

13 January 2020

Hon Grant Robertson, Minister of Finance  
Hon Carmel Sepuloni, Minister for Social Development  
Hon Tracey Martin, Minister for Children

**By email**

Dear Ministers

**FAIR FUNDING FOR NGO SOCIAL SERVICES IN THE 2020 WELLBEING BUDGET**

I am following up on my letter to you on 12 December as I know you will now be in the process of considering priorities for the 2020 Wellbeing Budget, based on the proposals you have received from your agencies.

The first Wellbeing Budget in 2019 promised transformational change in the lives of children and young people and took some important steps towards greater wellbeing of current and future generations. Transformational change is widely supported by government and non-government agencies working with the families most in need. We have seen the limited impact of incremental change that is not properly funded to achieve lasting results and applaud the commitment to do better.

Like you, we are seeking further, and bolder, progress and hope to see the 2020 Budget announce a significant broad package of investment in the wellbeing of vulnerable children and families. We believe that a major boost in funding for NGO social services must be a cornerstone of this investment.

We are hopeful that the Social Sector Commissioning work will set in place a better framework for contracting and funding but it is not part of its brief to consider funding levels. So we are looking to the 2020 Budget to make significant inroads into the funding gap now, alongside any announcements you make about new forms of partnering with the NGO sector.

The pay equity claims for NGO social workers and other social service workers are progressing slowly and it is apparent that the claims will not be resolved within the timeframe for the 2020 Budget. So we are seeking some interim wage pressures funding to enable NGOs to respond to an extremely challenging labour market for the skilled workers they need.

We appreciated your acknowledgement in our 4 December meeting that the additional funding for cost pressures was not enough. We have sought your commitment to closing the \$630 million funding gap and submit that the time is now right for a major step towards closing that gap. Without an effective network of community based social services, this Government will not be able to achieve its wellbeing objectives for children and families. These objectives rely on NGOs receiving funding that is adequate to meet essential operating costs and employ well-trained staff.

An announcement of an additional \$300 million into current NGO baseline funding – halfway towards closing the funding gap – would undoubtedly be seen as a bold and transformational step that would benefit services to children and families in need throughout New Zealand.

Yours sincerely

Brenda Pilott  
**SSPA National Manager**