Social Policy & Parliamentary Unit

Working for the eradication of poverty in New Zealand

Te Ope Whakaora

COVID-19 Social Impact Dashboard

31 July 2020

"DON'T HIDE, DON'T PANIC, THERE'S HELP AVAILABLE"

The words above, quoted from a Salvation Army senior staff member, epitomise our plea to New Zealanders facing new forms of vulnerability, hardship and complex challenges due to the current pandemic. Two months have passed since we released our last Covid-19 Social Impact Dashboard, and we're just under two months away from voting in our General Election and deciding on two critical referenda questions; therefore, it is a good time to release another Dashboard.

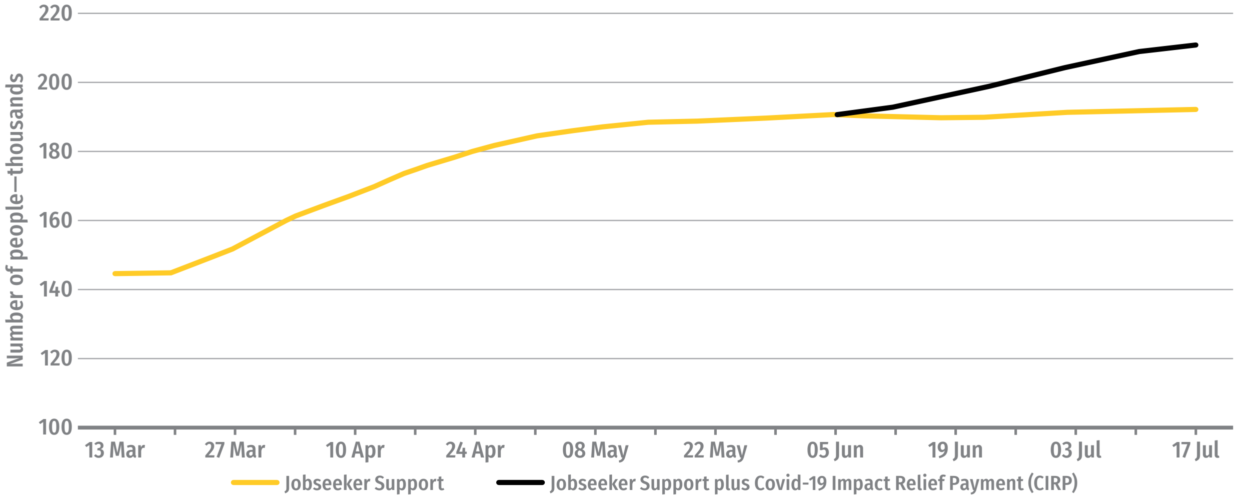
These are fascinating, transitional and uncertain times in our nation. After the intensity and uncertainty of levels 3 and 4 lockdowns, it would be so easy to focus on the economic challenges we currently face and will face in the future. We do not disagree with the importance of these issues. However, deeply connected to these economic and fiscal matters are the social issues and problems that existed before the lockdown and have now been magnified since the pandemic began or emerged in recent months. In our previous four fortnightly Dashboards, we tried to discuss many of these issues, including the spikes in our foodbank services, new clients using our social services, increased numbers seeking help for loans and debts, the plight of migrant workers in Queenstown Lakes and other regions, and the impact of the lockdown on our addictions treatment and social housing provision.

It is crucial that we focus on these social issues as we move towards recession, recovery and the General Election. In this Dashboard, we have a special focus on employment and unemployment issues, while still providing updates on food security, financial hardship, housing and addictions since our May Dashboard. Additionally, on this page is a snapshot of what The Salvation Army saw on the frontlines during lockdown, to provide even more of a context. Consequently, in these turbulent times, we believe the timeless words of wisdom from Proverbs 31:7–8 ring true, now more than ever: '*Speak up for those who cannot speak for themselves, for the rights of all who are destitute. Speak up and judge fairly; defend the rights of the poor and needy*'.

SPECIAL SPOTLIGHT:
EMPLOYMENT AND INCOME SUPPORT

It has become very clear over the two months since the release of our last Dashboard on 22 May that the worst impacts of the Covid-19 recession are indeed concentrated among those who were already under pressure before the crisis. The path to a fair recovery will need to be designed to provide the most support where the impact is highest—younger people, Māori and Pasifika people and the hardest hit regions. There have been changes to income support settings with the introduction of the Covid-19 Income Relief Payment (CIRP) and the Wage Subsidy Extension coming into effect. The combination of support for existing employment and a higher level of support for those losing their jobs has helped to limit the negative impact on communities.

Jobseeker Support plus Covid-19 Impact Relief Payment (Mar–Jul 2020)



Employment

The end of the initial 12-week subsidy has seen Jobseeker Support numbers not showing any sharp increase. But when combined with people signing up to the CIRP payments, the total number at 17 July was 210,919 (Jobseeker 192,327 and CIRP 18,592), an increase of just over 24,000 in over two months since our last Covid-19 Social Impact Dashboard (8 May 186,826 Jobseeker Support). The overall increase since 31 March 2020 is 59,165, when there were 151,754 people on Jobseeker Support.

The good news within the bad news of rising unemployment is that unemployment numbers are tracking below May Budget forecasts, thanks to an earlier move into level 1. The Ministry of Social Development (MSD) forecast was for 232,000 people on Jobseeker Support by the end of June 2020, but the actual number was more than 30,000 below this at 201,035 (at 30 June 2020) when Jobseeker Support 190,456 and CIRP 10,579 numbers are combined.

