that paid staff are often taking these roles on in addition to their current work. In addition a number of organisations were troubled by the lack of honesty apparent in the funder/recipient relationship where they felt forced to inflate some applications they had reasonable surety of success with to augment others that were less likely to be successful- usually because they fell into the ‘not so fundable’ area such as wages. Other spoke of ‘robbing Peter to pay Paul’ types of situations, using tagged funding for purposes contrary to what was granted as an alternative to ceasing activities altogether then having to repay this out of other ‘pots’ or refund the grant before they are eligible to apply for further funding from that source.

“Frustrating that particular funders provide only a portion of the funding requested. This develops a culture of organisations asking for more than they need. There needs to be an honest relationship developed so groups only ask for what they need and it is supported or not by funders”.

“We have started to look at more ‘sponsorship’ of things that we need in how we approach potential new funders”.

“Because of the lack of funding it inhibits the ability to plan very far ahead. Therefore many of our long term goals are not able to be achieved. Many times we have been faced with having to make a decision as to whether to close our doors, and consequently we have been forced to use funds which have been tagged for other purposes & we have found ourselves in a position where we owe funders and cannot apply to them for anything else until we have returned the funds”.

“We are trying to see what programmes we could provide to fit the funding criteria, and then look at how they fit our core aims, rather than the core aims being the most significant focus. This is uncomfortable”.

A number of organisations noted they have had some success developing sustainable funding sources, however most of these are not yet, or never will create the level of income required to support the organisation to any significant extent.

"We have had to put extra effort, time and staff resources into funding applications, at the expense of other tasks, including looking at sustainable funding opportunities. We have also had to develop a number of fundraising initiatives during the year, but this means staff are taken away from core administration tasks, which creates stress and pressure within the organisation. These fundraising initiatives are also very much dependent on having significant volunteer help available (which fluctuates from year to year), and having plenty of public support (which requires media attention usually – not always easy to get)".

"The only reason we are in a position to keep our doors open at the moment is that we have been able to raise some sustainable funds from sales of equipment & our own fundraising & we have found a sponsor to pay our rent & we were able to move into more affordable premises 18 months ago. At present we have very little funding remaining and face major retrenchment of our activities in the near future".

"Funding is a problem – it would seem that some funders who usually give between \$1,000 and \$5,000 are giving to new ventures rather than established, which in itself is fair enough, but as an organisation that doesn't have government contracts and doesn't apply for any Lottery or gambling funding it is increasingly difficult to not end up with a deficit at year end. We endeavour to be semi self-sufficient by operating our op shop but have noticed this year in particular, with competition opening down the road late last year our income has decreased significantly this year. There may well be other reasons for this decrease e.g. the economic climate, but it's a bit harder to gauge those other areas".

It is not only organisations relying on grant and donation funding experiencing difficulty. Government contracts have been changed, reduced and removed often with no or little consultation and there is on-going uncertainty regarding government funding priorities and process. It was apparent that there is understanding that philanthropic funders are doing their best with less resources available to them for distribution, however the government are creating issues through poor processes and decision making.

"MSD funding goalposts are changing, and contracts becoming more and more narrowly targeted".

[At the] *"End of 2011 lotteries said Central Govt should fund us. Central Govt won't. We passed this info on and re-applied only to be told they did not have enough funding. Over the past 4 years lotteries had been our biggest funder, donating \$30,000-\$40,000. This is approximately 50% of our income. We have only hired one staff member beginning of 2012 and now approach way smaller funders".*

“We entered into a High Trust Contract for 3 years with the Ministry of Social Development to continue the delivery of social services we have provided in our community for many years, as it gave us some security for on-going income – or so we thought. This year funding levels have been cut without discussion. We understood when taking on the High Trust contract that funding levels would be maintained for 3 years, however this year (the second) there were reductions made to the amount we have to work with, and we are advised there will be further reductions next year. Combining that with the GST increase, which had a marked effect on all our transactions, and the increasing difficulty in obtaining even the same level of funding from other sources, has created a situation where we struggle to survive”.

“The fact that income from MSD funding is only contributory needs to be adjusted (cost of living is not built in to these contracts)”.

“Contracts with other funders have been cancelled, as they claim they have to make savings and we know that at least \$67,000 worth of contracts have been lost from this area”.

