

Addressing the Ongoing Viability of Building Financial Capability (BFC) Services

As part of Budget 20 we are committed to supporting the sustainability and effectiveness of social services delivered by non-government organisations.

Budget 2020

We want to ensure that the 35,000 individuals, whānau and families helped each year with financial management advice continue to receive this valuable service.

Government is investing \$9.7 million over four years in Building Financial Capability (BFC) services to improve the financial capability and resilience of individuals, whānau and families experiencing hardship.

- The investment of \$9.7 million over four years will address immediate cost pressures for 131 Ministry of Social Development (MSD)-funded BFC providers and support BFC services to continue to help approximately 35,000 individuals, whānau and families a year. The funding will contribute towards better retention, support and professional development of staff delivering BFC services.
- This funding will provide existing BFC providers with an approximate 20% rate increase for the following BFC services:
 - **Financial Mentoring**, one-to-one support, empowering people to achieve their goals, including reducing debt and connecting to support they may need.
 - **MoneyMates**, peer-led support for people to learn and share together as a group.
 - **Building Financial Capability Plus (Kahukura service)**, intensive support for people who are hard to reach or with complex needs.
- The investment will alleviate existing pressures on BFC services in the short-term, which will allow us to work with the BFC sector and other key stakeholders over the next 12 months to develop a commissioning strategy for the future approach to BFC services. The commissioning strategy will include a pathway towards long-term, sustainable BFC services and set out the approach to contracts from 1 July 2021.

Costs (operating) \$m				
2020/21	2021/22	2022/23	2023/24	TOTAL
2.425	2.425	2.425	2.425	9.700