Just under 2900 of the current CIRP recipients have transferred from the Jobseeker Support payment, and others receiving CIRP would otherwise have received Jobseeker Support. It must be noted that CIRP also includes people who would not have qualified for Jobseeker Support because, for example, their partners are still in employment and earn over the income threshold. MSD has estimated that about a further 30,000 of those who have registered for Jobseeker Support since 1 March may be eligible to transfer to the CIRP. Official unemployment statistics for the quarter to 30 June 2020 will not be released until early August, but Treasury is now forecasting unemployment to be lower at around 7.5 percent, which would be around 207,000 people (up from 4.2% at March or 116,000 people). In the May Budget the forecast was 8.3 percent (around 229,000 people).

WAGE SUBSIDY IMPACT

It is fair to conclude that the Wage Subsidy is achieving its goal of helping to keep people in employment, maintain their incomes and to give businesses and organisations a chance to adjust their business models to the new Covid-19 realities. It is also giving time for more work to be done on developing and launching other employment initiatives. It does not appear that the Government intends to further extend the Wage Subsidy, with Finance Minister Grant Robertson indicating that the Government's focus will be on more targeted, sector-specific support. He also noted that the CIRP for workers who lose their jobs as a result of Covid-19, pays them the equivalent of the Wage Subsidy payment.

UNEQUAL IMPACTS CONTINUE

The impact of the job losses has hit some regions harder than others. As we have commented in earlier Social Impact Dashboards in May and April, Northland and Queenstown Lakes are two of the hardest hit areas, with the highest rates of Jobseeker Support and the biggest proportional increase in unemployment. Other regions like East Coast, Bay of Plenty and Tasman have seen big increases.

The unequal burden of the lockdown is demonstrated in the results of a survey conducted through Victoria University during the lockdown. Nearly half (44%) of households reported either job or income loss. The survey showed that those in the lowest income households (earning less than $30,000 pa) already had the highest rate of unemployment pre-lockdown (22%) and this rose to 38 percent during lockdown. For those earning just above this ($30–$50,000 pa) unemployment rose from 6–14 percent. The highest income earners in contrast reported very low unemployment rates (under 5%) and the smallest increases in unemployment. Households where the respondent was aged under 25, experienced greater negative impacts than other age groups. These income effects carried over into reported wellbeing, with young people and low-income households showing a disproportionate wellbeing gap.

Young people continue to be more affected by job losses over the past two months. Over the past year there has been a large shift in age make-up of those on Jobseeker Support. The 18 to 24 years age group has increased by 66 percent. Nearly three-quarters of younger Māori work in the sectors most impacted by Covid-19 and the Māori Futures Collective describes them as 'the generation disrupted'. They are more likely to be in entry-level jobs in sectors like accommodation, retail and forestry, as well as occupations at risk from automation.

Māori and Pasifika workers generally are more impacted by the job losses occurring. More than half of Māori and Pasifika households were in financial difficulty during the lockdown period, and were already in precarious financial situations before the Covid-19 crisis. They were more reliant on employment from the most-affected sectors, like construction, accommodation and food services. Low incomes and low savings meant not having a buffer to get through the crisis without getting further into difficulty.

It appears that the 'second wave' of job losses, as the first round of Wage Subsidy ends, has so far not been of the scale that economists were expecting. But sectors such as retail, accommodation and food are expected to see further job losses over the coming months.

FROM THE FRONTLINES

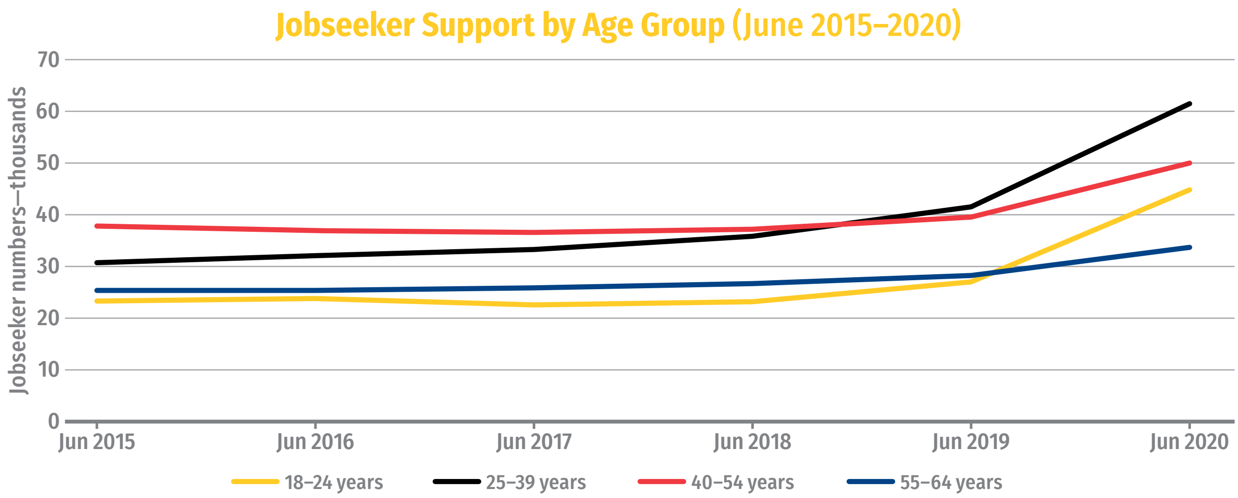
- ***People are still losing or unable to resume casual work and/or employment*** *which is ceasing or cut back. Incomes have lowered, although Wage Subsidy/benefit increases offer some assistance.*

MOVING FORWARD—IMPACTS OVER COMING MONTHS AND YEARS

There are tough years ahead for many people. Treasury is now expecting unemployment to peak later this year in September at 9 percent, slightly lower levels than initially forecast at 10 percent, which would be around 250,000 people unemployed. But this still means our country is facing at least two to four years of much higher unemployment than in recent years.