An issue noted by some organisations was their lack of ‘fit’ with funders. Community based health agencies, providing necessary and important support, information and advocacy roles that are not available via government health sector entities are precluded from many sources of funding because they are viewed as health sector (DHB, PHO etc) responsibilities. However these community based health organisations generally receive little or no funding from these sources. This is despite in many cases *“the DHB being one of the major referrers of clients to our services”*. With funding pots shrinking and having more demands made upon them there is even less available with some organisations indicating they have or will soon be forced to severely reduce the services available for some very vulnerable members of our community.

“We often do not fit the very tight criteria for Government funding. We provide much needed services that the local PHO does not provide in yet we cannot apply for funding through the DHB. It all goes to the Local PHO!”.

Question two asked organisations about their experiences securing funding over the previous 12 months looking at the percentage of successful applications made and the percentage of funding requested received. Participants were also asked if or how this differed from previous years.

The mean or average of successful applications was 65.62%. Actual rate ranged from 0 to 100% success. The median was 60%

The mean or average of amount received out of what was requested was 48.41%. Percentages ranged from 15 to 85%. The median was 50%

Overall just over 65% of all applications were successful, with organisations receiving on average approximately half of what they requested.

Few respondents compared this year's funding results with previous years. One organisation said there was little difference from previous years; another reported a 12% drop in funding received. Less funding received from Lotteries and Cogs over the last 12 months in comparison to other years was specifically noted as having had an impact overall on funding applications. Less funding from those sources meant other funders were also stretched as organisations sought to gain the shortfall from other funding sources.

Question three asked organisations their view on the use of the words collaboration and duplication when applied to the sector.

Collaboration

Collaboration is alive, well and actively practised within the Waikato community sector according to the majority of respondents.

“The effect of this [difficult economic climate] was that we started working more closely with other organisations that serviced the same areas as us, which has been a positive outcome”.

“I think the Community and Voluntary Social services that I am familiar with are doing quite well in terms of working together, trying to think laterally, recognising that there may be a bit of a crisis coming in terms of need in the community. We are all trying to position ourselves to continue being able to provide services, forming links and alliances to support each other and be able to better demonstrate ‘collaboration’”.

There was strong agreement that collaboration at all levels was desirable so long as it was of practical benefit. In particular there was discomfort at agencies being pushed into collaborative relationships to ‘tick the boxes of funders and government’. There was a sense of frustration expressed towards the attitude of government agencies and funders who appear oblivious to the amount of collaboration that does happen. It was noted that ...

“What the sector views as collaboration and what the Government or funders consider collaboration to be may be two entirely things- one is being generous where possible, supporting and sharing knowledge and resources when available or when mutual benefit (for organisations and clients) is recognised or when projects or programmes overlap. Government/funders only see it as a way of reducing costs”.

“Two (or more) agencies working together isn’t going to cost less, this won’t reduce client numbers or client needs”.

This viewpoint was endorsed with others saying that to government or funders ‘collaboration’ was a word or concept that means “do more for less”, that the word has been “deliberately conjured up to manipulate the sector to meet Government cost cutting” and that this is a “convenient argument to try and place the work of our sector into a few large organisations rather than allow for the diverse range of services and delivery styles our community needs”.

Some respondents noted that the difficulties of the last three or so years has made them look more closely at other ways of working together better for mutual benefit. For example a number of agencies have moved into shared office spaces with shared resources such as photocopiers, computer servers and so forth. Others are exploring shared management and governance. A significant social service agency is looking at umbrella-ing under a similar sister organisation. They are currently working on how to “*retain our flavour*” and be able to respond to local issues in their area rather than been caught up in the (parent organisations) national response or having to work to exactly the same protocols as the parent organisation.

A number of agencies operating in smaller towns and communities felt that it was easier to collaborate with other services because they collectively had good networks and local knowledge and agencies worked together really well.

“It is the nature of our community that we have strong networks and solid working relationships that use the strengths of organisations to ensure our community gets the best we can provide”.

A variety of drawbacks to collaboration were noted. These included potential job losses, loss of skills, services being less responsive and effective, potential clashes of values and ways of operating, reduced diversity in meeting community need. In particular it was noted that currently funding applications for collaborative projects could only be submitted by one of the collaborative partners (rather than accepting the collaborative group as a separate entity), thereby excluding that partner from applying for funding from that source for their own agency. Being forced into collaborative relationships to meet the requirements of government and funders rather than the communities they serve was seen as potentially counter productive, against the values that guided most organisations and not invariably the best use of resources.

