



**Social Policy &
Parliamentary Unit**
Working for the eradication of poverty in New Zealand

COVID-19 Social Impact Dashboard

9 April 2020

These are unusual times. Our nation is in the middle of a global pandemic and a national lockdown. The Government has responded swiftly and strongly with various economic packages, health advice and new measures and health-based restrictions that have created a new normal in Aotearoa. As we adjust to this new normal, The Salvation Army alongside other community groups and NGOs believe that it is vital to try and **capture and quantify the social impacts of this pandemic and lockdown on the poorest and possibly most vulnerable New Zealanders**. This **fortnightly C19 Social Impact Dashboard** is an offering from The Salvation Army to try and record the outcomes of the new social realities on our nation, but particularly for poorer, vulnerable Kiwi facing serious hardship in this new normal.

Just under 2 months ago, we launched our annual *State of the Nation Report 2020*. The state of social progress in New Zealand was much different in February than it is today. In that report, we stressed the key theme of citizenship and **Tangata Whenua, Tangata Tiriti, Huia Tangata Kotahi—People of the Land, People of the Treaty, Bring Everyone Together**. These themes seem even more relevant in today's New Zealand. Our hope is that this Dashboard, commentary and analysis will help us continue to come together, to unite to face these new challenges, but also develop effective policies and strategies for the looming social challenges.

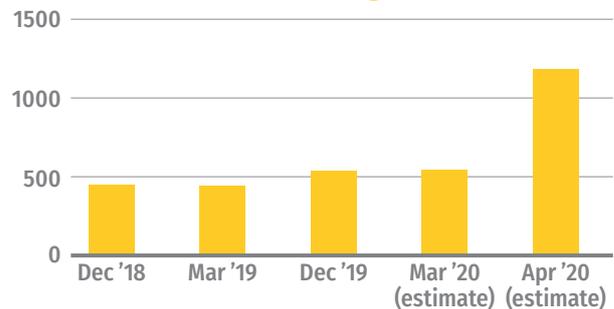
FOOD SECURITY

\$850,000

raised through
The Foodbank Project
(as at 1 April 2020)

THE
Foodbank
PROJECT

Average Weekly Food Parcels
(Northern Region)



Data

Communities entered the lockdown time with already high needs. Work and Income (WINZ) paid out 570,000 hardship grants in the December 2019 quarter, with 307,000 of those grants related to food. This was a two-thirds increase from the December 2018 quarter. Salvation Army foodbanks saw a substantial increase in demand over the December quarter 2019 compared with 2018, with food parcels increasing by 9.2% from 15,255 to 16,658. That means an average of 1280 food parcels per week were delivered. In the week to 27 March 2020, estimates were that foodbank demand had increased by a third, with particular spikes in Auckland, Northland and Christchurch. The past week to 3 April, has been even busier in some regions, with Northern Region reporting food parcel numbers of around 1300, double the usual level at this time of year. New Zealanders have been extremely generous during this lockdown, with over \$850,000 raised through corporate and public donations to support The Salvation Army Foodbank Project.

Government Responses

The Ministry of Social Development (MSD) has been proactive in working with foodbank providers, including assuring them of continued contract funding for the next 6 months of service. A \$27 million Government funding package for community organisations working with family violence, sexual violence and financial mentoring, as well as disability community supports and small grants for local community initiatives, means welcome additional resources coming into communities. But government agencies' own ability to respond seems limited and is taking time to scale up to meet the level of need.