People are sensing the uncertainty about their future employment prospects, but the lessons from the Covid-19 response so far show the importance of helping families and households to retain a reasonable income to get by; to keep communities going through tough times and to seek to actively support initiatives and projects that provide employment that delivers social and community benefits as well as sustainable jobs into the future.

At the beginning of July, the Government announced a package of infrastructure investments intended to 'kick-start' the post-Covid-19 rebuild and is expected to create more than 20,000 jobs around the country. An initial set of 30 projects has been initiated and a total of 150 are approved by Cabinet, but further details of the remaining projects have not yet been released. It will be important to keep the focus on supporting good investment to adjust work and employment to the realities of the Covid-19 impacts.



INCOME SUPPORT

The number of people on the main working-age benefits rose slightly over the past two months, reaching 355,828 as at 17 July, an increase of 6972 (2%) from the 348,856 just over two months earlier. People losing employment and moving onto Jobseeker Support is still the main reason for the increase in the number of people on working-age benefits and other income support.

The introduction of the CIRP payment has added another layer of complexity to assessing the number of people relying on welfare support. The CIRP is not counted under main benefits, yet there were 18,592 CIRP recipients as of 17 July. Adding in the total of CIRP recipients means that in fact 25,384 more people were receiving income support than just over two months ago—a 7.3 percent increase to 374,420. The CIRP is a new policy initiative introduced by the Government since our previous Dashboard in May. The CIRP is set at the same level as the Wage Subsidy (as noted above) after allowing for tax, and it seems the Government intends it to be an alternative to further extension of the Wage Subsidy. In effect, someone who has been on the Wage Subsidy and loses their employment when the subsidy ends will still be entitled to an equivalent level of support to the Wage Subsidy for a further 12 weeks.

A second new welfare initiative has been the Visitor Care Manaaki Manuhiri (Foreign Nationals Impacted by Covid-19 Programme) run through the Red Cross. Thousands of foreign nationals employed as seasonal workers on orchards and farms or in the tourism and hospitality sectors, have found themselves stranded in this country with no employment and no access to the New Zealand welfare system. During the Civil Defence Emergency Management phase these people were supported with food parcels, accommodation and other in-kind assistance through Civil Defence, local councils and community organisations including The Salvation Army.

Despite repeated requests from community, local government and business groups for the Government to temporarily extend entitlement to welfare benefits for stranded citizens of other countries, the Government instead introduced from 1 July a three-month programme of further in-kind assistance. People cannot receive cash payments and are instead given vouchers for food, household goods, utilities, medication and accommodation. The Government estimated that some 20,000 people may need this assistance.

MORE UNFAIRNESS AND A BENCHMARK FOR INCOME ADEQUACY

One result of the Covid-19 crisis responses has been to introduce further complexity and unfairness into our welfare system. While the additional CIRP and Visitor Care Manaaki Manuhiri programmes are time-limited Covid-19 responses, they have introduced further injustices into an already unfair system.

The ‘winners’ out of the changes are those who have lost employment since the 1 March and are entitled to the CIRP payment. At $490 per week, it is nearly twice the current Jobseeker Support at $251 and highlights the inadequacy of the current welfare benefits such as the Jobseeker Support payment. This payment sets the standard for responsible welfare support that we can look to emulate in other parts of the welfare system.

The ‘losers’ are foreign migrant workers who are being forced to rely on in-kind handouts. People are denied access to even the minimal help of the welfare and benefit system and instead must work their way through applications for a limited set of in-kind supports that must be re-applied for every four weeks.

FROM THE FRONT LINES

- *There is a **whole new people group who are likely to need our services who are unaware of the services we provide** … We expect there’s a large number who are restricted from accessing the [Visitor Care] support due to the convoluted application process.*

