



**From the Waikato: State of the Sector Survey
June 2011
A qualitative narrative discussion**

Mid last year we ran a survey that asked you, Waikato community organisations, three questions,

- How is your organisation doing in the wake of the recession and change of government
- In your view how is the tangata whenua, community and voluntary social service sector in the Waikato doing overall?
- Have you a sustainable income stream, or do you have any plans to develop one?

From this we found overall that while the respondent organisations were clearly facing a number difficulties the resiliency of the sector and commitment to the communities served was strong.

This year we asked those questions again to add to the picture.

Compilation of survey responses 2011

Our respondents were primarily managers and CE's from around the Waikato, including large and small organisations, rural and town-based, tangata whenua, migrant and mainstream. The majority of responses came from the survey. Some were gained from informal discussions at public events, in particular the Charities Commission forum held 12/7/2011.

How's your organisation doing?

Organisational financial worries and concern for staff were expressed by almost all the respondents. Many organisations note that the impact of the recession is still being felt, with a number agreeing that the affect was being felt *"even more than previously"*. This was largely attributed to less funding being available overall, along with different or changing Government priorities for services.

While a few respondents noted they were managing financially, largely because their services had become government priorities and therefore funded...

"Due to the nature of the particular services we are offering - working with youth and youth offenders, family violence and dysfunction etc. we know we have funding available."

"While there have been some funding limitations our organisation, the importance of the work we do has finally been recognised. We are the only agency offering the services we do which makes us unique, our profile and relationships are continually growing and strengthening and it seems we are being funded accordingly."

...many more are experiencing significant difficulty. Organisations noted that funders generally are funding at the same level as previous years which does not take into account cost of living or GST increases. It is of some concern that a number of organisations report the expectation of deficit budget, either having or in imminent danger of having less than three months operating costs in the bank or are seriously worried that they may be either forced to close or considerably reduce their services, to the detriment of the communities they care for and their own employment.

"We are finding funders are giving 2-3k less each year. If we hadn't received some Community Response Fund things would be quite different financially in our organisation."

"Gaining funding continues to be a problem- as in receiving considerably less from funders than we are applying for or being turned down altogether by funders. Along with less funding this also means a lot of time is being expended by our fund seeker for little gain."

"There has been a drop in available funding and in amounts funders are allocating. We had an end of year loss this year for the first time in a long time."

"The recession has had an affect with available funding becoming harder to get and with more competition for the \$ due to higher community needs in general."

"We have significant concerns financially, receiving markedly less from funders overall this past year. I think being considered a reasonably affluent area has affected our funding. While there are a number of farmers in our community they are far outnumbered by a large number of unemployed or minimum waged people."

"There is a continually growing need for our services in our community, however no extra funding is available or forthcoming to meet the needs."

"Currently we are holding our own, but we are walking a very fine financial line at present, with the likelihood of significant reductions from our major funders and subsequent impact on service delivery to our community a real concern."

"For the first time since our earliest days we have dropped below the 3 months operating costs amount in the bank. We are trying to be positive and hoping that a funding application currently under consideration will have a favourable result. If it doesn't we will be seriously looking at closing or at the very least reverting to working primarily with volunteers, from someone's home. This scenario is not a good one or even one that is possible to go back to."

“We are struggling; changes in government funding continue to be a problem. We have strategies in place for further diversifying our fund seeking, however our confidence is not high, the funding we need simply is not available.”

“We are less confident this year with a deficit projected budget, which we have not experienced in other years.”

Organisations are frustrated at changes they are being forced to make to be eligible for funding, citing having to alter programmes that work well and effectively for their communities to “something dreamed up by someone in government that has no idea of the reality we are working in” to “meet the requirements of a new government”. One organisation affected in this way noted that “It wouldn’t be so bad if there was sound reasoning behind the changes, but we are having to do this simply because the current government wants to remove something approved by the last government.”

Much of the struggle experienced by organisations and staff is directly attributable to financial stressors. In last years survey results there was a focus on the resilience of the sector and its willingness and commitment to accept and continue on through difficult times. This resilience and willingness to carry on is still very much present;

“There is a huge commitment in the sector to the community, not to the funding”,

“We are suffering but committed to continuing”,

“Despite the real hardship and uncertainty our staff are committed. No one has left, despite a number of our staff having very marketable skills and the ability to earn more in the business or health sector”

“People working in our sector will always look after the community”.