From the Front Lines

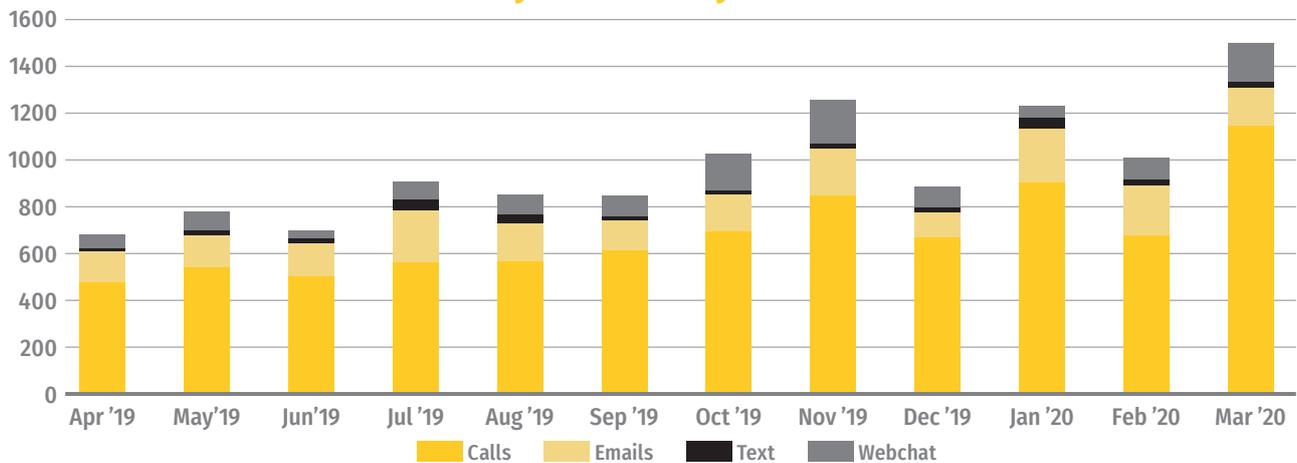
- **Auckland Region** Food parcel numbers have doubled over the past week, and other foodbank services are reporting similar increases. We are really proud of how we as an organisation have been able to respond to most people, at a really difficult time for both our staff and the people we work with.
- **Wellington Region** Sole parents with younger children are really struggling under the Level 4 restrictions. Supermarkets cannot let them go shopping with their children and the children cannot be left alone. This leaves the parents needing to shop at local dairies that are more expensive or go without food.
- **Central North Island Region** We are taking calls from older people who have not needed help before but now find they cannot get out to do their own shopping and do not have other support people around who can help.

Moving Forward

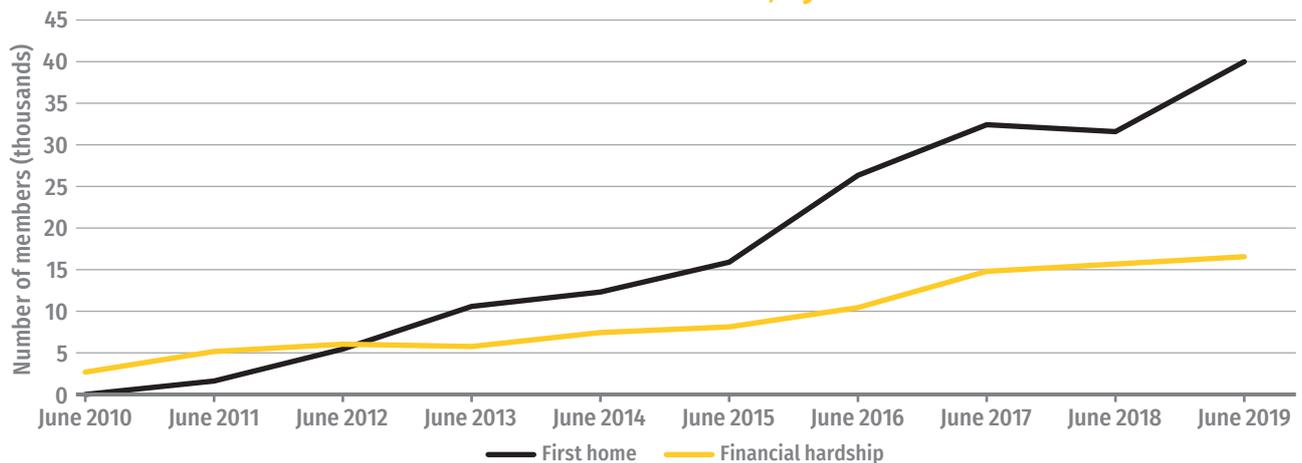
Food insecurity is largely a result of lack of income that enables people to buy the food they need to stay well. There is urgent need for further expansion of core welfare assistance to achieve adequate incomes for all. The \$585.80 Government wage subsidy level provides a benchmark of adequacy set at close to 60% of the average wage. The current Jobseeker payment is less than half of this for a single person at \$281.08 (before tax), even after the recent \$25 increase from 1 April. Further increases in core welfare benefits and other changes to the welfare system should be a priority. Options for additional cash transfers designed to be time limited during the duration of the crisis (1–2 years) are needed, until the full roll-out of wider welfare system changes designed to achieve fairness and income adequacy in the long-term are implemented.