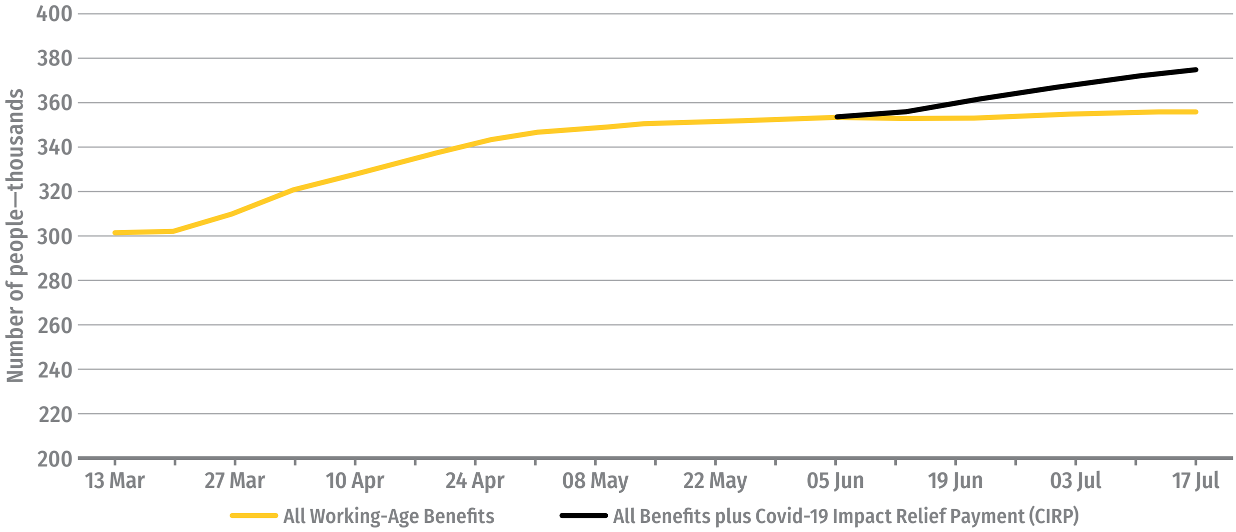
MOVING FORWARD—ACHIEVING INCOME ADEQUACY

The Salvation Army calls for these programmes to be replaced by coherent and fair welfare support that is based on real measures of income adequacy and a focus on keeping people and especially children out of poverty—not based on nationality or timing of job loss. Some foreign nationals are likely to be stranded here for some time and need reasonable access to the income they need to get by without having to constantly re-apply for food vouchers and other assistance. Granting temporary access to our welfare system is not likely to be a significant cost in the context of the full Covid-19 response measures.

The level of the CIRP payment puts the spotlight on inadequate benefit levels. The intention behind the CIRP payment is clear—that those losing employment are not driven into deep poverty and retain some capacity to continue to participate in society in the same way the Wage Subsidy was intended to keep people linked to a minimum level of income from employment. This approach is in deep contrast to the shortfalls in household incomes that rely on benefits that we have highlighted in previous Dashboards. The Child Poverty Action Group (CPAG) has released analysis that shows that while incomes for a range of example households have increased by an average of $41.34 or 17.5 percent, they remain well below official poverty lines. Those families would require an estimated $110 per week on average to reach the 50 percent Median Income After Housing Costs threshold, one of the Government’s three primary child poverty measures.

Targeted funding to lift welfare incomes is an excellent way to utilise some of the Covid-19 response funding. Doing this addresses the current growing need and is also an opportunity to reorient welfare support to the goal of helping people to live with dignity and retain their capacity to contribute to

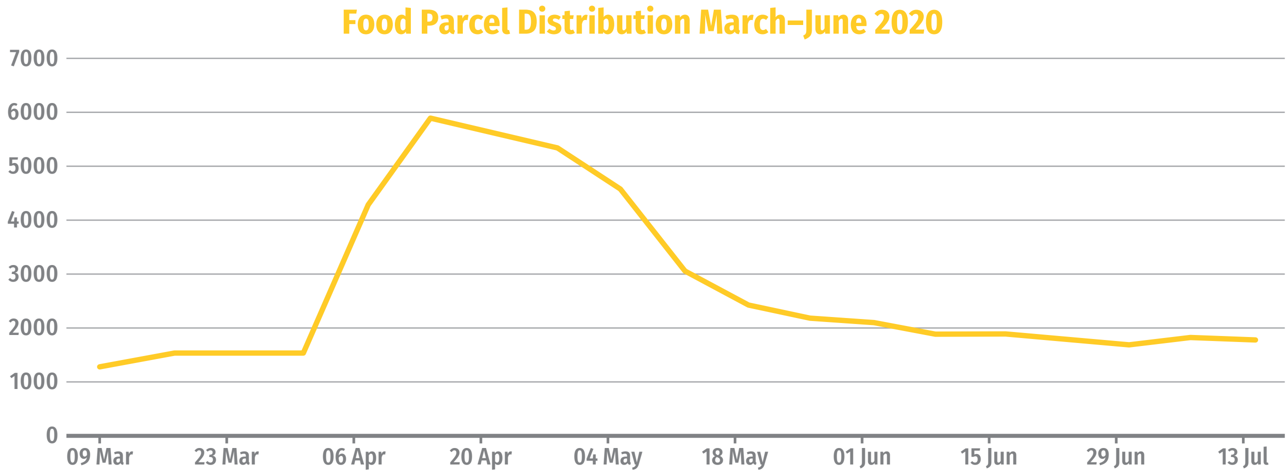
Working-Age Benefits plus Covid-19 Impact Relief Payment (Mar–Jul 2020)

