



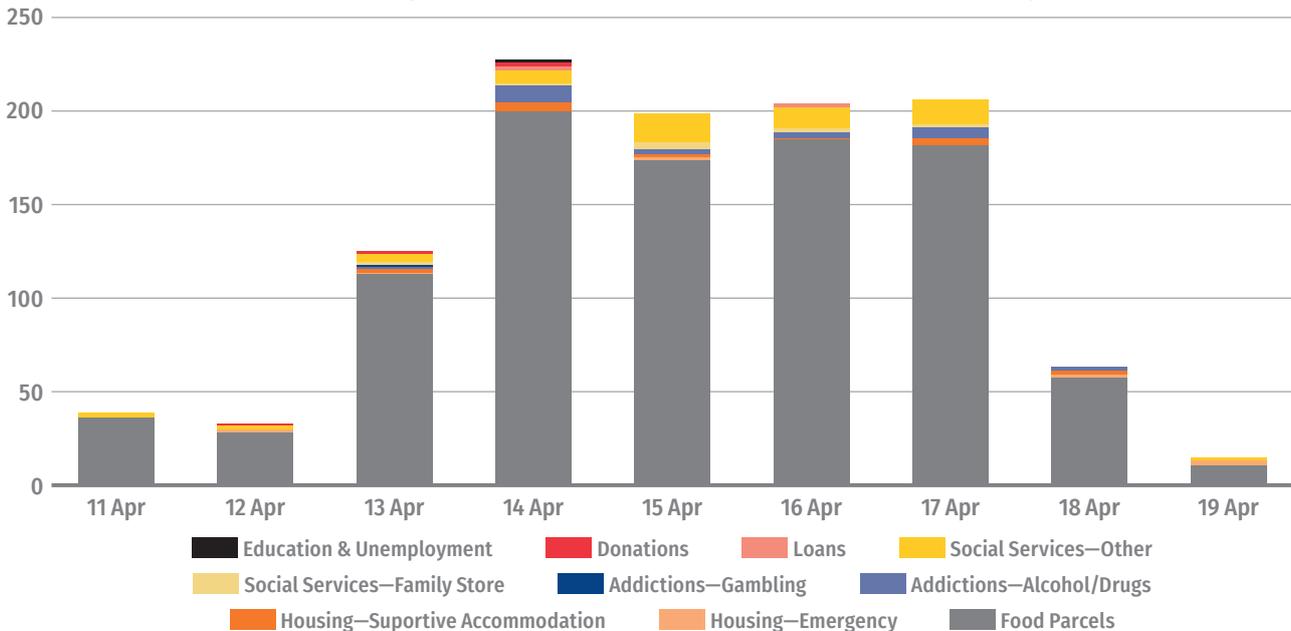
COVID-19 Social Impact Dashboard

24 April 2020

This is our second Salvation Army Covid-19 Social Impact Dashboard that monitors and assesses the social impacts of this pandemic, particularly for the poorest and most vulnerable Kiwis. The results are mixed: on one hand, our Salvation Army 0800 phone number has seen a steady flow of enquiries, mostly for food parcels; at the other extreme, despite these massively trying and uncertain circumstances for many, the generosity of Kiwis has been amazing, with over \$1.7 million donated as at 17 April 2020 to our Foodbank Project, which will go directly towards food parcels. Furthermore, as one of our Tauranga staff commented, the resilience of the elderly being supported by The Salvation Army, the wider community and also neighbourly support during lockdown, has been wonderful to see, and is symbolic of countless other stories of resilience and support.

\$1.7 MILLION
raised through
The Foodbank Project
(as at 17 April 2020)
THE Foodbank PROJECT

Salvation Army 0800 Number—Reasons For Calls (11–19 April)



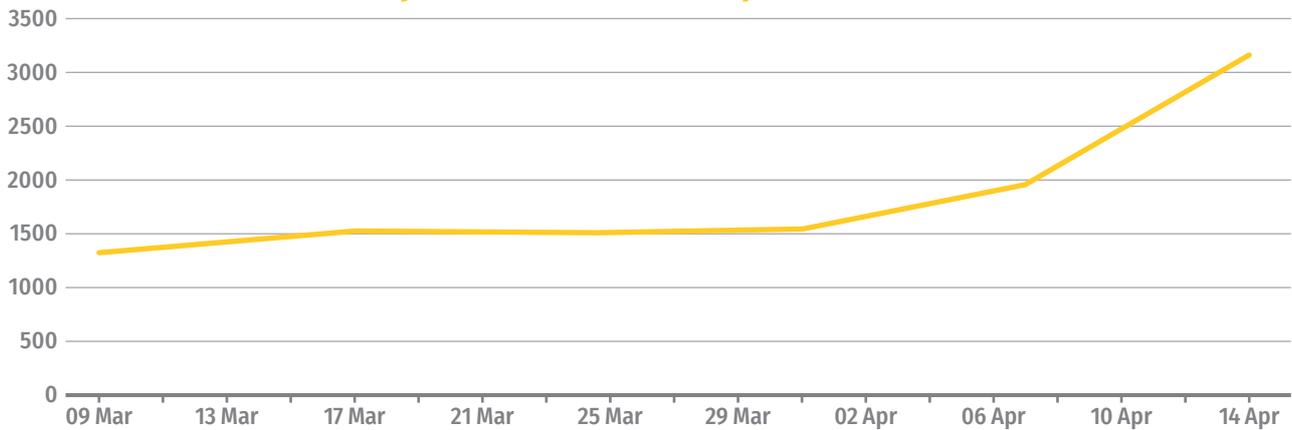
In terms of the five areas of this Dashboard, we have provided updates on **Data**, real stories from our **Frontlines**, and commentary on various government and non-government **Responses**. Additionally, we have provided detailed recommendations and policy ideas in our **Moving Forward** sections, which begin to explore and imagine what kind of society will emerge out from this pandemic. We, essentially, entered