“Collaboration is not the only answer, its one possible response”.

“In general, it doesn't follow automatically that amalgamation/collaboration will be more efficient if it happens – optimal organisation size & structure varies with the nature of the work you are doing. And there are trade-offs – maybe we save on duplication of a receptionist, but have to pay more for a local team-leader with management not being as accessible, or may have to spend more time on other kinds of internal/between organisations communication. Point is there is no one right answer, it is case by case”.

“It doesn't follow automatically that collaboration will be more effective in terms of social outcomes. Where did the idea come from that one size fits all clients? Why is it assumed that choice is great when

it comes to retail, but not when it comes to social services? Why is it assumed that clients will be happiest & best-served with a one-stop-shop (especially one located in a WINZ office)? We don't do social-work in exactly the same way as other providers in our region – that's a good thing! Also, our experience (based on a number of providers moving to more regionally centralised bases) is that the quality of services provided to clients often declines – out of sight, out of mind. Being able to walk in to get support is not qualitatively the same as being able to phone and leave a message hoping for someone to call you back to schedule an appointment on their next 'support day' two weeks from now”.

Some respondents discussed collaboration as merger, two (or more) organisations combining to create a new entity, and others saw it more as a way to share specific functions including backroom services, management, governance and building space. This was seen as possible in some cases however concern was expressed about how this could affect the uniqueness of the services offered, “*our agencies were created to meet specific needs, how would this affect our clients?*”. Some foresaw potential complications arising with different agencies sharing limited resources.

While there was acknowledgement that in some areas there was room for improvement one of the primary reasons for limited collaboration noted by over half the respondents referred to the competitive funding environment as the primary cause of “*patch protection*”.

“We have been set up to compete with other organisations, which runs against most of our values, in order to gain funding- we are put in competition with each other and told also that we must collaborate- one effectively cancels out the other”.

“Government and funders have set up a competitive funding environment then, ironically, tell us to collaborate”.

“Funding has always been competed for under a contracting model and this model often means that collaboration e.g. shared infrastructure, is not desirable amongst provider organisations. This anomaly of competition versus collaboration contributes to an impasse”

“Whilst this is great in theory and collaboration should result in less duplication, it is difficult to collaborate when a competitive funding model is used. Also, each community is different and can have many diverse needs which cannot be met in the same way. One size does not fit all in other words”.

It was felt by a number of the respondents that neither government nor funders provided good examples when it came to collaboration.

“The government does not give a good example of collaboration within or between parties and in their departments”.

“I wonder if Community Link was really thought through before MSD decided our communities needed this”.

“Funders are diverse groups with diverse requirements and methods of operating. If they collaborated better, standardising their applications, accountabilities and requirements a whole lot of time and resources would be saved”.

“We have seen from Government’s examples of ‘collaboration’ that it doesn’t necessarily translate into ‘efficiency’”.

“The sector always has and continues to collaborate, communicate and share far better than government departments and officials who are telling the sector to collaborate and not duplicate”.

The insistence on collaboration particularly on the part of government was viewed by some as bullying, as further evidence that the government agencies generally have little real idea of the types of and existing high levels of collaboration already in place, the needs of community members, or the work being done by the community sector at the grass roots. It was also felt by some the sector was being blamed for the social ills of the country.

“Government seems to be saying ‘we’ve been spending millions on you guys to make NZers lives better and the stats are getting worse’ ”.

“Similar sentiments have been heard when beneficiary bashing starts up ‘they can’t manage their money, they waste it’ is the refrain of the uninformed”.

“Things are really tough, and all the collaboration in the world won’t change that – an injection of reliable funding would make a world of difference, as would some investment in job development. (We can dream!)”.

Duplication

Virtually all respondents indicated that duplication was not an issue in their area –geographically or in the type of services provided. Many noted that the strong collaboration, sharing of resources and knowledge and extensive networking that is in place means duplication is not an issue.

“The sector has always been about collaborating and working together and this generally facilitates avoidance of or minimises duplication”.