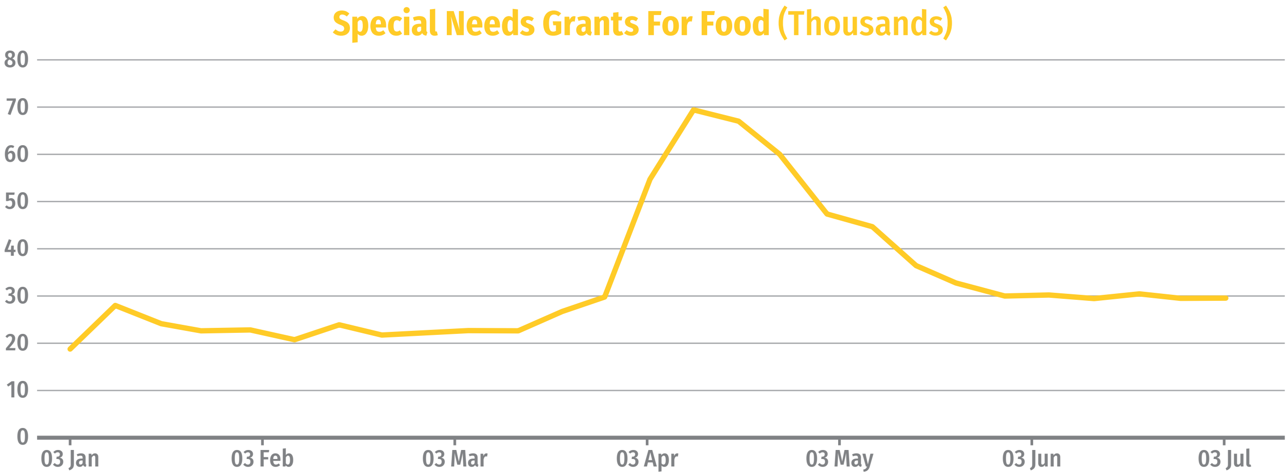


families/whānau and society, as well as their capacity to take on available paid work. The Finance Minister has also raised the idea of unemployment insurance as an option that is being considered, but introducing such insurance brings challenges around fairness and equity and would require more policy work and debate. At this point, it is vital that the policy focus stays on ensuring that people receive effective welfare assistance they need now.

The May Budget estimated working-age benefits expenditure at $7.9 billion in 2021 before falling again to $6.7 billion by 2024. Lifting expenditure on benefits by an average of 30 percent suggests an average of $2.1 billion per year. Lifting incomes for half a million people (and their families) for the next four years, might cost far less than the first 12 weeks of the Wage Subsidy. The Government has now announced that $14 billion of the CIRP will be put aside and not utilised at this stage. The rationale is to keep this funding available to respond to any 'second wave' of Covid-19 that may need further large financial investment. This means that there is now little further prospect of structural change in the welfare system at least until after the 19 September General Election.

FOOD SECURITY





Data

Since the release of our last Dashboard, food parcel distribution for The Salvation Army has decreased by 35 percent, from 2444 in the week of 19 May to 1673 in the week of 30 June. Furthermore, food parcel distribution has dropped by almost 72 percent from our peak during lockdown of 5895 food parcels in mid-April. Whilst some areas in New Zealand have begun to level off, there is still a high demand in other areas of the country who are still distributing food parcels at over an 100 percent increase from pre-Covid-19 levels. Nationally, despite the decline in food parcel distribution, the numbers have not returned to pre-Covid-19 levels. The Special Needs Grants (SNG) for food by MSD has shown a similar pattern; there has been a 17.5 percent decrease from 158,020 in May 2020 to 130,335 in June 2020. The number of SNG for food has dropped by 53.2 percent since the peak of lockdown in April 2020, which was 278,292, however this is still above pre-Covid-19 levels.

Responses

On 16 June the Government announced they would commit $37.6 million to assistance, including food for foreign nationals impacted by Covid-19. The programme is temporary and aimed at being a transitional mode of support since foreign nationals would have returned home or found other means of support. Despite the decreases in food parcel distribution and SNG for food, the demand for lunches in schools is continuing to grow. Budget 2020 allocated $220 million to school lunches. However, other than a government tender for Hawke's Bay/Tairāwhiti and Bay of Plenty/Waiariki Regions the allocation of this funding is not yet clarified.

The Civil Defence Emergency Management (CDEM) played an essential role in supporting food distribution over lockdown, however, the responsibility for funding will transition to MSD and other agencies. CDEM worked in close collaboration with many local foodbanks, however, since the transition to MSD, there has been a cease in referrals to some of these local foodbanks. Budget 2020 allocated $32 million to support food distribution over the next two years, but only $24 million has been allocated by MSD, which includes the setup of food hubs around the country. Some smaller foodbanks that sprung up during lockdown have been unable to secure long-term funding and therefore will cease operations, whilst others have secured funding and will continue to support food hardship in their communities.