FINANCIAL HARDSHIP

MoneyTalks monthly contacts



Number of KiwiSaver fund withdrawals, by withdrawal reason



Data

The FinCap Money Talks data in the Dashboard represents a 50% increase in contacts in the week ending 29 March 2020 compared with the previous week, indicating that financial issues and questions are prominent in New Zealanders' minds. Also, we have reports of increased enquiries from people contacting their providers asking questions about withdrawing their KiwiSaver savings for financial hardship reasons. We will monitor this area closely over the next several weeks. The Salvation Army knows that as job losses and other financial issues become more prominent, this area of financial hardship will require greater

attention. In future versions of this Dashboard, we will include other relevant sources of information to gain a more accurate picture of financial hardship.

Government Responses

The Government action in this area of debt and financial hardship has been quite muted and lacks strategy. This must change quickly, especially if the lockdown drags on and other related areas are impacted (e.g. job losses, income support payments), which will cause overall financial hardship for many New Zealanders. Most Government action has involved banks, which is understandable, but other key parts of the financial sector must also be given attention to ensure the most vulnerable do not fall into greater financial hardship. There has also been increased advocacy around energy hardship, which is focused on disconnections and education and awareness. This is encouraging. On the other hand, it is concerning that there has not been little Government guidance around car loans, payday lenders or credit cards.

From the Front Lines

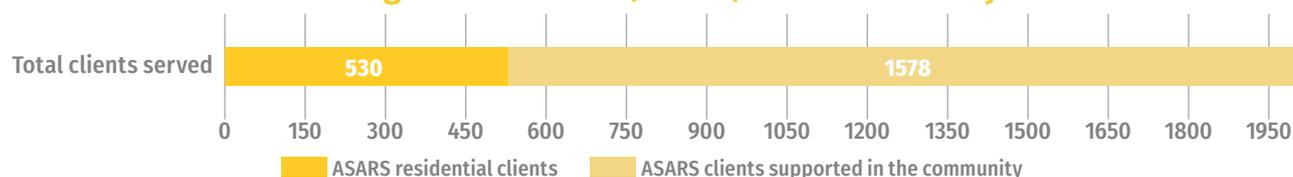
- **Financial Mentor (Auckland)** Mentors from The Salvation Army are still working with clients. Beneficiaries are getting some additional support. But there's real concern for workers who lose their jobs and don't have savings buffers. In 2–3 months' time, there will likely be some serious financial hardship for this group, especially as they will be new to and unfamiliar with the WINZ system.
- **Financial Mentor and Community Ministries (Christchurch)** Financial mentors, because they often work multiple jobs, are consumed by meeting immediate needs. The challenge here is they cannot work effectively with clients through these critical social and financial issues.
- **FinCap Trust** Calls to the Money Talks Helpline have surged since the middle of March, as reflected in the Dashboard. Money Talks and Total Money Management are classed as essential services, which is positive. But greater support is needed here.

Moving Forward

There is *some* relief for beneficiaries, workers and businesses in the Government's packages, which is encouraging. We need to monitor this area closely in the coming weeks and months, particularly for poorer and vulnerable Kiwi facing new or additional financial hardship from this pandemic and lockdown. Also, The Salvation Army joined 14 other NGOs this week calling for urgent action to combat financial hardship during the lockdown. The key elements of this joint call include: no disconnections or service cessations, pausing debt collection and bankruptcy proceedings, and waiving penalty and late fees including additional interest charges. Additionally, we believe all pay-day lenders and providers of high-cost, short-term loans should immediately be *de-categorised* as an essential service so that vulnerable families do not quickly turn to these high-interest loan options for help. Also, there needs to be further guidance from Government around debt relief for car loans, credit card and loans to mobile traders to protect vulnerable consumers. The approaching economic and financial challenges make it likely that new groups of people are facing, and will face, increased hardship and vulnerability in the coming months and years, that previously were not under this kind of financial stress, or had never engaged with Government welfare payments.

ADDICTIONS

People supported by Salvation Army Addictions, Supportive Accommodation and Reintegration Services (ASARS)—as at 4 February 2020



Data

There is concern regarding the potential impact of alcohol, other drugs and gambling during this lockdown. Data related to our Addictions Supportive Accommodation and Reintegration Services (ASARS) has indicated that at the beginning of April these services were supporting over 1500 clients in the community and over 500 through our residential services. These figures are down in comparison to pre-Covid-19 numbers. This is because no new residential clients have been accepted since the lockdown in order to maintain virus-free environments. Detoxification services and pathways have been largely curtailed, and referrals for treatment have dropped significantly.