“We are fortunate to have sound funding supporters and the community focussed staff and governance who work with them.”

However there is mounting concern about the financial impact on employee wellbeing. A significant number of organisations reported that they have been unable to provide any form of pay increases for staff, including cost of living over the last two or three years, and additionally many employees are working longer and often unpaid hours to meet the increased community need.

“My staff are the working poor”

"My staff are as hard up as the clients they are working with. They deserve pay raises, they need them, but currently the only way we can pay more is to get rid of a person. Not a great situation to be facing- unemployment for someone so that everyone else can gain a few more dollars a week, but as an organisation we are being forced to consider this".

"The sector is strong in spirit and will always do its work. This is at a considerable cost at times to the workers i.e. no or limited wage raises, hours worked for no pay, limited resources, all leading to staff stress and tiredness",

"I don't think it has ever been tougher on organisations or staff"

Many respondents noted the difficulty of working in conditions where there is no 'light at the end of the tunnel' to be seen.

" We are getting tired and can't see that the stress and strain is going to end anytime soon. Eventually more and more people will have to leave, forced to by their own needs (particularly financial) and for health and wellbeing reasons."

"People are really tired and worried about the future."

"Things are certainly difficult. People are tired of the grind, but still carrying on."

Four areas stood out as having been severely impacted upon by the recession and changes in government funding priorities. These include budgeting, services for older people, migrants and parent and child groups.

Migrant groups in particular have concerns that the needs of their community have been ignored, or overlooked.

"... it seems that because our sector (migrants and refugees) are not in the clear outcomes of government projects, funding for our needs is easier to do away with."

For example, Ace funding changes have severely compromised necessary services including interpreter training and 'Stepping up to Study', an important support for young refugees providing literacy, homework support and career planning. Ironically one agency has lost funding for their Health Promoter, while at the same time have been granted a Healthy Eating Healthy Action (HEHA) project which was only made possible through the work of the Health Promoter. The loss of the Health Promoter creates major gaps in information dissemination, network links with health providers- particularly community based agencies such as Diabetes

Waikato and the Cancer Society, advocacy and representation for this community and most importantly compromises work establishing health initiatives for refugees and new migrants.

Within the older person realm there is concern that the Pathway to Partnership funding that was ring fenced by Labour to address the shortage of elder abuse services across the country was channelled into Whanau Ora which has no focus on elder abuse. With the population of New Zealand steadily ageing this seems short-sighted. Organisations working in this area have not been able to gain any satisfactory information around the National Governments intentions towards issues such as this in the ageing spectrum.

“Questions asked in the house by the Labour MP Steve Chadwick to the Minister for Senior Citizens, Craig Foss, about the Positive Ageing Strategy and steps taken to reduce the level of elder abuse received such a vague and evasive reply that I have little faith in this Government taking any meaningful action in relation to elder abuse.”

Some agencies working with parents and children are frustrated by limited funding alongside higher (government) expectation for service delivery despite identified higher needs within this community.

“As an organisation we have experienced a higher workload due to the impact of the recession on the one parent family community. We have exceeded our contracted volumes from CY&F for new clients in both our social work and counselling services by 350%. This has been compounded by the increase in complexity of needs. This contract was originally negotiated in 2007 with the only adjustment since being an annual CPI increase.”

Others note the challenge created by the removal/reduction in the education funding and child advocacy fund. There is a sense of struggle in the agencies, with job losses and even closure in some cases.

“The whole concept of and transition to whanau ora has created almost a winners and losers scenario, with huge changes on the emphasis of what is being done or needs to be done in our area, but this is what we have and organisations have to work within that.”

The feeling from some agencies, particularly those working in the area of child and family services has been that they are not listened to by the decision makers. *“Lack of consultation or not taking into account what is said when we are consulted is frustrating. It is very difficult to trust either the process or the people/agencies (within government) that we have to deal with.”*

They question the economic sense of changing or discarding programmes *“for the sake of change, to fit some criteria created by people who are not working in the field or listening to those who are.”*

Budgeting and foodbank organisations report enormous increases in uptake of their services, noting a new client base of middle to upper income earners struggling with large debt burdens. In most cases the debt burden has only become a problem due to either loss of income due to recession based effects such as employment restructuring, or cost of living raises that have not been equalled by income increases. i.e. prior to the recession they were managing fine.

