



SocialLink

Tūhono Pāpori

Building a Thriving Social Sector

Western

Bay of Plenty



Survey Report Summary: Social and Community Service Providers on Funding and Service Demand



Western Bay of Plenty Region October 2024



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Introduction

Firstly, thank you to the 61 organisations that completed the survey asking what was happening for them regarding their financial situation and service demand.

While it's not a representative number of community organisations, it is indicative of issues community organisations are experiencing and is reinforced by the findings from the national State of the Sector report. A big shout out too to Liz Stewart, SocialLink's researcher, for crunching the numbers and writing the report.

The majority of organisations that completed the online survey were social services service providers, community development agencies or health services. The majority were Charitable Trusts with 36 percent Tier 4 organisations (revenue of under \$140,000) and a further 36 percent earned revenue between \$140,000 to \$500,000.

Summary

The growing challenge for social services: Navigating increased demand and decreased funding

Due to the similarities in the findings between SocialLink's survey in the Western Bay of Plenty (WBOP) and the State of the Sector report from Community Networks Aotearoa¹, the following summarises the findings of both and issues a wero to move forward².

We are all too familiar with the growing complexity of needs within our communities. Recent data reveals that 66 percent of organisations in the WBOP and 77 percent of organisations nationally are experiencing an increase in demand for services, alongside more complex issues that clients face.

This scenario presents both an opportunity and a significant challenge, especially as 40 percent of organisations nationally find themselves "over-delivering" on contracts. While this commitment is admirable, it raises crucial questions about sustainability and the resources available to maintain this level of service.

[1] 272 responses were received for the state of the Sector survey

[2] SocialLink will shortly also be able to release the results of the survey SocialLink developed and distributed by Community Waikato and Community Networks Aotearoa, however an initial analysis of the results suggests very similar findings to that of SocialLink and the State of the Sector results.

The causes of the increased demand and complexity is due to rising living costs, overwhelming debt, mental health issues, inadequate housing, systemic health issues and escalating crime rates. Each of these factors requires organisations to devote more time and resources to effectively address the needs of individuals and families. However, paradoxically, many organisations are also grappling with funding cuts that necessitate a reduction in services or, as 45 percent of organisations nationally reported, dipping into reserves, which is not sustainable.

The financial realities are stark. The majority of organisations reported contract renewals at the same level, or a reduction in funding or contracts, coupled with a lack of cost of living adjustments. Not funding organisations for CPI increases has persisted over many years, effectively decreasing funding in real terms. For example, consider an organisation with a \$75,000 Government contract. Without appropriate CPI increases over five years, the value of that contract diminishes to approximately \$60,000 in today's economy, despite rising operational costs. This imbalance forces organisations to either dip into reserves - if available - which is ultimately unsustainable, or cut back on essential services and be unable to meet the growing demand. Neither are palatable options.

The consequences of this funding shortfall are profound. As many organisations stretch their resources to meet the escalating needs of their communities, the risk of burnout among dedicated staff grows. This overextension not only threatens the viability of these organisations, but also undermines the very services they are striving to provide.

Furthermore, there are indications that Government agencies are favouring larger providers in allocating social service funding, leaving smaller organisations at a disadvantage. This shift could exacerbate the funding crisis for local entities that often provide crucial, tailored support to their communities.

It is imperative for social service professionals to advocate for fair funding practices that reflect the true cost of delivering services. Funders, including councils and Government departments, must recognise and value the essential role that organisations play in community well-being. They need to provide sufficient financial support that accounts for inflation, and the complex realities our clients face.

In future, collaboration among organisations, community stakeholders, and funders will be key. We must collectively voice the need for sustainable funding models that empower us to deliver the high-quality services our communities deserve. The challenges are daunting, but by working together and advocating for change, we can ensure that our organisations not only survive but thrive in the face of adversity.

Let's unite to secure the future of social services for those who rely on us most. At the same time, let's look inwards, particularly smaller providers, to consider how we can work differently (for example, co-location, integrated service delivery, merging), to improve financial sustainability.

In response to the local and national research SocialLink is planning to:

- Investigate organising a local (ideally national) 'Pay CPI' campaign to urge funders to pay CPI, and for organisations to consider proposing to their funders that they reduce the level of service to align with the real dollars they receive.
- Hold a local workshop in November 2024 called 'Opportunities in Uncertain Times' for organisations who want to front-foot the changes, or who may already be struggling, to consider other ways of working to become more sustainable.
- Hold a series of workshops early 2025 about how to resize if an organisation is facing reduced funding.
- Inform the sector about social investment and social return on investment.
- Work with national and regional peak organisations to engage with Government about concerns raised by the research.

We welcome your thoughts, comments and observations
Contact Liz Davies, CE of SocialLink: liz@sociallink.org.nz

Read the Full Report [HERE](#)