into this pandemic and lockdown with some critical social issues facing our nation. These issues have only been magnified as this lockdown has progressed. Therefore, this could be a time of reimagining, re-casting and developing new and innovative ways and frameworks to address these pressing social issues. Some of our responses include the following.

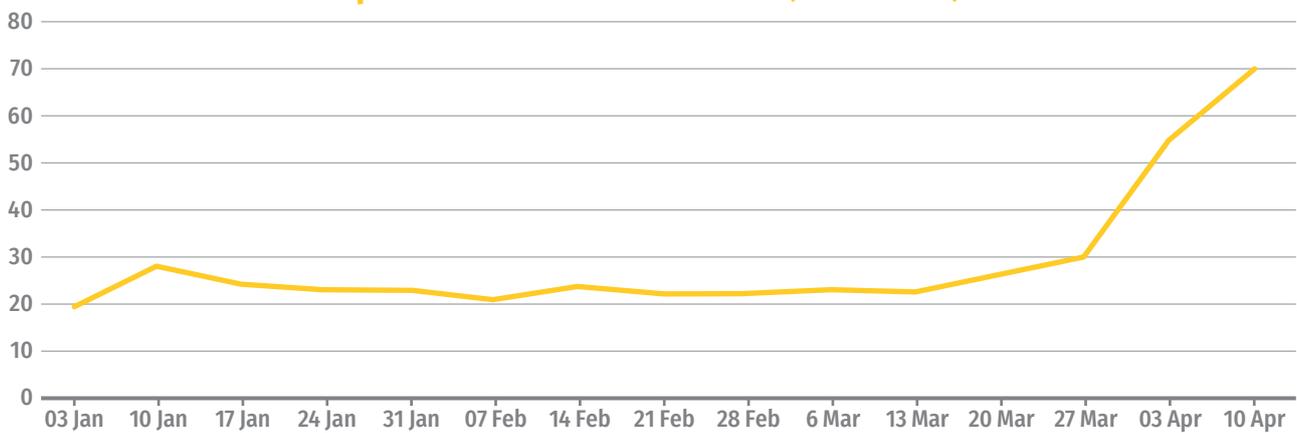
	Short- to Medium-Term	Long-Term
Food Security		New sustainable responses to break the food-poverty cycle
Financial Hardship	Stronger regulation around consumer lending, similar to the UK Covid-19 approach	Significant investment in the Building Financial Capability sector in preparation for the increased financial hardships as the recession looms; discussions around a wealth tax and debt amnesties or forgiveness
Addictions	Increase pathways into residential treatment services	Stronger measures post-lockdown around concentration of pokie machines, reduction in opening hours and number of liquor outlets in poorer communities
Housing	Further assistance for people with rental difficulties	Multi-billion dollar investment to end housing crisis, including focused social housing building programmes, delivering a new progressive home-ownership programme and developing a new public supply of community-owned and long-term rental housing
Income Support and Employment	Extend temporary access to welfare support to migrant workers stranded in NZ without access to most welfare or housing support	Revamp of welfare system, including new supports for new groups of people entering vulnerability; address existing problems in the system; reallocation of employment to sustainable and fairly paid sectors

FOOD SECURITY

Weekly Food Parcels March–April (Provisional)