There was no denial of a variety of services being available to meet the same overall need. It was noted that the number of similarly focussed organisations in any given area was a testament to the diversity of need within that area rather than organisations being developed *“for the sake of it”*.

Organisations felt strongly there should be support for the provision of diverse and comprehensive services.

“We don’t see it as duplication but offering people a choice for us this is around mainly counselling / budgeting/ health services and from our perspective it is important that people can say whether they would rather see male / female / Maori/ European, people in need / crisis/ distress need to see the most appropriate person for them”.

Generally respondents spoke of the need for diversity and choice in order to provide the best services. *“Did you say duplication? I say diversity”.*

Frustration was expressed at the insistence of government and funders that there was a lot of duplication of services.

“They would do better to support us in our ability to provide diverse, comprehensive services to meet the needs of our communities, than keep on telling us we are duplicating and not working together”.

It was felt that if duplication was identified or assumed it would be far more useful if the government agency or funder who thought this was happening actually had a conversation with the group/s involved. It was felt that more often than not they would find out there was a completely valid reason for it and if there wasn’t then awareness and collaboration between the agencies could be encouraged. . This would be *“far more productive and honest than making sweeping generalisations”*.

While one respondent did note they saw an overabundance of services available for children with mental health problems and another commented they felt there was an overlap of counselling and

social work services for children and young people, more noted that they are already working at capacity and did not have the resources available to take on any more clients.

“If anything we need more agencies doing our type of work”.

“I think there is very little duplication of services, we have all targeted our niches with speciality skills and there is plenty of work for us to do within these specialities”.

“Reducing the number of services will not reduce the numbers of those in need”.

Question four: How is the sector going overall?

"We feel that our sector in the Waikato is in good shape overall, because we do work collaboratively and support one another well in general, and because we receive excellent assistance from organisations such as Community Waikato, which helps build capacity, resilience and efficiency. But the sector has also been in "battle mode" for the past few years, to an extent, and we seem to be constantly having to justify our existence, and our right to funding support from government and other sources, which is demoralising and de-valuing. This is not because our services aren't needed – on the contrary, they are needed more than ever due to the economic and social uncertainty which currently exists. But a culture of competition for funding (and, perhaps, individualism in our society) has been allowed to develop, which does not focus on what is important, but rather, on how much will it cost. The work done by our sector is invaluable to the cohesiveness and prosperity of our communities, so really, the question needs to be 'how much will it cost us as a society if these services are not provided'?"

Opinion on 'how the sector overall is doing' was mixed, with respondents expressing views ranging from "struggling" to "resilient and for the most part coping well".

"In another 12 months it is highly likely that there will be less community organisations in our area. Constant reduction of funding will garrotte them, essentially, and the organisations remaining will not be able to pick up the slack and fill the gaps they leave. In an area like ours, this is disastrous –and it all looks pretty grim. The issues will remain, and those left will do their best to provide what we can – and that will be less than what can be done now".

"Obviously the sector is not so good when one whole area of the community – being the Arts and Culture community groups - have been left with no support".

Passion for the work, tenacity, resilience and a sense of commitment to the community were noted as being prevalent values held by people working in both paid and unpaid capacities in the social service sector.

Clearly organisations overall are under a great deal of pressure to provide high quality services, meet increasing need with less resources, particularly financial resources. A number of respondents noted that some organisations are making significant cutbacks to services. The result of *"the loss of significant financial support"* has meant many organisations have had *"to seriously redefine their services"*.

“I think the sector is still providing efficient, professional and high quality services but is under extreme pressure, which in some cases means burnout for those in leadership. Workloads, demand and expectations seem in general to be increasing, funding decreasing. Just as well those who provide services are passionate about the sector”.

“The combination of greater need from a greater number of people and less funding in a world where everything costs more and more is one that is seeing many organisations stressed, downsizing, and generally in a parlous state”.

“Some are doing better than others. I find the sector generally to be supportive and generous of resources and care, for their communities and other agencies”.

While creative changes and ‘tightening up’ were noted as positive aspects of this redefinition of services there are serious concerns about vulnerable community members no longer having access to required supports.

“In another 12 months it is highly likely that there will be less community organisations in our area”.

“Many organisations are struggling to keep their doors open, let alone carry out their core services”.

