

**Submission to
More Effective Social Services Inquiry
2 December 2014**

Tauranga Budget Advisory Service appreciates the high trust contract which they hold with MSD to provide money management budgeting advice and financial capability education in our area. We depend on the services of up to twenty volunteer budgeters and several part time paid staff. The impact is significant and the volume of work we handle is measurable for our regular reporting. We have a good two way relationship with our funder, but continue to be restricted in our outputs and outcomes due to the funding only covering about a quarter of the work we do. In spite of a good selection, training and support system and good teamwork enjoyed by our volunteers, it is becoming increasingly difficult to retain their services for long enough for them to fully absorb the complex financial legislation framework in which they now have to work with clients, who also are having increasingly complex issues and levels of debt. The volunteer Committee faces continuing challenges to provide the level of service being sought in our Statement of Strategic Intent although it has a high level of diverse experience and professional skills

We note the six common themes that the Productivity Commission reported in an update on 27th November that it is finding, and we directly identify with most of them. We repeat that our local relationship with MSD is very professional, but the general funding environment which continues to not recognise the interconnectivity of health, education, social services and Maori streams of currently “silo” funding is frustrating.

As I write this the latest report on Child Poverty is being released. This whole inquiry must offer practical recommendations on how to address the ongoing serious challenge of 260,000 children who are not having adequate support to get the best possible start in life. Everyone talks about the poverty issues, and we know the measures being used, but the basic causes that our service sees daily are not being addressed.

These are:

- insufficient income even when careful management to meet regular family expenses such as transport, power, unexpected illness and dental treatment
- poor families are suffering from unsatisfactory housing situations and inability to secure healthy long term solutions that do not cost more than 30% of their income. This is their highest weekly cost and often up to two thirds of their income, in particular bonds, and the current government housing policies are making the situation worse in our growth area where many are on low incomes. Capital investment is required in new larger and smaller housing in convenient locations, but the necessary state assistance is not available.
- Intergenerational lack of strong parenting and money management skills. We find it hard to develop satisfactory budgets when the clients are not aware of the information and community support that is available and how to apply this to their own situation and better support their family. Basic literacy and difficult family relationships are often the underlying issues, but are not always adequately addressed.
- Contract funding going into communities is not necessarily coordinated for best long term outcomes, rather than just maintaining clients' state dependence and a future for the provider agencies. However we acknowledge that Contracts are becoming more focussed

on actual inter agency coordination for long term outcomes and results based accountability. More work is needed and we commend this inquiry for asking the questions.

TBAS notes the detailed replies that you have already received and support in particular those from local community based groups as we all operate in similar environments.

We all need

- contracts that offer genuine partnership opportunities rather than top down imposed inputs that may not be as directly relevant as mutually agreed RBA
- competition and market forces policies are not good long term robust solutions based on interagency/group trust
- true recognition of the value of volunteers and the costs involved in giving them the necessary level of training and ongoing support
- more user friendly RFP and Contract agreement documentation.
- Longer term contracts (at least three years like High Trust) subject to annual monitoring. Too many good staff are lost especially to the state sector due to insecurity of work tenure, career progression and poor pay.
- Local region based contract coordinators/administrators who build up relationships, are aware of the actual levels of performance, the personnel, and can facilitate local interagency and inter department planning and implementation of local solutions
- reduced costs of reporting and standard templates between departments that are compatible with basic provider data reporting systems. The continual changes in IT are a major cost for groups but there is little standardisation or guidance from Contract funders.
- more incentives for local collaboration and coordination. This is important but very time consuming due to the varying goals of local groups and lack of resources for non essential work

Our organisation has a forty year plus history serving about 2000 clients each year and we believe we have a reasonable understanding of our rapidly growing western Bay of Plenty area. The demographics and the social issues are changing. We acknowledge that some of the above comments are based on our experience with a specially funded MSD Capability Investment Resource project to develop our service's skills to undertake community collaboration in order to apply Total Money Management and social and financial skills education to shared clients who wished to improve their situation. The results are not yet fully assessed but indicate positive results from this more integrated local approach to client support and service delivery. Our coming Social Return on Investment (SROI) report will provide more in depth analysis of the value and the opportunities and barriers to this innovative partnership approach to contract proposals.

We wish to be consulted on further stages of this Inquiry

Thank you



Jo Gravit
President
Tauranga Budget Advisory Service