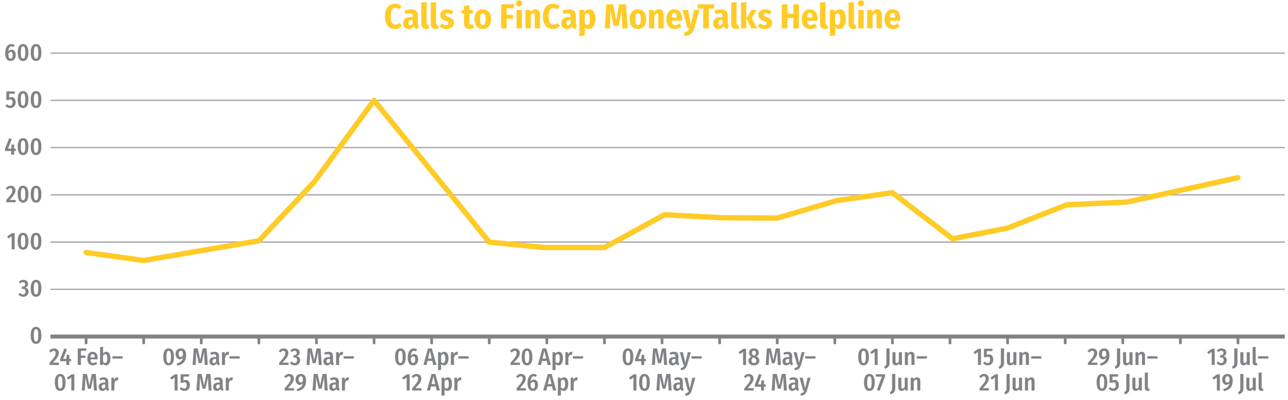
From the Front Lines

- **Kore Hiakai Zero Hunger Collective** *There have been conversations in the sector about this being the calm before the storm. When the government subsidy runs out in early September, there is the possibility that it will create a new wave of food demand.*
- **Porirua Salvation Army** *There were people over the lockdown period who had experienced not knowing where the next meal was coming from, who had to turn to us for help—they are people who may be very reluctant to come back again because they feel shame in doing this, even if they may be really struggling.*
- **Whangārei Salvation Army** *The needs for small towns in the outer areas of Whangārei have always been great, these were made worse by Covid-19. We're delivering 120 food parcels every week in Ruakākā alone due to job losses.*

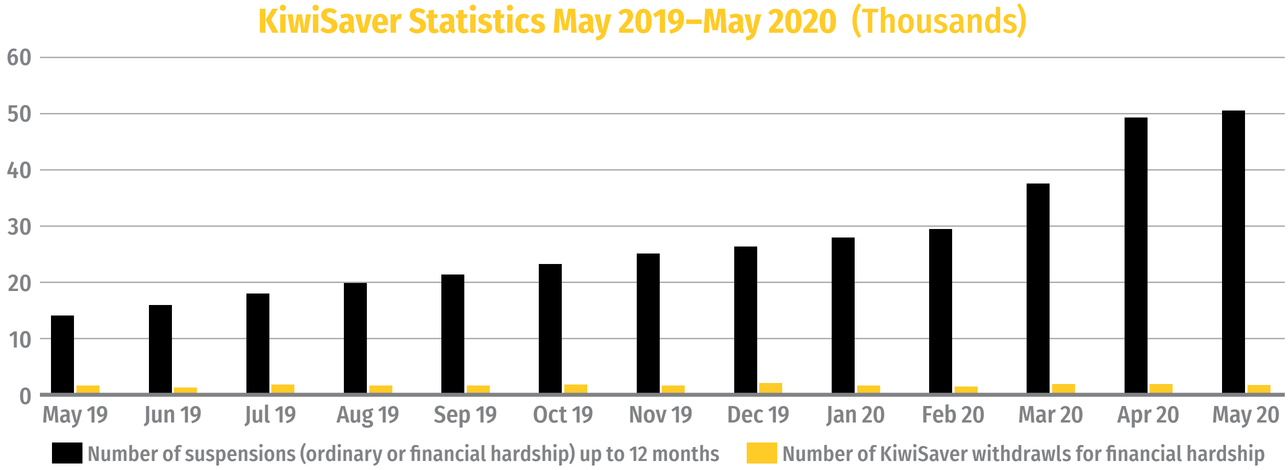
Moving Forward

The decrease in food parcel distribution for The Salvation Army was expected, as the country finds its new normal post-Covid-19. However, the Wage Subsidy and the increased number of foodbanks in the community are seemingly buffering the realities of food hardship for now. We also strongly believe that the stigmatism associated with accessing foodbanks is still very prevalent in our communities and this prevents people from reaching out for help. We believe that to ensure long-term change for our communities, we need to transition from food parcel distribution to a model that strengthens food security and does not create long-term dependency. The immediate need for food must be utilised as a gateway into other key spiritual and social services, such as financial mentoring, pastoral care and housing support. Food hardship is a multi-faceted issue, and therefore requires a multi-faceted framework to ensure food security in our communities. We will watch closely how the major additional funding from Budget 2020 to two different MSD-run schemes (lunches in schools and food distribution in communities) will work with the existing foodbank and food rescue networks operating around the country.

FINANCIAL HARDSHIP



Source: FinCap Trust



Source: Inland Revenue Department

	May 2019	Jun 2019	Jul 2019	Aug 2019	Sep 2019	Oct 2019	Nov 2019	Dec 2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020
No. of suspensions (ordinary or financial hardship) up to 12 months	13,949	15,885	17,857	19,754	21,380	23,180	25,072	26,318	27,825	29,387	37,551	49,070	50,388
No. of KiwiSaver withdrawals for financial hardship	1622	1283	1712	1558	1543	1771	1632	2000	1538	1456	1958	1897	1694

Source: IRD

Data

Over the last two months, the number of phone calls to the FinCap MoneyTalks helpline has settled and declined since the significant spikes in the middle of the levels 3 and 4 lockdowns. But since the middle of June, there has been a steady increase in call numbers, probably indicating the changes in circumstances for people in employment and the end of the original Wage Subsidy. Our first four Dashboards also monitored KiwiSaver data. The numbers of KiwiSaver funds withdrawn because of financial hardship has actually steadily declined since March. However, the number of KiwiSaver fund payment suspensions for up to 12 months has increased by 34 percent, from March to May 2020. By May, over 50,000 KiwiSaver funds had a 12-month payment holiday for reasons including financial hardship. These numbers indicate that New Zealanders continue to wrestle with financial hardship and debt-related issues.

Responses

The landmark increase in funding to the building financial capability sector from Budget 2020 continues to be rolled out nationally. The challenge is now with the budgeting and financial mentoring services to use this huge injection of funding to develop a model of service relevant to the current and emerging issues of debt, financial hardship and consumer lending. At the same time, Government has been active in their consumer credit reforms, with many of the 2019 reforms coming into force earlier, including the 100 percent repayment limit on high-cost loans (1 May) and the 0.8 percent a day limit on high-cost loans, defined as over 50 percent per annum (1 June). Other legislative and policy changes, including amended regulations on affordability assessments, debt collection and new obligations on lenders and their company directors, will come into force in October 2020.