While many of these reductions in services or closures are directly related to economic difficulties a number of respondents noted that some organisations may well have reached the end of their useful life anyway, with poor management/governance decisions, inability to change or adapt to meet current needs and not understanding or meeting the ‘real’ needs of community cited as some of the reasons for this.

“A lot of paid services have had to be cut back on which has affected people mainly in the outer areas of Waikato. Some are struggling and some are holding their own. I don’t think financial resource is as much of a critical variable to success for the community sector as it is for the business sector.

Community are used to making adjustments and changing in response to what they have. For some the declining economy may result in them not remaining viable but I not sure they would have had longevity in a more prosperous environment either”.

“Just because an idea was good 20 years ago does not mean it remains a current priority now. Not all groups should survive – unless they change, adapt and are relevant to current needs”.

Community difficulty

A number of respondents reflected on the whole of the community, noting that the effect of rising costs and limited resources on organisations was mirrored by the experiences of people in the communities they serve. Increasing hardship for communities creates a higher need for community services at a time of limited resources.

“The situation for community organisations reflects what our community is experiencing”.

“People are hurting a lot. Many don’t have adequate housing, enough food and have no electricity. Many people in this area have mental health and disability issues... there has been an increase in theft, vandalism and other antisocial behaviours”.

“The most vulnerable in our communities are the worst affected by the changes in the support organisations”

The youth sector in particular was noted as an area that was struggling, in part due to constantly changing government targets and requirements. The ramifications of unmet high need will have a significant impact on the future. Restrictions in this area will have a long-term and serious impact on Aotearoa/New Zealand and *“there is only a small window of opportunity to encourage young people through education, job training and positive decision making before the consequences of actions and choices seriously impact their lives and futures”.*

“Waikato has a large youth population, which needs to be actively engaged and trained for future opportunities. This is the area where this region is fragile”.

Poverty and unemployment in many areas is high. Families are stressed and struggling. Budget and foodbanks report that with few exceptions people are doing a remarkable job managing their lives, however for most households there is simply not as much coming in as there is going out, leaving people extremely vulnerable to unexpected expenses, or increases in essential requirements such as food and power costs.

“Stressors like unemployment and poor health continue to impact on less resilient communities and families”.

“Our colleagues at the Salvation Army report food parcels are rocketing. Diseases of poverty are now routine instead of rare. Petty crime has gone up and offenders are stealing food or items that can be sold to buy food”.

The increase in older people on fixed incomes (pensions) struggling to cope was specifically noted as was the general lack of support and commitment from government towards the specific needs of our ageing population.

“Many of our old people have experienced and coped with limited incomes either at times or for many, most of their lives. Feelings of failure at now not being able to manage add to the distress caused by the constant worry they are living with at not being able to meet their day to day needs. Many of our older people are supporting their (often unemployed) families financially and in other ways, rather than the other way around which used to be the norm”.

“It’s talked about a lot, how our population is ageing and this brings with it different needs, but we don’t get anything extra or specific from government, in fact we get less than other support organisations, I think because who we are caring for aren’t viewed as important. Old people and their needs are largely ignored, you can see that clearly when it comes to ludicrous home help entitlements, pension amounts and funding for any age related community services”.

It is anticipated the pressure on single parent beneficiaries to go to work in a time of high unemployment will add to the overall difficulties being experienced by members of the community sector already disadvantaged by their low socio-economic status.

“The pressure for women, especially those on the DPB, to move back into work, will become more evident after October 2012. Employers cannot afford to take on/train unskilled staff”.

Government decision making.

There was a sense of frustration expressed over the logic (or lack of logic) behind some funding decisions, particularly with regard to government contracts. It seems that in many cases funding is available but does not necessarily go to the right place or get used to best affect.

“Some [organisations] are over-funded and underperforming and some are achieving excellent results with less. In NZ we have many clear cases of the squeaky wheel etc. with all the grease going to the wrong palms”.

“Most people seem to know of organisations that have received generous whanau ora contracts that don’t do much with them or don’t appear to be using it effectively whereas groups that could make good and appropriate use of the funding have not been successful in their applications”.

In addition *“a sense of frustration and uncertainty with government intentions”* was clearly expressed. It was felt by many there has been a long wait for the current Government to provide *“a settled, transparent, well-resourced environment to work in”*. Some organisations expressed uncertainty over whether or not they are willing to compromise their values any longer to meet government contract requirements. Others noted the increasing burden created by meeting increasing (and to many, unreasonable,) compliance demands was becoming untenable.