With regard to lower income earners and beneficiaries', budget organisations emphasise that in most cases it is not that people aren't managing their money wisely; the problems are created by there simply not being enough money coming into these households to manage on. They cite cases of families being forced to choose between food and doctors visits, warm clothes and power bills- many families are unable to even meet basic living costs.

“Job losses and high unemployment, along with serious cost of living increases mean many people are not able to ‘make ends meet’ due to high prices and low incomes- not because they are not managing their money well.”

Budgeting services were granted some extra funding to cope with recession based effects on the community. However the September 2010 government legislation change relating to the referral of beneficiaries to budgeting services, (by WINZ) as part of their gaining benefit advances, absorbed that increase creating a time and resource hungry situation.

Agencies were given no adequate notification of this legislation change and no extra funding to cope with the influx of clients. Appointment waiting times went from four to five days, sometimes less, to four weeks or more. Budget agencies were inundated. Agencies did not have enough trained staff to deal with the hundred's of new clients. Clients were angry and resentful at being forced to attend budgeting programmes and then having to wait for appointments, because they could not get their grants until they had completed the budgeting programme. Staff, as well as being over-worked and placed in very stressful situations, were frustrated with the awareness that most of the people they were working with were unlikely to make any changes as a result of the budgeting advice because they were being forced to do it rather than wanting to do it, so it was largely a waste of time. This also meant that people who

were looking for assistance and wanting to make changes had to wait significant lengths of time for appointments. Fortunately government listened to budgeting services lobbying and acknowledged they had blundered and this requirement by WINZ has been changed.

Organisations who received an income stream from personal donations have noted that the Christchurch earthquake has already had an impact. Donor fatigue was mentioned as one reason for the change, as well as the impact of higher prices on donating members of the public.

“We have noticed that the general population is giving less, or are more particular or targeted who they give to, i.e. people who may have supported several charities are now giving to one.”

Some concern was expressed around the potential affects on available government funding with the large amount of government funding being poured into Christchurch rebuilding. The disparity between the availability of lavish amounts of Government funding for things such as the Rugby World Cup and Americas Cup Yachting while the Community and the Social Service Sector is barely scraping by was also commented on.

Have you a sustainable income stream or you have any plans to develop one for your organisation?

'Sustainability' or 'having a sustainable income stream' is understood in a number of ways. For some organisations it is a tangible 'thing' that creates income, such as charging for services, having shares, room or facilities hire. For others it is represented by money in the bank, guaranteed contracts, volunteer and staff support or a funding plan or "*having enough money to fund the organisation on an ongoing basis.*" Some entities say they have no sustainable income stream "*relying totally on grants and donations*", while others consider their grants and donations funding to be their sustainable income stream and are looking at ways they can further diversify these. One organisation was in the position and had the foresight to "*ferret away money for a contingency fund*" over the last six or so years and are now reaping the benefits of having about six months operating capital to fall back on. Others pointed out that having untagged funds can create difficulty when applying for funding, and still others have not found themselves in the position of having spare funds to save.

A common albeit not particularly lucrative sustainable enterprise is the hiring out of meeting rooms, facilities and in a few cases accommodation. Income received from hireage of meeting rooms has been severely impacted by the opening, particularly in smaller centres, of Community Link, which is situated WINZ offices and provides amongst other things free rooms for meetings.

"A government project, Community Link, has had a noticeable impact on our income. Organisations that used our rooms for their meetings and so on are now using the free ones at Community Link. Feedback tells us that while they like our rooms better and don't like the association with a government department they cannot justify paying room hireage when a free facility is available. I understand this. What I don't understand is why the thing was set up in the first place, when we have a perfectly good facility here, at low rates and with the advantage of the users becoming well known and networking with other organisations and the wider community. Why not invest in us and give us the opportunity to support the community in this way? This is an example of the biggest problem I have with this government which is an almost complete lack of consultation with the community by people (ministers) who are making really big decisions about us. The budget services/Winz fiasco is another prime example of this."