From the Front Lines

- **Community Finance (National)** *Sense that people are shocked from Covid-19. Pleading with people, **don't hide, don't panic, don't bury your head in the sand if you're facing financial challenges, there's help available**. The Good Shop vans saw a significant spike in online gambling from clients during and after levels 3 and 4. The pick-up of the Covid-19 Loans has been slow and probably needs more marketing and awareness. When the wage subsidies and relief payments end, there will possibly be an increase. Seen a rise in community finance loans for moving costs, maybe indicating housing and employment issues for people.*

- **Financial Mentor (Auckland)** *No significant increase in client numbers yet, but we still expect this increase to come soon. Noticed some clients who've been made redundant but they have **Payment Protection Insurance (PPI)** for personal and car loans. Their PPI claims were declined because their redundancy was deemed voluntary. I think this could be a real emerging area of hardship. PPI is currently being investigated by the Commerce Commission and more focus is needed on PPI and vulnerable consumers.*

Moving Forward

Some of the key building blocks for addressing some of the acute financial hardship Kiwi face are there: a new boost in funding from Budget 2020; some relief with the subsidies; more ethical lending options, like the Covid-19 Loans from BNZ; and rapidly changing policy reforms and protections. But the expected tsunami of those facing financial hardship and debt issues, seemingly hasn't hit yet. However, the real turning point will likely be the end of the Government's Covid-19 assistance packages, and the coming job losses. We will monitor this closely in future Dashboards. There are also other looming issues that must be scrutinised closer in the future, so that New Zealanders are not ripped off or fall into debt traps from new risky schemes or business models. These include emerging issues with Payment Protection Insurance; the lack of clarity in how lenders are dealing with borrowers who are in trouble; the inaction from Government around greater regulation for car finance, credit cards, personal loans, high-cost loans and debt collection (watching insolvency statistics closely to monitor these financial challenges); and the mountain-loads of debt many Kiwi owe to MSD and the Inland Revenue Department that will greatly impact their future financial wellbeing.

ADDICTIONS

Data

In our previous Dashboards, we referred to the Health Promotion Agency (HPA) survey on drinking behaviours during lockdown. The HPA released on 27 July the follow-up survey based on drinking behaviour in level 1. Some of their key findings in the second survey included that two-thirds of adults are drinking at their usual (pre-lockdown) levels; of those surveyed, 22 percent report drinking less than usual (down from 34% during level 4) while 14 percent report drinking more than usual (down from 19% during level 4); a higher proportion of Māori (32%) and Pasifika (44%) respondents continue to drink less than usual compared with pre-lockdown levels; young people, and those who have experienced a change in personal income due to Covid-19, are most likely to be experiencing moderate to severe symptoms of depression and anxiety in level 1.

As at 20 July 2020 The Salvation Army reported:

- 124 residential **alcohol and other drug (AOD)** clients (up from 84 on 17 April)
- 994 community clients (up from 948 on 17 April) in treatment
- Combined total of 1118 (up from 1034 on 17 April)
- 57 new **gambling harm** clients accessed Salvation Army Oasis services in June 2020. This was up from 32 in March pre-lockdown and a low of five in April mid-lockdown.
- The number of clients in preventing and minimising gambling harm services has reached 217 at the end of June, which is back to the March pre-lockdown number of 221, but higher than May which was 180.

From the Front Lines

Alcohol and Other Drugs

- *There has been a **spike in the number of referrals for alcohol and drug treatment nationwide since the country moved to level 1**. This may be partly related to a processing of a backlog of people who didn't or couldn't access treatment in the lockdown period.*
- *Some clients reported that **lockdown allowed time for self-reflection** and the commitment to making changes following lockdown seemed more urgent or was taken more seriously.*
- ***Phone or conference calling continues to be offered to clients** but post-lockdown is now being more utilised by clients as an option for alcohol and other addictions (AOD) post-lockdown than was previously the case.*

Gambling

- *Many clients indicated that their **gambling stopped during lockdown**.*
- *A small number of clients indicated a desire to gamble again post-lockdown, but most were anxious that they would **not be able to maintain abstinence when lockdown stopped**. This proved to be correct as many clients started gambling soon after level 1.*
- ***The number of clients wanting to be excluded from gambling venues increased at the end of lockdown**. This was due to clients not wanting to relapse when venues re-opened. This was consistent with the numbers of people seeking multi-venue (gambling) exclusions nationally post-lockdown.*
- ***SKYCITY noted that their registrations to their online overseas gambling site significantly increased during lockdown**. This is consistent with the increased number of clients accessing preventing and minimising gambling harm services post-lockdown, reporting significant problems with online gambling.*
- *Many clients are presenting with **stress and anxiety, in crisis**, coming out of lockdown period.*