Sustainability

Many respondents noted that sustainability or community enterprise in some form was an important if not essential component for community organisations to survive and thrive. Shedding the dependency on external funding sources, no longer being subject to the application, accountability and outcome requirements was seen as highly desirable.

[Having some form of] *“Community enterprise with the overall goal being self-sufficiency rather than being ruled by the whim and resources of funders is where the sector would ideally like to be”*

“We believe there is not enough community enterprise in the Region. The more we can distance ourselves from fickle government relationships/funding and work at building independent funding sources the better. Governments, mayors, councillors and community boards are often only around for 3 years and have no real long term vision. Some of the largest businesses and banks in the world have collapsed and many are still involved in creating the problems the community groups are working hard at rectifying. We believe the best relationships are between community groups who are based on need not greed and plan to be around for as long as they are needed – regardless of funding”.

“I don’t think as a sector that we put enough thought into our own sustainability as organisations and perhaps with changes in funding, less people volunteering that are starting to impact on the sector that our focus needs to change so that we are more sustainable and not at the whim of funders”.

Many organisations would like to be sustainable but note it is not that simple. Organisations were often created originally to meet a specific need in the community that wasn't being met, wasn't available or wasn't affordable from any other source. For most organisations the only resource they have that could generate some income is the service they provide and charging for that service would raise barriers for the people who currently need that specific support.

"Once we start charging it negates the reason we were formed in the first place".

"We do not have a big population to seek subscriptions and fundraising from, we have a relatively impoverished population with high and complex needs".

Clearly there is a need for targeted support in assisting organisations to understand, envisage and develop creative sustainable and realistic income streams that do not penalise the organisations or the communities they serve.

"When is the government going to realise that groups could do better if they could be financially sustainable by having their own social enterprise? Seed funding and other support could enable this".

Volunteers

Historically volunteers have been the mainstay of many organisations. Volunteers in general were highly thought of, however many respondents noted that finding and /or retaining good volunteers was becoming increasingly difficult and for some organisations this is beginning to have a serious impact. Lack of volunteers can mean anything from not being able to find board members to directly affecting an organisations service provision. There were various reasons put forward to explain this reduction in available volunteers including the ageing *"of the reliable volunteers"*, a more individualistic society in general, the costs associated with volunteering such as rising petrol costs, more people entering paid work, and people choosing not to retire or taking on roles such as child-care (grandchildren).

"There is always a shortage of people able to volunteer and those that do are often short term".

"It is becoming harder and harder to get volunteers! There are only a certain amount of people out there willing to volunteer and they are getting swamped by requests to be involved over a wider and wider sector. That coupled with the tougher economic situation means that some of our most willing volunteers have had to re-join the paid work force and are no longer as available as they were".

“We get volunteers quite easily but retaining them is another story. Many are there only as a stop gap or to gain experience before they find paid work”.

“In our own community there is always a shortage of people who are able to volunteer. But for those that do volunteer their time, they do so willingly”.

“We rely on volunteers to enable us to provide and maintain necessary services in the community”.

Even if organisations are successful engaging volunteers there are still pitfalls. Some organisations noted the difficulty of managing volunteers *“sometimes being more reliant on volunteers has caused its own issues, as not all volunteers are reliable”*. Increasingly there are confidentiality and policy restrictions, particularly when working in any capacity with children and families that restrict volunteer involvement. One respondent noted that she is aware of a manager in another organisation who has found themselves in the position of having to discreetly evaluate the mental competency of her volunteer pool, with the onset of age related disorders creating some real issues for the organisation in terms of poor decision making at governance level. Another spoke of a lack of competence and honesty on the part of an volunteer who had taken on financial and funding responsibilities and the serious outcomes that has had for the organisation involved.

We will survive!

While acknowledging there are different concerns facing community organisations- less available funding, changes in contracts, fewer resources (including funding, volunteers, affordable premises, transport issues) available for rural and remote communities, specific barriers for community health related organisations and so forth and very frank and realistic expressions were made about the outcomes of challenges and changes, stress and closures there is a strong sense of certainty that the community sector as a whole will survive.

“We will survive, maybe in a different form and some organisations will not be able to make it but overall the sector is strong in its heart”.