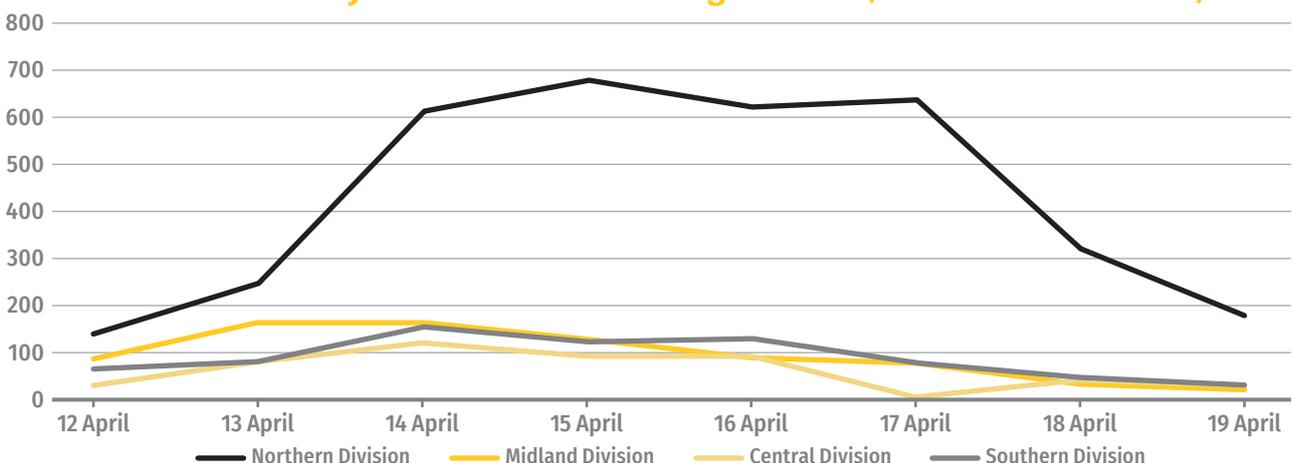


Special Needs Grants For Food (Thousands)



Source: Income Support and Wage Subsidy Weekly Update 17 April, Ministry of Social Development

The Salvation Army Food Parcel Text Message Service (New Zealand Divisions)



Data

Salvation Army food banks are working flat out to keep up with overwhelming demand. A text-service connected to the 0800 number has been inundated with requests for food assistance. Just under 6000 food parcels were distributed in the week to 14 April. This was four times as many food parcels as a month earlier in the week to 17 March. The Auckland and Northern region continued to see the most

demand, but the biggest increase was in Central (lower North Island) region where the 14 April weekly number was a **near ten-fold increase** over the same week in March.

Ministry of Social Development (MSD) paid out just under 70,000 Special Needs Grants for food in the week to 10 April. This is more than three times the weekly average during January and February, of around 23,000. This means around **85,000 additional food-hardship grants** were paid out in the first three weeks of the Level 4 lockdown.

Responses

Government agencies such as MSD and Civil Defence continue to collaborate in supporting and resourcing organisations around the country, in widely differing situations.

From the Front Lines

- **Wellington Region** *The volume just keeps increasing. There is a whole group of people who were just managing to get by, who now find they need food assistance.*
- **Northern Region** *We are still very much in emergency mode ... so many of the people coming have not needed help before.*
- **Waikato Region** *When Covid hit, we did a quick scan (via survey/phone call) across the region of about 100 community organisations who provide food/food parcels. Not all responded, but of those who did, 70% were either not able to operate at all, or are operating at a greatly reduced capacity. For many, it was because their volunteers are older.*

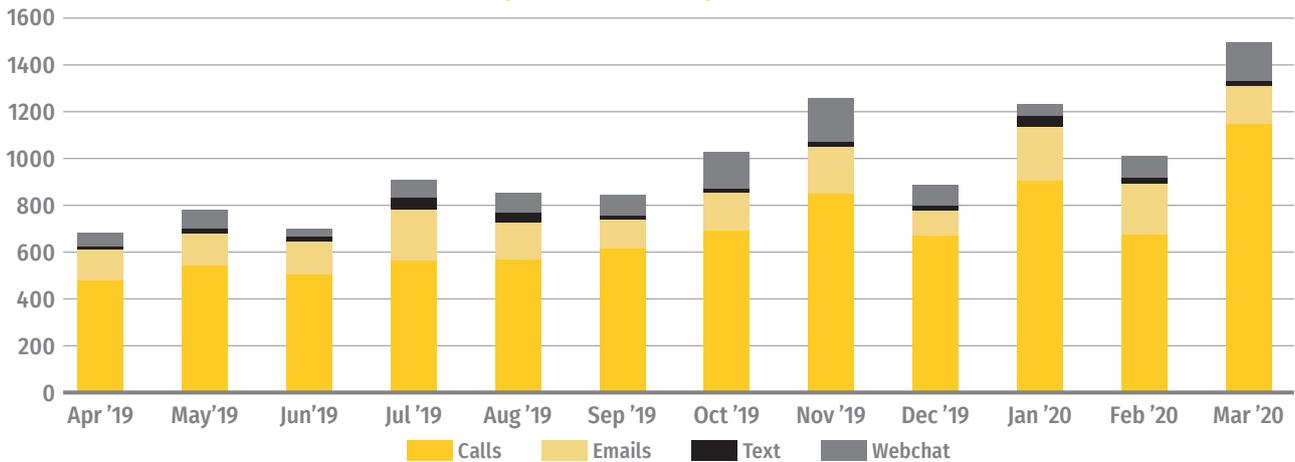
Moving Forward

The challenging logistics of providing food in our 'land of plenty', highlights the irrationality of social policy that results in food having to be provided *en masse* via food parcels, even though supermarkets remain open and there is no actual shortage of food in this country. Many of the people The Salvation Army and others are helping right now would not need this help if their income was adequate.

