

28 January 2022

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Finance and Expenditure Committee  
Parliament Buildings  
Wellington

**RE: Budget Policy Statement 2021 (Budget 2022)**

Every day, just over 900 dedicated financial mentors across Aotearoa are walking alongside whānau as they navigate a pathway away from hardship. FinCap recommends a 53.6-million-dollar per annum commitment in the 2022 Budget that extends sustainable funding to all financial mentors. Making this funding available can ensure these experts not only maintain their valuable mahi but continually improve their passionate and professional support for their communities.

FinCap welcomes the opportunity to comment on the Budget Policy Statement (BPS) for Budget 2022. We support the policy focus areas of health and climate change for Budget 2022.

**About FinCap**

FinCap (the National Building Financial Capability Charitable Trust) is a registered charity and the umbrella organisation supporting the 200+ local, free financial mentoring services across Aotearoa. These services support more than 70,000 people in financial hardship annually. We lead the sector in the training and development of financial mentors, the collection and analysis of client data and encourage collaboration between services. We advocate on issues affecting whānau to influence system-level change to reduce the causes of financial hardship.

**General Comments**

Currently the Ministry of Social Development (MSD) provides funding for financial mentors at 131 providers/services across Aotearoa, these financial mentors are both professionals and volunteers. There is also a cohort of financial mentors at around 70 other providers/services who do not receive MSD funding. These financial mentors are meeting communities' needs and need sustainable funding too.

The support of the Government to date is welcomed and appreciated. Additional support from the Government in 2020 provided a 25.212 million dollar increase in funding for MSD funded financial mentoring services to June 2022. FinCap has regularly heard that this has kept excellent financial mentoring viable or 'the doors open.' To ensure continued and widespread success this funding needs to be extended to all financial mentoring services for a three-year period.

Financial mentors have seen their caseloads grow and become more complex since the beginning of the COVID-19 pandemic. A recent survey completed by FinCap found that financial mentors are facing increased pressure due to COVID-19, housing issues and mental health.<sup>1</sup> FinCap is calling for ongoing,

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<sup>1</sup> FinCap Media Release <https://www.fincap.org.nz/media-release-more-whanau-facing-mental-health-housing-and-other-covid-19-related-financial-challenges-financial-mentors-report/>

sustainable funding for all financial mentors' vital work in supporting whānau through these and many more complex challenges.

A commitment to 53.6-million-dollars per annum for all financial mentoring services in Aotearoa will recognise the important mahi of financial mentors and create a stable foundation for the future. A just transition requires equity and resilience for all communities while meeting emission reduction goals in Aotearoa. The 900 financial mentors do amazing work to support the resilience of our communities.

Financial mentors and the whānau they work with aim to combat the negative impacts hardship can have on health, wellbeing and social participation. With health and wellbeing at the core of Budget 2022, sustainable funding for all financial mentoring services will recognise the significant role they play in supporting this for whānau across Aotearoa.

Please contact Janeka Rutherford-Busck, policy advisor at FinCap on 027 261 3690 or at [janeka@fincap.org.nz](mailto:janeka@fincap.org.nz) to discuss any aspect of this submission.

Ngā mihi,



Ruth Smithers  
**Chief Executive**  
**FinCap**