Government Responses

District Health Boards (DHBs) are working with NGOs to develop pathways into residential alcohol and drug treatment, but approaches across DHBs have been inconsistent as to what can be implemented. The Corrections Department have instituted a 14-day period of segregation in prison for prisoners, before being released into our reintegration and alcohol and other drug services, making it possible to take clients into these services.

From the Front Lines

- **Addictions Support Worker (Northland)** There's increased tension for some families enclosed in tight spaces for extended periods. There is good uptake of alcohol and drug treatment support through remote phone contact for many existing clients, although some people in remote areas struggle with poor cell phone or internet access. Isolation has had the positive effect of isolating some from unhelpful community influences, but others in remote areas have reportedly been approached more frequently by local drug dealers.
- **Gambling Harm Support Worker (National)** The Oasis Problem Gambling service has been contacting all current clients to let them know that remote sessions will be provided in whichever way they require. There has been a reduction of referrals for problem gambling support, but existing clients have asked for more support than normal, because of real concerns they have about how they will cope during the lockdown period. Twice weekly or even daily check-ins have been provided where necessary.
- **Prisoner Reintegration Support (National)** After solving issues around taking released prisoners into accommodation in the Covid-19 context, a safe pathway was arranged with the Corrections Department, and people were able to be admitted into the Reintegration Services. There is an inability to move clients off the service and into appropriate accommodation after completing their reintegration programme. The Corrections Department has arranged for bank accounts and pre-set green cards on release, to cope with the limited access to MSD services. Access to items such as clothing and some household necessities have been a problem.

Moving Forward

Across the services (reintegration services excepted) there has been a reduction in referrals. Attempts must continue to be made to find pathways into residential services that enable them to operate safely and stay virus free. The potential economic and other effects of Covid-19 that will exacerbate mental health and addiction issues for many people, means that it is imperative that any system blockages are remedied. A restriction on alcohol sales should be considered as one measure towards reducing such instances of domestic and other violence that are emerging. A watch on internet gambling needs to be maintained and legislation considered, as social isolation could lead to increase in internet gambling along with the associated harms.

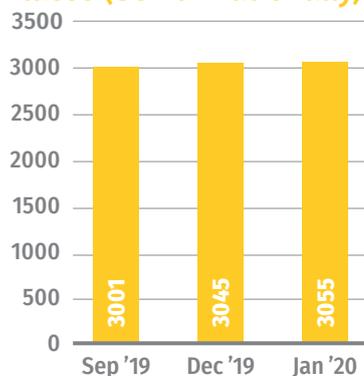
HOUSING

Data

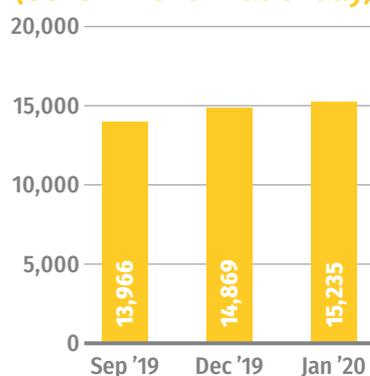
Obtaining live or current data in terms of housing during this period is difficult. As a baseline, we have included Government data on the Social Housing Register and also Transitional Housing. We know from our various front-line staff that extreme and urgent housing stress remained a key issue just before and also during the lockdown. The Salvation Army also has reports from other NGOs and community groups that larger and/or multi-

generational homes are facing increased stress during the lockdown. This is particularly relevant to many Māori, Pasifika and Asian households. More up-to-date public data is needed in this area, including live and current numbers in emergency accommodation and in transitional housing.

Transitional Housing Places (Gov't—Nationally)



Social Housing Register (Government—Nationally)



Government Responses

The Salvation Army is encouraged by the work around the Homeless Action Plan and the support being discussed with community and emergency housing providers. Our 0800 phone data, although relatively small, indicates that homelessness, including housing stress for tourists stranded in New Zealand, remains an issue. We also welcome the increased support for tenants and those repaying mortgages during this period.

From the Front Lines

- **Social Housing (Auckland)** Tenants are frustrated. Many have come into our housing services with complex and multiple social needs. The normal social and health supports for tenants have now often gone since lockdown, e.g. counselling, family, shopping support, etc. This adds greater stress. Many tenants are worried about catching the virus while living in these densely populated blocks. Around 95% of our tenants are beneficiaries, and many cannot engage online because of lack of credit or no computers/laptops.
- **Transitional Housing (National)** There are challenges with staff concerned about being essential workers and getting sick. The design of facilities doesn't always help with social distancing. Reorganising our workforce is challenging. It is harder to take new clients because of the risk of contracting the virus. Those that can't be accommodated are referred to MSD who are utilising motels.