The majority of respondents noted the difficulty of charging for their services given most of them are dealing with already marginalised communities. To charge for services and thus

preclude disadvantaged people from being able to avail themselves of the services goes completely against the reason they were formed in the first place.

Some organisations consider their long term government contracts to be sustainable...

"We currently have 6 government contracts, including 3 from the Waikato DHB. Some of these contracts have been rolled over for the last 12 years so we now regard them as sustainable funding".

... Whilst others note that they do not consider their government contracts to be sustainable because...

"Government contracts do not ever cover the full cost of a programme" and "we cannot rely on government contracts because the rules get changed so easily".

An organisation working with unemployed youth in a time of high unemployment and limited new entrant jobs, noted...

"We had a marginally sustainable income stream based on contributions from MSD. The punitive funding system based on placement outcomes means that fundraising is now our only option to maintain financial viability."

While another said...

"Our agency was prepared for problems, however have now had confirmation of the rollover of our youth programmes for another year. I can only surmise that someone in Wellington is taking notice of grass roots needs identified in their research."

Overall most organisations want and understand the need for a sustainable income stream. Some have more capacity and ability to achieve this, due to existing resources, staff or volunteer time and understanding, and the type of services they have to offer. Many have taken measures such as attending sustainable funding workshops or conferences to learn about, seek out or create new forms of sustainable income as a result of the recession, although a number note their doubts as to whether these will work or not for their organisation. A few organisations have created business entities or streams, however these have not yet reached the stage where they are creating a source of revenue, in fact some of them are still being financially supported by the organisations. Respondents discussed the difficulties inherent in creating and maintaining a sustainable income stream and most agreed that having a sustainable aspect to ones organisation can mean *"funders tend to penalise you when they think you can make your own money, or if they decide you are running a business."*

How is the sector doing?

There was agreement that the after affects of the recession were still being felt. This was expressed mostly in terms of the financial impact on the social service sector and community in general.

"It's really tough" and "There is a huge commitment in the sector to the community, not to the funding" sum up the reality many organisations are facing while underlining their commitment to carry on. "Struggling, stressed, in survival mode, they have made many cutbacks and still they do not have enough, no or limited pay raises, cuts to other staff care- supervision, professional development etc and the community will give everything to provide its services and care for its community and the Government rely on this and will tell community how to do it but won't fund it adequately or at all", are all other ways people responded to the question of how the sector overall is doing.

While virtually every respondent commented positively on the commitment and resilience of people working in the sector there is a distinct difference between this survey and the one taken last year, with the amount of concern evident for both the health and well-being of the workers and the future of organisations.

"All of us walk with a limp..."

"The sector continues to do what it does best.....achieving much on little. Each year the funding becomes a little tighter and perhaps that helps to focus activities allowing each agency to do what it does well but with little or no expansion."

Things are certainly difficult. People are tired of the grind, but still carrying on.

"Overall we are a resilient group of people who will always make ends meet, however the stress is evident there out in our community."

"People working in our sector will always look after the community but we are getting tired and can't see that the stress and strain is going to end anytime soon. Eventually more and more people will have to leave, forced to by their own needs (particularly financial) and for health and wellbeing reasons."

"The sector is strong in spirit and will always do its work. This is at a considerable cost at times to the workers i.e. no or limited wage raises, hours worked for no pay, limited resources, all leading to staff stress and tiredness."

"The recession may be officially over but the affects are still with us. The only reason community organisations have made it through is on the strength of the goodwill and commitment of community workers."

"I get the feeling people are generally pretty tired, pretty fed-up with the ongoing hassle of trying to provide quality and essential services with very little money."

"I know some organisations who have managed really well, some that don't seem to have been affected at all and many like our who are becoming very despondent about the difficulties they are having financially. If it wasn't for the quality of people working in our sector I believe many would have moved out of it. They too have families and low incomes and are in many cases not much better off than the clients they are caring for. People are stressed and tired and frustrated at the lack of importance given to their organisations and the services they provide. I and I know others feel used by the government who treat us like servants- throw us a few crumbs and know we have no real choice (morally) about caring for the communities we work in, because if we don't who will?"

