



Philanthropic Sector Weekly Update – The Government Budget edition 15 May 2020

Purpose of this update

Philanthropy New Zealand is releasing a weekly update to share philanthropic and grantmaking activity and insight as the sector seeks to support communities in the wake of COVID-19. This update is a general public document, provided to Ministers, Government, funders, community groups and media.

After our key points section, this weekly update has coverage of the Government Budget, with a focus on aspects of interest to the philanthropic, grantmaking and wider community sector.

Key point for Government

- We appreciate the huge effort involved in developing this year's budget at pace with the advent of Covid-19 and the spend on some of the most vulnerable in our society. With \$20 billion still to be assigned in the recovery fund, and details of some announced packages to be finalised, we continue to urge that Government takes the time to collaborate and exchange ideas with a range of sector players (including community organisations and philanthropists and grant makers) to build a new (rather than necessarily "rebuild" the old) economy that places equality for all New Zealanders and tackling climate change at its heart. Read our Chief Executive's blog ['Time to really tap into the team of 5 million'](#).

Key points for philanthropic funders and grantmakers

- The Government Budget is heavily focused on jobs - getting people into employment and reemployment. However, there are a range of new funding packages directed at populations and issues of interest to the philanthropic sector, including housing, biodiversity and conservation, disabled people, Māori and Pacific populations, and refugees and migrants. We highlight these aspects of the budget below.
- In the UK, the Charities Aid Foundation (CAF) has found promising results around charities adapting to Covid-19 from its earlier investment in their resilience. The CAF resilience fund contributed significant funds over two years to charities to free their capacity to improve their organisational strength (e.g. good governance, transparent reporting and prudent financial management). They offered tailored expertise from consultants along the way. CAF reports that many of their recipient charities have "been more confident in having to think fast and make necessary changes, having used their time on the programme to streamline their services and focus on what's important to them".
- Work has been paused on Modernising the Charities Act for the next six months. This means no policy work or decisions will be made during the remainder of this Parliamentary term. In the meantime, the Minister for the Community and Voluntary Sector and DIA are considering how issues and opportunities relating to Covid-19, which have been raised by the sector and by philanthropic funders, might be incorporated into the work programme.



Key point for community organisations and public

- Given the move into Level two and reduced restrictions, new guidance has just been issued for volunteer organisations and volunteers. Information this can be found here:

Level 2 Guidelines for Volunteers - <https://www.volunteeringnz.org.nz/wp-content/uploads/Volunteer-Guidelines-Alert-Level-2.pdf>

Level 2 Guidelines for Volunteer Organisations - <https://www.volunteeringnz.org.nz/wp-content/uploads/Volunteer-Organisations-Guidelines-Alert-Level-2.pdf>

Takeouts from Budget 2020 – “The Recovery Budget”

The full budget can be found here: <https://budget.govt.nz/budget/2020/wellbeing/index.htm>.

Finance Minister Grant Robertson’s speech that provides some more details on different parts of the package can be found here:

<https://www.beehive.govt.nz/speech/finance-ministers-budget-2020-speech>

Headlines of likely interest to our audience include:

Housing

Kāinga Ora will be allowed to borrow \$5b to build another 8000 state and transitional homes. Minister Robertson also stated that \$670m of support and services would be provided to tenants. This is intended to improve affordability by increasing the supply of houses, while supporting the residential construction sector.

An insulation and heating programme was announced to ensure an estimated 9000 New Zealand houses will be warmer. A significant package has also been set aside to implement the Progressive Home Ownership scheme that will provide access to home ownership to improve the wellbeing of target households by meeting their housing needs and flow-on benefits such as improved security of housing tenure, access to building household wealth and housing-related health and social outcomes. The scheme will incorporate targeted programmes focused on Māori outcomes.

Employment

The wage subsidy scheme is extended by eight weeks and will pay out the same as the present wage subsidy. Enterprises will need to show a 50 per cent reduction in revenue over a month compared to last year, instead of a 30 per cent reduction.

Those out of work will also be supported with a \$1.6b package for trades training that extends "fees-free" vocational training to those out of work, not just school leavers. This \$1.6b package includes \$334m for additional tertiary enrolments, \$320m for free trades training, and \$412m to help employers retain current apprentices.



A further \$400m will be spent expanding and strengthening Work and Incomes employment support services, and \$19m will go towards placing 10,000 people in primary sector jobs.

Treasury expects budget spending to save 140,000 jobs over the next two years, but for unemployment to still bounce up to 9.8 per cent in September, given the economy is expected to shrink by as much as a fifth in the three months to June.

About 11,000 "green" jobs will be created in the regions with a \$1.1b package that includes environmental projects, biosecurity and pest control roles, and DOC's "job for nature" fund.

Social sector - welfare

No changes to benefit rates or payments are set out other than those already promised in March, when the Winter Energy Payment was doubled, and benefits increased by \$25 a week.

The school lunch programme is expanded to cover 200,000 more children, at a cost of \$220m. This is expected to create 2000 jobs.

