

News Release

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Budget helps families but fails to meet funding shortfall

The community social services sector is welcoming the large Budget investment in jobs, training, emergency relief and public housing. This will assist families and community recovery for years to come. However, the Budget announcements fall short of the funding boost the community social services sector has called for.

Brenda Pilott of Social Service Providers Aotearoa said, "We welcome the additional funding of \$148.2 million over 4 years to be invested in NGO running costs, children in care, and rural and provincial social services, and the further \$183 million for specialist family violence services. But on an annual basis, it's a long way short of the additional funding needed to ensure the sustainability of the sector.

An independent report by MartinJenkins last year found government-contracted social services for children and families were being under-funded by \$630 million a year.

"The effect of this is that providers struggle to pay the going rate in order to maintain a skilled workforce, as well as cover the basic running costs. The Covid crisis has accentuated the critical need for a reset of the way community-based services for children and families are funded," says Brenda Pilott.

SSPA applauds the speed with which government has pumped money into the economy to meet immediate and acute needs around food, shelter and heating, but for many families the problems will be deep-seated and long-term.

"With at least two years of high unemployment ahead of us, social service providers anticipate an unparalleled increase in demand as families struggle with stress, anxiety, insecurity, and deprivation," says Brenda Pilott.

"Professional support for families is essential during this extremely difficult period to reduce the risk of children's futures being blighted by the Covid crisis and to support communities on the road to recovery."

Brenda Pilott said "SSPA recognises the enormous and competing pressures on government but social health and wellbeing are among the most important areas of focus for the recovery of New Zealand."

She says she is heartened that more announcements are to be made on social services.

"We do not expect an immediate fix to an historic under-funding problem but this unfair and deeply-flawed funding system is indefensible in the face of the pressures on services arising from the Covid crisis.

"The sector needs a commitment from government to work together for a realistic funding model that covers the actual costs of providing government-contracted social services. We are looking for a firm timetable to address these systemic problems.

"For the immediate and short term, we need contingency funding to prevent community services going under at a time of greatest need."

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ABOUT SSPA

Social Service Providers Aotearoa represents some 200 non-profit organisations funded by government to work with vulnerable children, young people and families. Brenda Pilott is national manager of SSPA.