



Rt Hon Jacinda Ardern, Prime Minister
Hon Grant Robertson, Minister of Finance
Hon Carmel Sepuloni, Minister for Social Development
Hon Tracey Martin, Minister for Children
Hon Poto Williams, Minister for the Community and Voluntary Sector
Hon Peeni Henare, Minister for Whānau Ora

1 May 2020

Tēnā koutou Prime Minister, Budget Ministers and Social and Community Sector Ministers

REFLECTING TRUST IN AOTEAROA'S NGO SOCIAL SERVICES THROUGH BUDGET 2020 INVESTMENT

This letter requests that:

- **Government addresses the social sector funding gap so that social service NGOs and Iwi/Māori organisations can maximise their contribution to Aotearoa's COVID-19 recovery; and**
- **NGO social sector provider representatives have a formal role in Government decision making processes, to support fully informed decisions and solutions.**

As you consider funding for Budget 2020, we ask you to reflect the Government's trust in Aotearoa's NGO, Iwi/Māori social services by investing to ensure the ongoing sustainability of the community sector, to continue supporting the wellbeing of children, families and communities. We understand you have asked officials to look at key challenges in their sectors and to provide advice on the best opportunities to recover, reset and revitalise. We wanted to directly share our views with you, for your consideration.

The independent report by MartinJenkins published in August 2019 (commissioned by SSPA and philanthropic organisations), *Social Service System: The Funding Gap and How to Bridge It*, showed that pre-pandemic, Aotearoa's NGO social sector including Iwi/Māori organisations was under significant pressure due to an approximately \$630 million annual funding gap. As the Report outlines, this gap threatens the sustainability and effectiveness of our NGO social services. The biggest challenges existing pre-pandemic – and which continue to undermine the capacity and sustainability of NGO social services – are:

- Workforce pressures: wage gap and pay equity. Estimated at approximately \$300 million.
- Rising cost pressures: estimated pre-COVID-19 that the underfunding of annual overheads and reserves across providers amounts to around \$130 million.
- Pressure to meet unfunded need: pre-COVID-19, it was estimated that demand across providers sits at around \$200 million, which is a huge amount of need being absorbed by organisations. Continuing to absorb this demand was unsustainable prior to the pandemic and is now significantly exacerbated.

During the pandemic, we have appreciated the trust placed in NGO social services by the Government to play a major role to help children, families and whānau in exceptional circumstances. Among other things, over the past six weeks, Government has trusted our sector to:

- Feed those in emergency situations.
- Provide warmth and shelter to those who would have otherwise been homeless or cold.
- Keep children and victims safe from family violence, child abuse and neglect.
- Provide mental health support to children and parents experiencing anxiety, depression and suicidal ideation.
- Help families and whānau to access support through communications means, where they would otherwise have been completely isolated in their bubbles from family, whānau and community support.

We have been proud to play our part in Aotearoa’s collective action during this unprecedented time, doing whatever has been required to support child, family and whānau wellbeing and resilience. We know, as you do, that the time ahead will be difficult and fraught for Aotearoa’s children, families and whānau – those who were already vulnerable pre-pandemic, and those now suffering as a result of it.

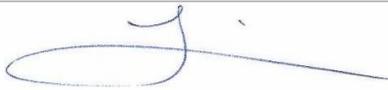
We recognise that you will be relying on us to play an ongoing and essential role in Aotearoa’s continuing recovery. To do so, we are calling on you to reflect the trust you place in us in tangible ways through Budget 2020. To this end, we specifically call on you to invest in the sustainability and capability of our sector. We want to be able to continue to help in the country’s recovery, and remain committed to doing so. Our organisations and our workforce are indispensable to the recovery. However, only Government can address the funding gap NGO social services face. Budget 2020 is the moment that this must be addressed, so that we can keep working together with government to ensure a positive and sustained social and economic recovery from COVID-19 in Aotearoa.

We acknowledge the large funding commitment to address emergency need, some of which has been channelled through the NGO sector, is a crucial investment already made by Government. We agree that increased service demand in specific areas must be addressed. However, the more general structural and capability issues of the NGO and Iwi/Māori social service sector must also be addressed. It is only with this investment that we can sustainably and effectively meet the need coming at us in the months and years ahead. In short, COVID-19 makes the need to address the funding gap even more urgent. That is especially the case for those organisations serving Māori communities and Pasefika communities, as these populations are likely to be more severely impacted by job losses and consequent food insecurity, housing and health issues. Addressing the funding gap through Budget 2020 is essential to ensuring an equitable recovery from COVID-19 where the needs of the children, families and whānau who need help most are prioritised. The ongoing strength of NGO, Iwi and Māori social services is more critical now than ever.

In line with the critical role NGOs play in Aotearoa’s recovery ahead, we also request a more formal role in ensuring provision of advice to Government, to add our unique insight and expertise to the views your officials contribute. We want to work with others to develop solutions that help shape the government’s response and how this is implemented in the short and medium term. We note the formal and valued role that the private sector has played to date in assisting the Government’s crisis response. We understand the need for business leaders to work closely alongside Government in shaping the response – especially in areas like economic recovery and planning for physical infrastructure projects. However, there is an equally vital role to be played by the community sector in helping the government formulate and deliver on a strategy for social recovery and the building of a strong social infrastructure that delivers wellbeing outcomes for children, whānau and communities.

Thank you for your commitment to the ongoing wellbeing of children, families and whānau in Aotearoa. We hope you will take the opportunity of Budget 2020 to invest in the sustainability of the NGO social service sector, reflecting the trust you place in us and our fundamental ongoing role in the recovery ahead.

Ngā mihi maioha

 Brenda Pilott SSPA National Manager	 Trevor McGlinchey Executive Officer New Zealand Council of Christian Social Services	 Sue McCabe Chief Executive Philanthropy New Zealand
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