A \$20m tertiary student hardship fund is established for this year.

Community sector

In his budget speech, Minister Grant Robertson confirmed that \$32m is being provided to increase support for foodbanks, food rescue and other community food services to leverage surplus donated food from producers, manufacturers and suppliers that would otherwise go to landfill.

A \$36m fund is also being established to support community groups to respond directly to COVID-19 and its impacts, with a focus on those who are from Maori, Pacific, refugee and migrant communities.

Wider social development spending includes packages for:

(<https://budget.govt.nz/budget/2020/wellbeing/annex/initiatives-socdev.htm>)

- Supporting recent migrants to access financial support.
- Additional resourcing for four community sector peak groups and national bodies to strengthen the capability of social sector providers.
- Keeping community-based services open for disabled people.
- Continued access to building financial capability service.
- Extending the Christchurch Mosques Attack Welfare Programme for 12 months.

The increase in Oranga Tamariki spend includes funding to sustain the current level of partnered service delivery, addressing both general cost increases and significant personnel cost pressures that are impacting the ability of non-governmental organisation partners to recruit, reward, support and retain their workforces. It also contains budget to maintain current outcomes for the needs of children in care. A full breakdown of the budget is [here](#).



\$19.8m has been set aside to improve access to support services for communities in regional New Zealand. This will include increased accessibility for rural communities to both government and non-government services.

Support for people with disabilities and the wider system

Referred to as the largest funding boost for disability support services, an additional \$833m is to be invested over 5 years, including \$103.7m in the current financial year. Examples of what this funding might pay for is access to support for showering, cleaning, and hands-on care; accommodation for those with high needs; equipment for mobility and access; respite for family/whānau carers; rehabilitation for people following a serious illness; and secure court-ordered care. Alongside the \$833m, the following amounts have been set aside:

- \$12m to assess innovations that empower people with disabilities – this investment is seen as contributing to transforming New Zealand’s disability support system and allowing for the assessment of pilots that have been happening around New Zealand around disabled people and their families having greater choice and control in their lives.
- \$4.4m to pay for in-between travel costs for disability carers.

Funding for specialist family violence services

Government announced this week that it is investing an additional \$183m in [MSD funded specialist family violence services](#) for victims and perpetrators of family violence over the next four years. This is in acknowledgement of the overwhelming demand for services alongside the increasing costs of delivering such services. They have also explicitly acknowledged that deficiencies in current funding levels drives “high caseloads, low salaries and unpaid hours for sector specialists and other workers”. They hope that “the additional funding will support current MSD-funded providers to start addressing current cost pressures and to retain, support and develop their valuable staff”. It is also expected to allow providers to offer more competitive wages to social workers and other workers with equivalent skills and experience.

Response for Māori

The Government is investing over \$900m in response to COVID-19 to support whānau, tamariki and all Māori and this spend features in different packages throughout the 2020 budget.

This includes the establishment of a \$50m Māori trades training fund, which is part of a wider Māori Employment Package of more than \$200m where Government will work in partnership with iwi and Māori to help grow job opportunities in the regions.

An extra \$19m was allocated to Whānau Ora Commissioning Agencies as the country moved into Alert level 4. A further \$136m to continue to deliver the support whānau need on the ground.

\$200m of additional funding has been earmarked for Te Kōhanga Reo. This will contribute to Kaiako (teacher) wages and learning facilities in good condition. Overall, Māori education received a \$400mincrease in funding.



In acknowledgement of the work Māori NGOS, iwi organisations and Māori non-government organisations have done to respond to COVID-19, \$11m has been assigned for them to continue to support the most vulnerable whanau.

The housing budget includes \$40m for tackling the housing challenges Māori face.

\$195m to support recover and rebuild of Pacific communities

To help support Pacific communities recover and rebuild from the Covid-19 pandemic, \$195m has been allocated by the government. The biggest investments are directed towards supporting Auckland Pacific peoples into quality employment, education initiatives (still to be announced) and improving housing for Pacific families and communities.

Increase in funding to support New Zealand Aid overseas

\$55.6m of additional funding has been assigned to help those most in need via New Zealand's Aid Programme. There will be a heavy focus on support for neighbouring Pacific countries to help them tackle Covid-19 and rebuild their communities and economies. The aid programme will also provide essential health services, clean water, and sanitation; running education programmes about handwashing and other critical activities; and meeting humanitarian need. They are doing this in partnership with countries, regional organisations, multilateral organisations and NGOs.