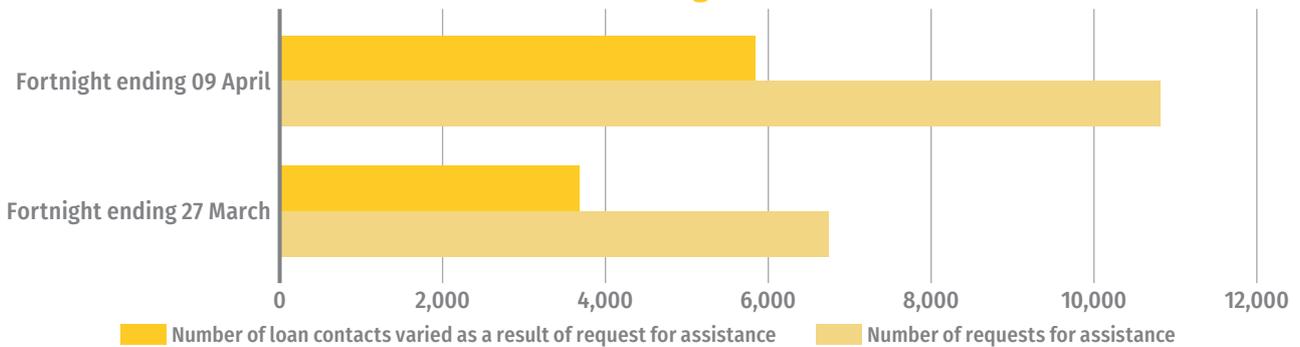
Social agencies will have to respond to huge increases in need over the coming weeks and months that will test the capacity of our organisations and require ongoing Government and charitable support. It calls into question the logic of the social system relying on food-based hardship responses. The opportunity in this crisis is to break out of the cycle of food poverty and create a society where no one goes hungry based on social, economic and welfare responses. We need sustainable, structural and mana-enhancing resolutions.

FINANCIAL HARDSHIP

MoneyTalks Monthly Contracts

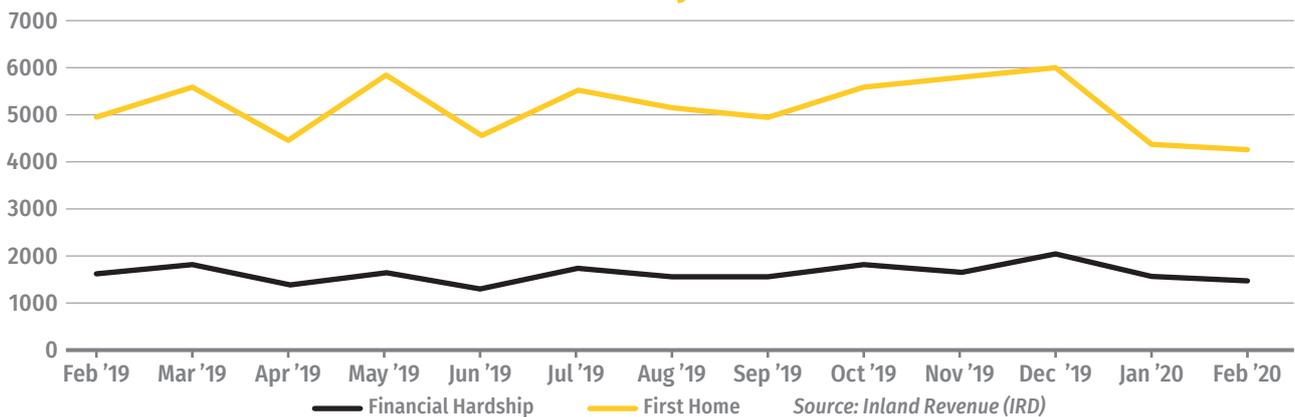


Consumer Lending Statistics



Source: Financial Services Federation

KiwiSaver Withdrawals By Withdrawal Reason



Source: Inland Revenue (IRD)

