Without the continuous reproduction and generation of social capital, not only does the community lose its capacity to maintain a practical concern for the welfare of its citizens but, in the long term, the economic and political life of the larger community is compromised (Leonard and Onyx, 2004, p. 7).

INTRODUCTION

This paper first identifies practical and mission implications of New Public Management (NPM) on local environmental volunteering organisations, specifically in relation to the competitive grant funding process. Secondly, it links those implications to broader societal dynamics with an exploration of the relationship between volunteering and social capital. The paper sets groups from Bushcare New South Wales (NSW) in their institutional environment, and, in the light of the controversial concept of social capital, examines the way in which they have responded to their increasingly competitive environment in seeking, gaining and managing grants. In 2003 the Australian Government, through the Natural Heritage Trust (NHT), made $300 million available for competitive grants to ensure the sustainability of the Australian environment (Australian Government: Departments of Agriculture Fisheries and Forestry and the Environment and Heritage, 2005). Bushcare groups, composed of local volunteers operating under the umbrella of local councils, were thereby catapulted into a new arena of operations.

The grant process reveals a great deal about the institutionalisation (DiMaggio and Powell, 1983; Meyer and Rowan, 1977; and Scott, 1995) of the new competitive and accountable regime to which Bushcare groups are subject, within the context of NPM. Institutional pressures in the funding environment result in an isomorphic process, where volunteer organisations are increasingly seen as providers of services in a competitive market, threatening their mission and...