"They are doing the most amazing work as they always have done and will continue to do so but it is certainly is getting tougher and the future is very uncertain."

"Given the lack of resources I think we are all coping well. I was really saddened to hear what has/is happening at Autism Waikato. This could happen to any of us."

There was also concern expressed around the lack of any resolution or end in sight. People are still determined to do their work but clearly people are wondering just how long the work can be sustained.

"While the resilience and commitment is still there, people are becoming tired of making do without any clear 'light at the end of the tunnel'. There is a growing feeling of nervousness for the long-term future of many organisations."

"Even with this difficult economic climate, I believe it is the community and voluntary sector that really makes things happen even with limited funding, but for how long?"

"People are really tired and worried about the future."

"Waikato based organisations in the sector still seem determined to 'weather the weather together', but there is some nervousness around long term ability to 'hang in there'."

"There is a greater sense of unclear futures for some groups because of the financial concerns."

Concerns were raised at the negative affects stress and strain were having on both staff/governance and service-user/service-provider relationships *"The attitude of 'this is my right' from clients is sometimes wearisome."*

Comment was also made regarding the amount of energy going into surviving as viable entities that would be better focussed on community need.

“A lot of effort goes into simply managing. The sector is still starved of resources to achieve its full potential, especially in these recession times. The only bonus is that we are used to operating at this level most of the time!”

“The sector is a force of its own and will always manage. It would be nice to go from managing though to thriving. Such a lot of energy is expended on survival that would be better spent on the community we support.”

One respondent noted that *“The sector as a whole cannot meet all the demands of the community.”* There is a great disparity both economically and in the division of responsibility for community members between the government and social service organisations, yet an expectation that the social services sector in particular is responsible for community care.

Along with the realistic acknowledgement of difficulty, there were many positives noted. There was strong agreement that we are willing to work and operate on little because we are passionate about our cause(s).

“Exciting things are happening as a result of change and people having to rethink ways of doing things better/differently.”

“Healthy and strong, enthusiastic”, “There are always positive things happening”, “We are supportive of other organisations success stories”,

“Our recent building project does prove that people still have a heart to give of themselves, their time and their money to a worthwhile cause.”

Frustration was expressed with regard to government responsibility and inconsistency. One respondent commented that government funding structures were *“totally ‘tipped on their heads’, with ‘no one really knowing what was going on’.* *“There was a long wait for Labour to decide what they were doing with sector funding. They finally came up with Pathways to Partnership which looked great and organisations worked to meet necessary criteria, then National got in and changed everything. A lot of organisations don’t fit Whanau Ora funding requirements so they are back to square one with their fund-seeking.”*

“There is plenty of political football stuff going on about beneficiaries and violence towards children and in families and all, yet gaining good long-term meaningful funding seems to be impossible. It would cost a lot less to fund properly for the services than it does to pick up the pieces in the form of hospital, court and prison sentences.”

More than one respondent noted they felt an increasing level of mistrust with the ‘middleman’, the government person or department they have to deal with who *“may or may not be representing us well and effectively to Ministers and decision makers.”* There is

acknowledgement that this may not always be deliberate, but also that government employees may be in tenuous positions themselves with regard to employment and they *"have a vested interest in saying what their employees want to hear, not necessarily what we are saying."*

While some organisations feel secure with their government contracts, and one was surprised but happy...

"Our agency was prepared for problems, however have now had confirmation of the rollover of our youth programmes for another year. I can only surmise that someone in Wellington is taking notice of grass roots needs identified in their research."

...others question the decision making processes in place to really understand and meet community funding and programme needs, for example...

"I find it frustrating that 'bean counters' are deciding what is important from their nice little offices with their comfortable salaries. They have no real idea of the reality of most people's lives that their decisions are affecting."

"Govt relies on quantitative research- there's lots of figures to support their decisions around priorities and funding but they need to also take into account the qualitative research, the stories about what its really like, how it really feels to be going hungry, be afraid all the time of bills and never having enough regardless of what you do, and listen to organisations when they tell them what the real problems and possible solutions are."

"It seems that the sector is being forced from true community development into 'giving charity to the deserving poor' taking us back to where we were a hundred and more years ago."