Data

FinCap Trust reports that their MoneyTalks helpline has entered a more settled phase in the last week. In the week ending 12 April, 350 contacts were made to MoneyTalks. But in the week ending 19 April, there was a slight decrease to 291 contacts. Still, this current volume is more than double the normal number of contacts pre-lockdown. The pending expansion of MoneyTalks as a primary inquiry point on financial hardship issues and connection to local budgeting services, will be crucial in assisting Kiwis facing financial hardship and seeking answers to questions post-lockdown. In terms of consumer

lending, the Financial Services Federation (FSF) has supplied some insightful data about the increases in both the number of requests for assistance and the loan contracts that were varied as a result of those requests and conversations with lenders in the fortnight ending 9 April 2020. This FSF data shows that more people are adjusting their loans due to financial hardship and changes in their circumstances. Also, we have again provided an indication of Kiwi Saver withdrawals by reason up to February 2020, which is the most current data. But we eagerly await the most recent IRD figures so we can determine whether there has been increase in withdrawals for hardship during this lockdown period, despite the recent strong public messaging to access alternative help and not jeopardise their savings for the future.

Responses

There is not enough effective action from Government in terms of financial hardship, particularly around personal loans, car loans, credit cards and payday lenders. These types of debts can, coupled with uncertain economic times, compound and cause increased stress and hardship. Banks and finance companies are responding in various ways to the financial hardship their clients are facing. But the products and responses they are offering are disjointed and are, essentially, a scatter-gun approach to assistance with huge variation. There have been innovative responses, including the recent launch of the 'Covid Loans' from BNZ, through Good Shepherd. From 1 to 16 April, six Covid loan applications have been approved, and this will likely increase as the pandemic continues and more people search for affordable loans. Furthermore, power and gas companies also have diverse, yet strong, responses of assistance for their clients, which is encouraging. However, we are interested in assessing and monitoring what kinds of energy hardship, if any, local families might be facing.

From the Front Lines

- **Financial Mentor (Auckland)** *Obtaining new clients is still difficult during lockdown. Continuing to work with existing clients online, and also conduct research around financial hardship and Covid-19.*
- **Community Finance and Loans (National)** *Promotion of the new Covid loan is crucial to give ethical lending to communities during this period, particularly for those with rent arrears and those unable to pay other bills. Our normal no-interest and low-interest loans are still operating during lockdown. We're trying to increase flexibility with our processes.*

Moving Forward

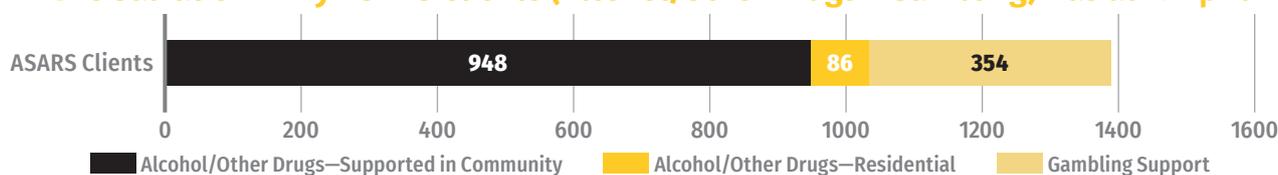
The Salvation Army is concerned that there are new groups of people and whānau entering financial hardship and vulnerability with this pandemic. This view is reinforced through our various Salvation Army foodbank hubs around the country, who report many receiving food parcels are first-time users of our foodbank services. It is important to imagine and plan for what kind of society we want to emerge from this pandemic. In terms of financial hardship, a key framing goal should be: **financial wellbeing and freedom from financial hardship for all New Zealanders**, as we endure this pandemic and face the coming recession. Debt relief or alleviation is crucial to this.

- In the short- to medium-term, one policy idea to help move towards this goal, is the need for stronger regulation from Government around consumer lending. The current approach is disjointed and too loose. New Zealand should note and follow the comprehensive and active regulatory approach from the Financial Conduct Authority in the United Kingdom around debt relief during this Covid-19 crisis. This strategic approach includes mandating a three-month payment freeze for credit cards and personal loans to all banks and finance companies; mandating that all banks provide customers with an interest-free overdraft of up to 500 pounds for three months; and developing measures around car loans and payday loans. Government should implement similar strong regulation that will be in place for the next three to six months.

- In the long-term, as we wrestle with current and future financial hardship from this pandemic, it is likely that Budget 2020 is being reviewed given this current context. Consequently, we believe this is the best time to boldly and effectively fund the BFC sector, particularly budgeting services and financial mentors themselves, in preparation for the economic and financial climate we will face in the coming months and years. The coming recession will likely have disproportionate impacts on Māori and Pasifika people who have lower income levels than others. We also call for more rigorous debate and discussion around policy innovation, such as a wealth tax, debt amnesties or forgiveness, and innovative income supports for those who lose jobs from this pandemic and recession.