“We will always do well because we are a committed bunch of people, we are not just here for the money, we are here to help empower people and help them access affordable services in the local community, often advocating on their behalf”

‘I think we are probably struggling but that shows the tenacity of the organisations’.

“Overall, though, my perception is that the Waikato is relatively stable compared to other areas of New Zealand”.

“We’ve got some good experienced and committed community people and supportive funders. As an economic region, we also have some innovative positive activity to celebrate”.

Summary

This year's State of the Sector survey asked how organisations were going this year, what their funding experiences have been over the last 12 months, their views on collaboration and duplication, and for their perspective on the sector overall.

We noticed that while we didn't receive as many responses this year as in the past, the high level of thoughtful insight put into the responses was clearly evident.

Responses came from right around the Waikato region and from a wide range of groups including community houses, disability and health providers, environmental groups, age support services, faith based community services, budget and foodbank services, youth focussed organisations, arts sector, children and family services and advocacy groups.

While concern was still expressed around staff wellbeing with longer hours, higher expectations on staff with fewer staff in many cases to do the work, more and higher needs people requiring services and limited or no means available to organisations to provide salary increases (including cost of living) given as reasons for these concerns it was clear that morale is still relatively high in most cases. Overall resilience and the sense of community and commitment to the work and sector was noted by many respondents.

Every respondent noted difficulties in gaining funding over the last 12 months. Funders changing criteria and reductions or 'capping' of amounts available along with an increasing number of declines experienced by most respondents were noted as reasons for these difficulties. On average just over 65% of all applications were successful, with organisations receiving on average half of what they requested. The difficulty of gaining funding for administration roles in particular was noted. There was general understanding around the changes philanthropic and community funders had put in place, however considerable frustration was expressed about government funding sources including frequently changing and unreasonable criteria, lack of consultation with communities about community need and focus of funding priorities and inordinately high and unnecessary compliance requirements. There is a feeling that government uses the commitment that drives community organisations to reduce funding and raise expectations thus gaining 'more for less' at the expense of social service providers and the people who use their services.

The responses demonstrate that the community sector understands, encourages and practices collaboration in their work, actively seeking out opportunities to do so. Respondents noted that overall collaboration was being done well. Some difficulties in collaborative relationships were noted as being a

direct result of the competitive funding environment the sector operates within. Collaboration and sharing of resources underpins the values and 'modus operandi' of the sector. It was felt by many respondents that there were different understandings of what collaboration means. To the community sector it is something actively in place involving support and sharing of resources where possible for mutual benefit, while to government and funders' collaboration is perceived as doing more for less, that it is not done well by the sector and should be done in order to save resources. Collaboration was not seen by the respondents as a way of reducing resource use by the community sector, but rather using resources differently.

It seems, given the level of sector collaboration identified by the sector, it would be useful if government or funding agencies concerned to see collaboration happening approached groups to establish whether or not collaboration was already occurring. If collaboration is required the government/funding agency involved needs to ensure there is sufficient funding and extra staff to explore and then implement this process. It was noted generally there would be real benefit in having funders and government agencies working more collaboratively with each other and with the sector.

Discussion on duplication was passionate. Again it was noted that there appears to be a great deal of difference in how this term is understood. For community having a range of services dealing with a similar area (i.e. youth) is about diversity, choice and providing the best, most appropriate services, not duplication. For government and funding agencies it was suggested they had a mindset that the most appropriate way to avoid duplication was to have 'one size fits all' agencies to provide services. Respondents noted that they saw very few examples of duplication within the Waikato region, with high levels of collaboration and networking seen as the main reasons for this. It was also suggested that it would be useful if a funder who thought there was duplication of services occurring, approached the agency/agencies involved and discussed this directly.

Many responses to last year's survey indicated organisations had a mindset of 'hanging on till things got better', or 'hoping to see the light at the end of the tunnel soon' in reference particularly to financial areas. This year there was a strong feeling of acceptance or perhaps resignation particularly related to the funding/contracting climate. 'This is how it is' with no expectation of significant relief and an understanding that somehow the work will go on.

Overall it was felt that the sector as a whole is strong despite times being hard. There is acknowledgement that some organisations will not survive in this climate of limited funding and others

will be forced to further reduce their services reducing support for an already strained community and adding more work onto surviving agencies.

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