

Hon Paula Bennett

Speech: Living Above Recession Conference August 2009

E nga mana, e nga reo, e te iwi o te motu, tena koutou, tena koutou, tena koutou katoa.

It's my pleasure to join you today, thank you for your invitation.

I'd like to acknowledge John Exton, chairman of Christian Budgeting New Zealand. I'd also like to acknowledge the fact that many of you have travelled today from all corners of the country to attend this event.

Quite simply, your conference is perfectly timed and very well themed. Your services are in need more than ever, and the work you do with individuals and their families in need of budgeting help and advice is invaluable.

I'd like to walk you through what I see as some of the real challenges facing New Zealand right now, and initiatives this Government has underway which we feel will help address those challenges.

As you well know from the work you do, day after day, New Zealand is in a crisis. We're in the grip of the biggest economic downturn since the 1930s. And you will know that it's the people who were in a vulnerable position during good times, who are struggling even more right now.

What I've found, as I've managed to get out around the country and get a feel for the work being done by social sector groups, is that there are also many New Zealanders who have never really experienced financial pressure before who are also finding things hard.

Last month for example I opened the new Mangere Budgeting Service premises. The demand for their services simply meant they outgrew their building. They've

also seen more people through their doors - people who probably wouldn't have given a second thought in the past to going to a budget advisor for help. They didn't need to. I know this situation is repeating itself up and down New Zealand.

Sadly, within my own Ministry I know demand for food grants are up, and food banks are reporting that their shelves are emptying faster than ever.

More people are seeking hardship assistance to get themselves and their families through the economic rough times.

This is why your roles as budget advisors are so vital.

This Government continues to support the excellent work that you do. We provide \$8.3million dollars annually to fund over 160 budget advice services nationwide – but this is only one aspect of the funding that community groups and NGOs receive from the Government.

We also recognise that times are increasingly more difficult for the social services sector. Many are facing a huge increase in demand for their services. That's why three months ago I announced the Community Response Fund, to address any shortfall caused by a drying up of charitable and philanthropic funding.

Targeted and short term, the Fund will support those agencies finding significantly more people on their doorstep or in dire financial straits.

We've also made sure there's significant community input into the decision about exactly which groups in our communities need the Fund's support the most.

As a Government, we recognise that now is not the time for bureaucrats in Wellington to decide which groups are the most worthy, and who's truly in need.

We need those decisions to come from within community boundaries – from those who deal everyday with people asking for help, and from those that they know and trust.

As we entered into Budget negotiations this year, the scale of the recession facing us was beginning to be more fully understood. It's become clearer as the year's gone on that, as a country, we have an uphill battle ahead. There may be the very first signs of recovery starting to appear, but we're not off the hook yet. We are still going to have to do more with less for a while. Even with the expected recovery, we're not even looking at being in surplus for at least another decade.

But despite the very real pressures being put on the government's resources, I've been pleased to be able to deliver a commitment that the money allocated under the previous Government's Pathway to Partnership model would not be lost. That \$446 million will remain in the sector. That's a huge win in this economic environment.

I have flagged however, that with less money to be shared around a growing group of people in need, we're going to have to work harder and smarter with the resources we have. I know that's something you will understand in your line of work!

I'm laying down a challenge to NGOS and community groups to start thinking past permanent government top-ups, to a world where communities drive their own solutions. In some communities, I know this is already happening.

I believe it's now time to put the pedal to the metal and accelerate that process.

By working together, by aligning and combining resources, by identifying those families who need the most help – I believe the best possible service will be

delivered. And it's not all about cost savings – what it's really about is how we deliver services to those that need it most. We cannot keep applying layer upon layer to an already complex system.

I know that this will take a great deal of work, and a great deal of effort to get right. But if we get it right, we will have effected enormous change.

Pretty tough talking eh?

Well now for the real challenge. I will change government.

If given the time - and if the community walks alongside and does its part - then I will do mine. I will change the way we contract social services. I will continue to work with my social sector colleagues on breaking down silos. I will turn the model of funding around – I think I've got the bigger job! But I love it.

I love it because I see the potential in what we could deliver. We are already doing it in pockets. In Child Youth and Family we are rolling out the differential response model – it involves more third sector involvement with struggling families. I'd love to talk to you about that more, but might not stop!

I will be announcing in the next few weeks a new funding model, and I can't wait. And there is an absolute commitment amongst Ministers to break silos and set the third sector up to succeed. Don't kid yourselves, this will be possibly one of the most difficult things we could do in government. Everything is set up against it.

There is one thing we need to remember as we head down this path. Who are we here to help?

After all, New Zealand is a small country – everyone is connected to everyone else. Since becoming Government, we've worked hard to give employers the kind of support they need to keep their workers on. Employers needing to cut costs know that if they have to let someone go, it's not only that person affected. That someone has a family, and is part of the community. It is in the best interests of both the employer and the employee to work together to keep the job, and find other innovative and creative ways to cut costs and boost value. And we've seen some great results with this approach.

Back to budgeting. It's our challenge as Government to know that the support and assistance we're providing is being effective. That it's not just getting people through the next week or the next month, but it's actually changing the drivers that created the situation they're in. We need to make sure our programmes and services help people improve themselves and, as a result, have the power to change their situation for good.

Give a man a kumara and you feed him for a day. Teach him how grow a garden full of kai and you feed him for a lifetime.

I heard a story a few months ago in Dunedin, about a man who needed help from a food bank. He couldn't bear the thought of taking something, without giving something back – so he brought in some lettuces and other veggies from his own garden to give to other people. That's what gives me hope that together – we'll get through these tougher times.

We need to make sure these programmes and services are helping people change their lives for the better. Not just allowing them to continue on in the same old way - sometimes for generations.

I see people who've made this change when I look at the work Christian Budgeting Services does. Your focus on helping people to help themselves is

exactly the kind of approach we want to see NGOs and community groups taking. Not a handout, but a hand up. This is one of the reasons why I think it serves the whole country for the Ministry of Social Development to strengthen its ties with community agencies.

NGOs play a vital role in supporting the most vulnerable members of our society, and the work you do can often help them develop the skills that can change their lives forever – like knowing how to budget. It is possible to live above a recession, and find the opportunities where others only see issues or problems.

I commend you for the excellent work you're doing, and I wish you well for your conference.

[Source: Transcript provided by the office of Hon Paula Bennett.]