ADDICTIONS

The Salvation Army ASARS Clients (Alcohol/Other Drugs + Gambling)—as at 17 April



Data

Data about the extent of alcohol and other drug use or misuse in New Zealand during the lockdown is very hard to obtain. The same can be said for gambling. However, the number of clients supported by The Salvation Army's addiction services as of 17 April 2020, was 1388 Alcohol and Another Drug (AOD), 1034 (86 residential and 948 community), and gambling 354 (community). Addiction services are operating below capacity for a variety of reasons, which include significantly reduced referrals, problematic arrangements for referral and admission pathways into residential programmes.

Responses

Negotiating with various District Health Boards (DHBs) in identifying and providing safe pathways into residential AOD treatment—inclusive of a two-week isolation period pre-admission—continues to be problematic. To date, few new clients have been admitted into Salvation Army residential services since the start of the lockdown. However, some centres are now starting to accept clients, with the first clients admitted in mid-April in Wellington, and some other centres later in April or early May. In contrast, as indicated in our earlier report, Corrections Department provision of a prisoner's 14-day, pre-release segregation period has made for a smooth entry into residential AOD programmes for Corrections clients. Also, obtaining the appropriate Personal Protective Equipment (PPE) from DHBs has also been very problematic, though some of the equipment has now begun to arrive.

From the Front Lines

- **Addiction Support Worker (Northland and National)** *Addiction workers are indicating that a significant number of clients in the community are reportedly doing much better under the lockdown. Reduced access to alcohol and other drugs is making it easier to maintain stability, and clients are reporting less use of alcohol or other drugs. Isolation from other people who use alcohol or other drugs, including drug dealers, has also been a stabilising factor. However, workers also report that people are experiencing increased mental health issues, due to significant anxiety around such things as access to food or housing-related matters. In Residential settings where clients are required to stay on, due to the lockdown, beyond their intended graduation date, there is sometimes an increased restlessness.*

- **Gambling Harm Support Worker (National)** Clients are reporting that avoiding gambling has become somewhat easier with bars closed, placing limits on the usual ways they had for accessing pokie machines. The limitations of connecting remotely for support and the lower level of temptation has meant that some clients have put ongoing support for their addiction on hold until after the lockdown. Perhaps related is the feedback some have given to workers that they are feeling very tempted by the prospect of gaming venues opening up again post-lockdown. Client referrals are down. This raises the thought that in this crisis, where more immediate needs are of primary focus and there is a strong desire to be with family or friends, treatment for addiction may take a back seat in the short-term.

Moving Forward

The potential economic and other effects of Covid-19 to exacerbate mental health and addictions issues, will mean that a significant increase in the need for addiction support is likely to be required post lockdown. Therefore, there is an urgent need for stronger/more comprehensive investment for both mental health and addiction services that revamps what the previous mental health and addiction reforms proposed. A broader range of addictions and early and varied interventions are urgently needed.

- In the short-term, there is an urgent requirement to both find pathways into residential treatment services for those seeking help, and enable services to operate in a safe and virus-free environment.
- The restricted access to alcohol and gambling opportunities during the lockdown and the beneficial impact experienced by clients receiving addiction support, points to the desirability for some stronger regulatory controls on these activities post-lockdown. Strong measures that significantly reduce the concentration of pokie machines in poorer communities need to be implemented. For alcohol, there is a real need to reduce the hours of purchase in supermarkets and other liquor outlets, to significantly reduce the number of liquor outlets in poorer areas, and to place strong limits on alcohol advertising.

HOUSING

Pre COVID19 Housing Situation in New Zealand

People on the waiting list for a social house	15,235
Households in a transitional housing placement	3048
Housing under construction through Government programmes	3711
Households receiving Accommodation Supplement support payments	312,527
Households in public housing	69,048
Number of Public Housing available in New Zealand	70,738

Source: MSD, HUD, Homes

Salvation Army Social and Transitional Housing during Covid-19

Level of Inquires for placement in transitional housing in April	21
The total national capacity of transitional housing	570
Number of Households in lockdown in transitional housing	430
Number of people in lockdown in transitional housing	1023
Total number of social houses	365
Number of social houses currently occupied	357
Total tenant capacity of social housing	460
Present number of tenants	450
Number of new units on which construction is delayed	68
Number of tenants not able to be housed as a result of COVID-19	45

Source: ASARS and Community Ministries Data

A picture of our Epsom Transitional Housing Community

Total beds available for residents	84
Present beds in use during Covid19 lockdown	49
Requests for accommodation during three weeks of lockdown	93
Daily demand immediately before lockdown	32
Clients who moved out before lockdown because of health concerns consequent on living in a communal environment (or who had concerns about whānau)	14

A picture of our Addington Transitional Housing Community

Total beds available for residents	88
Present beds in use during Covid19 lockdown	56
Requests for accommodation during three weeks of lockdown	120

Source: ASARS Data

Data

New Zealand entering Covid-19 had a significant crisis in the supply and affordability of housing. Covid-19 and its aftermath will deepen this crisis. Loss of employment and income will force some households out of their present housing. Households needing to trade down will increase demand pressure on government programmes of accommodation supplement, transitional housing and social housing. In response to the housing crisis, the Government was constructing 3711 social and affordable houses. The lockdown has delayed their completion. Further, difficulties in supplying the needed social and affordable houses will occur if investment in new developments dries up, building companies collapse, or New Zealand experiences delays in the importation of building componentry. Conversely, continuing recession and the closure of the border is likely to stop immigration completely. Before Covid-19, immigration was a significant driver of housing supply pressure.