Early budget analysis and commentary

Insights on slices of the budget for different sectors include:

From Deloitte: <https://www2.deloitte.com/nz/en/pages/2020-government-budget/topics/2020-budget-insights-hub.html>

From PWC: <https://www.pwc.co.nz/insights-and-publications/budget/nz-budget-2020.html>

From Dentons Kensington Swan:

<https://www.dentons.co.nz/en/insights/newsletters/2020/may/14/the-big-reset/when-it-rains-it-pours>

Early reactions from some community voices can be found here:

<http://community.scoop.co.nz/>



The philanthropic landscape

Community needs

Selected statistics from benefit data (April 2020 published by Ministry of Social Development)

346,121 people are now receiving a job seeker support benefit (up 21% from same time last year)

The highest proportion of populations aged 18-64 years receiving job seeker support by regions are:

- 10.7% in Northland.
- 7.8% in Taranaki (including King Country and Whanganui).
- 7.8% in East Coast.

Food Special Needs Grants are up 262.8% from the same time last year (they total 278,292 for the month). Just over half of these grants went to recipients of Māori ethnicity, around 28% to NZ Europeans, and just under 10% to Pacific peoples.

A range of data on benefits can be found [here](#).

You can also view jobseeker support data by regional council on the [Stats NZ data portal](#) under "Social<Benefits<Jobseeker by Regional Council."

Update on digital inclusion

Twenty organisations from across New Zealand, including some philanthropic funders and grantmakers, have pledged their support for a [digital inclusion plan](#) to make sure everyone can make the most of the world online. The plan was submitted to Government last week, according to InternetNZ.

It identifies five areas of consideration:

1. Affordable connectivity.
2. Getting devices to people who can't afford them.
3. Wrap around support for the newly connected.
4. Digital skills for displaced workers and our small businesses.
5. Longer term Internet resilience.

It is noted that there is a need to focus on groups in society that need different kinds of support, including Maori, Pasifika, older people, people with disabilities, those on lower incomes, rural users, and the homeless. And more than infrastructure and cost limitations there is the need to build skills, motivation, and trust to be online.



Economic impacts of COVID-19 on Māori

New research by BERL (in partnership with Tokona Te Raki Māori Futures Collective) has found that around half of the Māori workforce, including up to three-quarters of working rangatahi, are in industries which are directly impacted by the response to the pandemic.

The short-term entry-level low skilled jobs such as retail, accommodation and forestry might not be available for rangatahi entering into the job market, and they may have to learn new ways to work, rather than relying on a single full-time job.

Dr Eruera Tarena (of the Collective) has observed that rangatahi Māori are the fastest-growing part of the workforce, and COVID-19 should be seen as an opportunity to fix a broken system and create a more equitable Aotearoa. He sees opportunities to focus on the future skills needed to enable rangatahi to thrive and lead into the future.

Update on emergency response

On Wednesday the state of national emergency expired, and a national transition period came into force for 90 days (unless extended or terminated earlier). This is significant as there is now a general aim to transition out of the provision of CDEM Emergency Welfare services (such as 0800 welfare numbers, provision of emergency shelter, delivery of food parcels, support to foodbanks). CDEM Groups may continue to provide some CDEM Welfare Services where they assess there is a need, in coordination with Caring for Communities regional partners.

Caring for Communities is a workstream in the national pandemic plan that deals with welfare. It takes a long-term approach and is part of the all of government response to Covid-19. Its purpose is to ensure all individuals, whānau and communities at greater risk of experiencing adverse health, social or economic outcomes as a result of COVID-19 and the restrictions that have resulted have information and support to provide for their ongoing wellbeing.

Response and forward funding

Some examples of philanthropic and grant making activity this week include:

The Arts Foundation Future Fund has raised 79% of its \$100,000 target to support artists and the future of our arts and creativity industries. The fund has been giving a \$1000 koha to artists to kickstart their own crowdfunding campaigns on www.Boosted.org.nz. Dozens of #saveourvenues fundraising campaigns are happening over music month, each with a \$1000 koha from Arts Foundation Future Fund, plus 5% of their Boosted campaign target donated back to them. An additional \$200,000 per venue has also been offered from MusicHelps as part of their MusicHelpsLive campaign to support up to a total of thirty venues nationwide. #saveourvenues alongside Boosted LIVE and MusicHelps aim to help raise over \$500,000 for venues across Aotearoa and have raised over \$265,000 so far.

The Wakatipu Community Foundation is supporting a philanthropic initiative imported from the United States by local resident Kristen Holtzman. The Impact100 Queenstown initiative involves 100



women in Queenstown each giving \$1000 to enable one “game-changing” \$100,000 grant to be given to one local charity or not for profit group. Charities or not for profits apply to be considered as recipients, they’re checked out and five finalists are selected to present to the Impact100 members at a dinner, during which the members will cast their vote for the winner.

The J R McKenzie Trust contacted Pasifika Futures to see how it might best support vulnerable Pasifika communities outside of Auckland (which is often the focus of the response). Through this established relationship they were able to work with Pasifika Futures and their system of distributing resources through their partner groups to contribute to the distribution of Covid-19 care packages on the ground.

The Christchurch Foundation is currently [interviewing woman leaders](#) on how we can best emerge from the crisis. This week they talked to Philanthropy New Zealand’s Chief Executive Sue McCabe about the response and role of philanthropy and grantmakers.