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**CULTURE OF PARTNERSHIP TO
CULTURE OF CONTRACT**

**Child and Family Support Services
Contracting with the New Zealand
Community Funding Agency**

**A thesis presented in partial fulfilment
of the requirements
for the degree of**

**Master of Social Work
at Massey University**

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Albany
February 1996**

ABSTRACT

In recent years major changes have taken place in the relationship between the state and the voluntary sector in the provision of social services in New Zealand. Services are now being purchased by means of contract, rather than agencies being subsidised by means of grants, and this has been accompanied by a shift from state provision to non-government agency provision in certain service areas. Support for these changes came from a variety of very different ideological and interest group positions in the 1980s. State sector reform and legislative changes provided the structure within which the contracting system has been developed.

This thesis examines the relationships between five non-government social service agencies, providing Child and Family Support Services, and the New Zealand Community Funding Agency, the unit of the Department of Social Welfare which contracts them to provide services. Small scale qualitative research has been conducted, involving interviews with managers of the agencies and with Community Funding Agency staff, collecting information about their perceptions and beliefs about the relationship between the funder and the providers, the impact of the contracting system, and the proper roles of the state and non-government agencies in the provision of social services. Central to the study is a consideration of the complex interplay between ideologies and social realities in shaping the way the participants in changing social and political relationships think about those relationships.

The literature suggests that the nature of the relationship between the state and the voluntary sector has changed, such that the voluntary sector has lost some autonomy and become more an agent of the state; that a contract culture has emerged with its own values; that process difficulties persist even in settings where contracting has been in use for many years and agencies develop various strategies for managing these; and that agencies vary in the extent to which they are affected by the contracting system.

This research is limited by the small size of the sample. However, it indicates that while most participants in the contracting system believe it has advantages over other systems they have experienced, there is a high level of frustration with the

details of implementation. Survival in this funding environment appears to depend very largely on access to independent sources of funds, or at least the support of a larger organisation through times of cash flow crises. In the absence of these, agencies survive on the back-up of volunteers and the personal altruism of staff and committees. Newer, smaller, stand alone agencies, which include Maori and Pacific Island social services, do not generally have access to independent income and may face the greatest struggle surviving in the contract regime.

The thesis concludes that a change is taking place in discourse about the voluntary sector and the state. The commercial values and assumptions of contracting are replacing a culture which emphasised the value of partnership between state and community. The everyday demands of managing in the contract regime mean that agencies in the voluntary sector are themselves participants in this new conceptualisation.

While support came from ideological positions which ranged from economic liberalism aiming to minimise the role of the state, to radical reformism and biculturalism seeking empowerment and self-determination for communities, a major impact of the changes has in fact been to increase the level of control which the state exercises over the voluntary sector. Smaller, newer organisations, despite their own strong philosophies of self determination, may in fact be the most vulnerable to state control once they have entered the contracting system.

ACKNOWLEDGEMENTS

I would like to acknowledge my debt to the people who agreed to be interviewed for this research and who have shared their experiences and their ideas with me. It is their contribution which has made this thesis possible. I also wish to thank the managements of the Child and Family Support Services and the New Zealand Community Funding Agency who were willing for staff from their agencies to participate in this research.

I want to thank members of my family and my good friends who have given me encouragement and support through the years of extramural study leading to the completion of the Master of Social Work degree and of this thesis.

The staff of the Department of Social Policy and Social Work of Massey University in both Palmerston North and Albany campuses have challenged and stimulated me. I wish particularly to thank my principal supervisor, Michael Belgrave, for his interest, his assistance and his confidence in me.

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