Responses

A sudden injection of Government cash will not fix housing need and housing supply shortages. What is required is a comprehensive range of Government housing policies, which will address over the next five years, the supply and affordability issues. Budget 2020 provides the opportunity to introduce such policies. The Government responded to the housing pressure created by Covid-19 by MSD obtaining 962 extra motel units, 496 which now house formerly homeless or rough sleepers. For homeowners under financial pressure, the Government announced a six-month mortgage and interest holiday and for renters, a freeze on residential rent increases and protection against having their tenancies terminated during Covid-19. On the 17 April, Finance Minister, Hon. Grant Robertson indicated the Government was looking to further assist people with rental difficulties.

The Salvation Army has experienced a decreased demand for transitional and social housing during the Covid-19 crisis. The reduced demand is most probably due to the MSD provision of the additional 962 motel units. Also, The Salvation Army has not been able to introduce new residents into the large bubbles it has created in the Epsom and Addington communal settings. Some centres have seen a drop in the number of rooms occupied, caused by the significant number of clients opting to be with family and friends, or whose age and health condition made it inadvisable to stay in large communal environments. Referrals for mortgage and rent relief are presently small; however, Salvation Army Community Ministries are strengthening capacity in the financial capability services to deal with expected growth in demand for these services in the coming months.

From the Front Lines

- *We have tenants who are unable to change bed sheets or clean physically, as this is no longer carried out by care workers ... Two highly vulnerable, homeless people were placed into vacancies on the eve of lockdown, both tenants are doing well with improved health as a result of being well-housed.*
- *Housing First service in Nelson has changed its focus from long-term housing to finding housing solutions for 20 rough sleepers, who they placed into motels and camping grounds.*
- *Communication with residents is challenging when devices are not internet-capable, or they don't have Wi-Fi or can't top-up.*
- *Staff have faced personal danger through clients not observing or understanding isolation rules ... the ongoing struggle for PPE supplies for Epsom staff has been stupidly hard, and the DHBs have been negligent in managing this supply ... In one of our hostels, staff over the last four weeks have had 100 people a day to cope with in their bubble.*

Moving Forward

Covid-19 will require the Government to address a more extensive and protracted crisis in housing: people losing jobs will be unable to pay their rent or mortgage; transitional and emergency housing will be in higher demand; construction and product delays will impact new housing supply income inadequacy will place more pressure on households attempting to meet housing costs.

The most critical area for Government attention will be to implement a comprehensive suite of measures that successfully end the housing crisis in New Zealand. Covid-19 strangely provides a unique opportunity for the Government to finally fix New Zealand's housing crisis—with an economy requiring massive stimulation and the need for the widespread creation of many new jobs, opportunities to fix the housing crisis abound.

The Salvation Army believes conditions are right for the Government to make a multi-billion investment in addressing the housing crisis in New Zealand. An investment which should include the following areas:

- The elimination of the existing waiting list for social housing, through a significant social housing building programme.
- The boosting of homeownership with a national progressive homeownership programme, which gives all households, with an income over \$60,000, the chance to own a home of their own.
- The creation of a new public supply of new homes, which enables households to rent rather than buy their lifetime home, owned by community-owned housing associations and provided throughout the country.

INCOME SUPPORT & EMPLOYMENT

Job Seeker—Work Ready Income Support (Thousands)

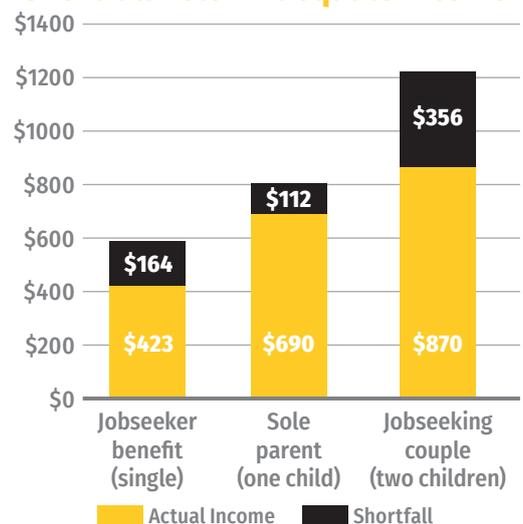


Data

Jobseeker (work ready) numbers increased by over 21,500 to 103,509 in the three weeks between 20 March and 10 April, a 26% increase. Treasury has released economic scenarios that show under the best case, with further Government spending stimulus of \$20–40 billion, unemployment may be able to be kept below 10% this year, before beginning to reduce. Even this, however, means unemployment more than doubling from 4.0% in December 2019, an increase from 111,000 to up to around 270,000 people unemployed. By 17 April, the wage subsidy was being paid to more than 1.6 million workers and costing nearly \$10 billion. An obvious concern is what will happen to the jobs once the subsidy ends mid-year.