- **Social Housing (National)** Tenants in our villages and other housing areas are facing food poverty, increased anxiety and stress, but we are also seeing examples of tenants helping and supporting one another. We have 365 units around the country and only 8 are vacant (due to renovations). There are concerns about at-risk elderly clients, and the potential for alcohol and other drug struggles during this lockdown period.

Moving Forward

More live or current data is urgently needed in this area to measure the impact on the most vulnerable Kiwi. Clearly, homelessness and self-isolation for these people is a pressing issue. But Government and NGOs are actively mobilised in meeting this need, which is encouraging. The Salvation Army believes that other innovative measures for tenants, such as lockdown rent holidays, should be considered in order to reduce the financial hardship for tenants. We believe the real challenge here is to those in private rental situations. If other income support and financial hardship issues arise, then rent payments will be seriously affected. One possibility is to rapidly establish a Mediation Tribunal to look at the financial situation of the tenant and the landlord, and make a government rent payment, based on that data and their assessment.

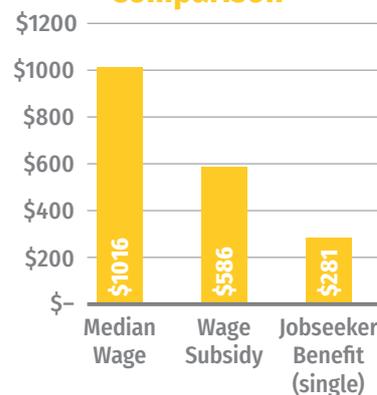
INCOME SUPPORT & EMPLOYMENT

Data

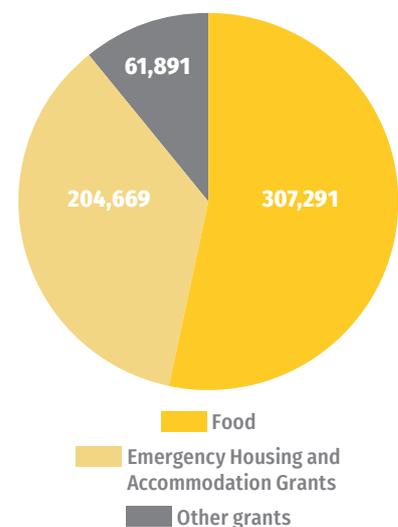
Unemployment was around the lowest level for a decade at the end of 2019 at 4.0%, according to the official statistics from the Household Labour Force Survey (HLFS). The number of people registered as Jobseekers with WINZ is the most immediate measure of unemployment, but is a different measure to the HLFS. As at 31 Dec 2019, the Jobseeker support (ready to work) numbers were 83,103. This was the highest December figure since 2010.

Hardship Grants paid out by WINZ had reached around \$160 million in the December 2019 quarter. The total number of grants was just under 574,000, an average of 6300 grants per day. Since 26 March, daily hardship grants may well have doubled to over 12,000. Benefit advocates report the difficulties people have, simply getting through to WINZ to access support. Those who cannot readily access online services are left with very long waiting times, some measured in hours, to reach the 0800 number.

Income Adequacy Comparison



Work & Income Hardship Grants Count Dec '19



Government Responses

The various aspects of the Government's economic assistance package for the pandemic is well documented. We believe that the measures targeting those most in need (e.g. \$25 p/w increase in core benefits, doubling of Winter Energy Payment and deferring the stand-down period) will have positive impacts for poorer households. The Wage Subsidy scheme is central to Government policy for maintaining employment and incomes, and now covers more than a million employees and \$6.6 billion paid out, ten times the cost of the core welfare benefit increases.