Most vulnerable to rising unemployment are Māori and Pasifika workers and communities who already have unemployment rates more than twice that of the rest of the workforce. Combined with other socio-economic disadvantage, Māori and Pasifika are more vulnerable to the epidemic and its economic impacts. The hospitalisation and death rate for Māori in the 2009 influenza

Shortfall Below Adequate Income



Source: Welfare Expert Advisory Group 2019

Increases since 2019 include Winter Energy Payment 2020 (average for full year)
 Jobseeker benefit (single): \$52
 Sole parent (one child): \$68
 Jobseeking couple (two children): \$71

epidemic was 2.5 times that of non-Māori and for Pasifika people higher again. While the current infection rate is lower for Māori and Pacific ethnicities, health experts warn that it is also still rising, and are calling for better testing and health coverage for the communities with higher Māori and Pacific populations.

An emerging issue is the situation of workers from overseas who are here on temporary work visas, have lost their employment and are not eligible for welfare assistance. The issue is particularly acute in Queenstown, where a big proportion of the workforce is from overseas, but it affects workers in other centres as well. The Government has responded by extending access to MSD hardship support and relaxing conditions of work visas to allow people to change employment, but lack of access to basic welfare support leaves people still struggling.

Responses

Further support for small- and medium-sized businesses has been announced, including tax relief and business consultancy support. New Zealanders stranded overseas will continue to receive their NZSuper or welfare payments, a move that will help around 2600 superannuitants and beneficiaries stranded overseas.

The increased income support payments that came into effect on 1 April began to be paid out in the week to 8 April. While this additional income is welcome, the extent of need shows that benefit incomes are still well short of what is needed. The increased Winter Energy Payment begins on 1 May and will offer some further help to struggling households, but significant gaps remain in our welfare system.

From the Front Lines

- **Queenstown Lakes Region** *Supermarket food vouchers and hardship grants are not enough to live on for the overseas workers who have lost their income. Housing costs are high here, and most people do not have the option to return home at this time. They need will need help for the next few months at least.*
- **Wellington Region** *The wage subsidy is about the same as the rent for people around here. Losing your job and trying to live on the wage subsidy is tough. For large households that rely on multiple wage earners to get by and have large bills to pay it is very hard.*
- **Central North Island Region** *People are still struggling to get access to WINZ and MSD online support. There still does not seem to be enough capacity at MSD/WINZ to respond soon enough. People who have not received welfare support find they have weeks to wait for an appointment to register for assistance.*

Moving Forward

- *'...we must also not allow inequality to take hold in our recovery. In fact, we need to take this opportunity to improve the prospects of all New Zealanders and tackle those long-standing divisions'* (Finance Minister Grant Robertson).
- *Saying, 'equity is important' is different from actually making equity important via intentional actions to achieve it* (University of Otago Public Health).

Based on the level of need being experienced by the communities The Salvation Army is working with and ensuring income adequacy for those on the lowest incomes will need to be a focus of further Government stimulus packages and May 14, 'Recovery Budget'. If it is going to support recovery, it will need to underwrite a higher level of welfare support for a much larger group of people. That group will include a disproportionate number of Māori and Pasifika people and this will require approaches that reach their communities effectively. The Ministry of Health Māori Covid-19 plan, released on 16 April, is focused on fair and equitable principles that will also need to drive other areas of social and economic policy action. Additionally, following are other key issues.

- It must also address the gaps in current welfare provision, including couples with a second income, people on working visas with no access to welfare support, and the loss of additional assistance through Working for Families (In-Work Tax Credit) when families lose paid employment.
- Overseas workers on short-term work visas need access to full welfare support in the current crisis. Allowing them to receive Jobseeker and other income and accommodation support will ensure those who cannot return home are not left destitute for the time they are in this country. The situation of the more than 200,000 workers in this country on various forms of temporary work visas, highlights the challenges to our employment and immigration policy. Our country needs to continue to welcome overseas workers from the Pacific and other countries, and the skills and diversity they bring that are essential to a social and economic recovery. This will need to be balanced with the need to build the skills and create quality employment for tens of thousands of people losing jobs over the coming months.
- Courageous and visionary employment policy is needed to guide a massive reallocation of employment into strategically important areas that will underpin future employment growth, based on fairly paid and environmentally sustainable work.

We welcome your comments on this Dashboard series.

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

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