From the Front Lines

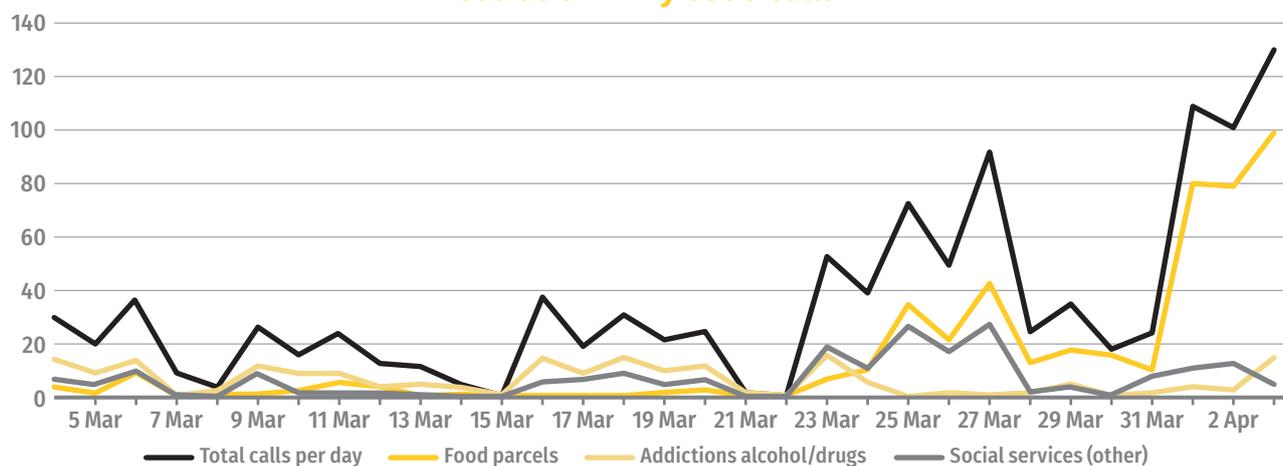
- **Wellington Region** WINZ seems overwhelmed by the numbers, and people tell us when they do get through, they find they are not entitled to support. There do not appear to be additional grants being made available to help people respond to the crisis, so if someone has used up their allocation already, there is no further assistance available. We are seeing generosity of clients who are saying no to free food offer, because they had some yesterday, so ask us to leave it so others can have something.
- **Central North Island Region** MSD systems were overloaded; they are now indicating that processing of grants would take 48 hours. Many clients have been unable to access MSD/W&I 0800 numbers or MyMSD, due to overloading. It is wonderful to see that the crisis is bringing out the best in most people—we are all in it together. It shows we are fundamentally caring people: local businesses donating food and goods, and volunteers from communities offering to help.
- **South Auckland** Last Thursday was ‘the day’ of people contacting us who have lost work and/or not been paid.

Moving Forward

Employment policy should be focused on supporting workers to transition into other employment sectors, especially those likely to have medium- to long-term sustainability. More access is needed to hardship assistance and increasing eligibility to additional assistance for those who are already at the limits of their entitlements.

Summary

Salvation Army 0800 Calls



This C19 Social Impact Dashboard is our attempt to capture the serious social impact of this virus and lockdown in the areas of food security, financial hardship, addictions, housing and income support. We have intentionally kept it short and readable, so that it is accessible to as many Kiwi as possible. But this length means we cannot go into as much detail as we want. In closing, we submit these following key priorities around measuring this social impact.

- **Urgent policy action** Throughout this paper we have highlighted policy options, such as rental holidays, transitioning workers to more sustainable employment sectors, or restricting the sale of alcohol during this lockdown period. We have also advocated for more live and public data so that iwi groups, churches, NGOs and others can assess the impact of the virus for their own responses to C19. Finally,

we have highlighted the urgent calls to action around homelessness and other housing stress, financial hardship and food security.

- **Watching brief** In our view, the social impact of this pandemic on specific groups, particularly Māori, Pasifika and the elderly, must be monitored closely. The cumulative impact of the social issues covered in this Dashboard, as well other relevant factors, will, in our view, disproportionately impact on these people. For example, the pending job losses from this pandemic will likely excessively affect Māori and Pasifika workers who were *already* facing higher levels of unemployment, lower income levels and greater need for welfare income support *before* this pandemic and lockdown. Furthermore, other critical issues such as access to Government support, mental health, family and sexual harm and effects on lower income essential workers, must be monitored as well. However, the impacts of this pandemic and lockdown will affect different groups in different ways. The Salvation Army believes that dealing with these new and emerging social issues will require real innovation, systemic change and brave policy making. But right now, addressing the urgent need is paramount.
- **The Next C19 Social Impact Dashboard** In 2 weeks' time, we will release the next version of this Dashboard. In that version, there will be results from a Community Survey we are conducting. There will also be a discussion of positive community responses and the countless examples of neighbourliness and positive and innovative community action to this pandemic and lockdown. For example, the innovative approaches from iwi and Māori organisations around the country is encouraging. Additionally, we will build on these 5 areas by analysing and commenting on current data, adding other relevant data and getting more updates from our front-line workers.

We welcome your comments on this Dashboard series.

Please contact the authors at social.policy@salvationarmy.org.nz

Keep up to date with the Dashboard series at salvationarmy.org.nz/covid19report

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