Moving Forward

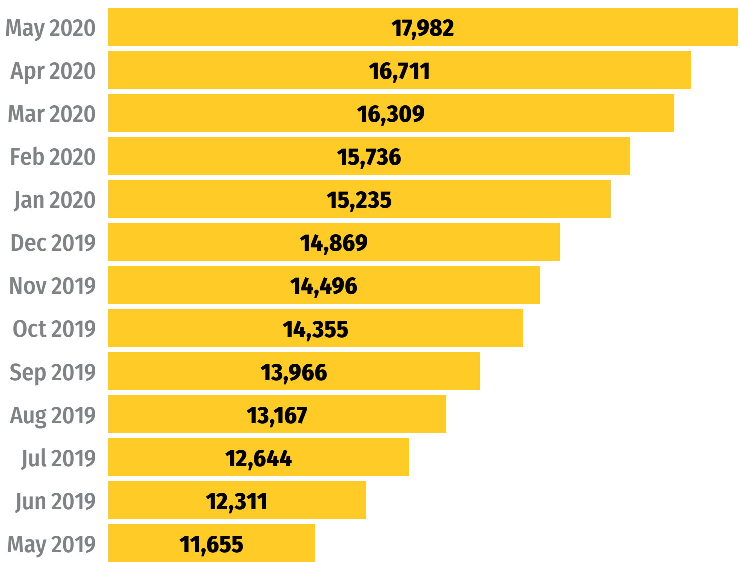
- Stronger regulation around online gambling is urgently needed to prevent significantly increased levels of gambling harm and associated debt.
- The development of tele-health as an embedded and funded component of AOD services in social service providers and gambling harm service delivery, as well as an increased level and range of brief intervention services. This must be done to address addiction or substance abuse issues early, before they develop and become entrenched and to provide access to treatment for those who have geographical or logistical problems accessing treatment.
- Funding to embed mental health into addiction services, e.g. fund mental health nursing and peer support workers within all NGO AOD agencies. Mental health issues are strongly linked with addiction for many AOD clients and currently District Health Boards (DHB) mental health services are overwhelmed, so refer many clients with mental health and addictions to AOD instead.

HOUSING

***Housing Situation in New Zealand** (as at May 2020)*	
People on the waiting list for a social house	**17,982**
Households in a transitional housing placement	**3116**
Households receiving Accommodation Supplement support payments	**344,019**
Number of Public Housing available in New Zealand	**71,022**

Source: MSD, HUD

Applicants on the Housing Register



Housing—HUD, TPK
$40M bespoke outcomes for Māori housing, guided by MAIHI
$5B over 5 years through Kainga Ora for community and transitional housing providers (8000 houses)
$570M income-related rent subsidy
$56M boost to insulation and heating programme

Government Covid-19 recovery investment into housing.

Data

The number of applicants on the Housing Register has climbed from around 16,000 in our last Dashboard, to just under 18,000 applicants in May 2020. That is over 2100 new entries into the Register in May 2020, compared with 783 new entries in April. Nearly half of those on the Register are Māori, and Pasifika people remain disproportionately represented in the Register as well. There were 3116 places in Transitional Housing in May, a very small increase from the April figures. But as the motel strategy employed during levels 3 and 4 comes to an end, the pressure on Transitional Housing, and initiatives like Housing First, will likely increase significantly. Housing First focusses on supporting people who are experiencing homelessness and multiple, high and complex needs. In the May update, over 2021 households were involved in the programme, with 823 households currently housed, 698 withdrawn from the service and 418 not yet housed. Worryingly, 57 percent of these Housing First households are Māori, 24 percent European, and 60 percent are male. Overall, there was already extreme housing stress for many vulnerable Kiwi before the lockdowns. Some of this changed quickly during Covid-19. But as this new norm emerges in level 1, the pre-Covid-19 stress mixed with new housing, financial and employment issues point to some very challenging times ahead.

Responses

As outlined in our last Dashboard, we welcomed the massive investment in Budget 2020 into housing. In the last two months, little detail has emerged about this spend. However, on 24 July, Government announced phase one of their $400 million Progressive Home Ownership Fund that will help between 1500 and 4000 New Zealand families to buy their own home. The fund partners with Community Housing Providers (CHPs) like the Housing Foundation, has an express focus on low- to medium-income Māori and Pasifika households who can transition to home ownership, and support CHPs who have expertise and a long history of providing home ownership schemes, such as shared equity or rent-to-buy initiatives. This is a welcome development given the increasing unaffordability of housing in many parts of the country. Additionally, CHPs have also been busy with their own housing developments in response to these housing problems. In July, the Ōtautahi Community Housing Trust in Christchurch opened a new 28-home complex. Also, in July The Salvation Army opened a new 22-home complex named Te Manaaki Tāngata in Westgate, Auckland, which will house people from the Social Housing Register.

From the Front Lines

- **Street Community Worker (Wellington)** *I am seeing **a new group of homeless people emerging**—often sleeping in cars. They have lost jobs, unable to pay rent and lost their homes. **Some have come from other places, hearing** Wellington is 'better'.*

- **Social Worker (Rotorua)** *Seen more **wahine sleeping in cars** near the lakes since lockdown ended, usually from domestic violence or their own addictions issues.*

Moving Forward

There was a flurry of housing activity in levels 3 and 4, culminating in the major housing-related Budget announcements. As we get closer to the General Election, there will undoubtedly be more announcements and details from this Government on what the specifics are for this spending. Across the whole housing continuum—from homelessness through to home ownership—we have advocated for numerous policy and procedural changes. Many of these are in progress, but just not as quickly or as comprehensive as we would like. Still, the progress in key areas, coupled with the funding promised to housing, is very encouraging. However, some of the numbers continue to worry us—particularly those households on the Housing Register, in Transitional and Emergency Housing, those with ongoing challenges in renting, and the urgent housing stress we are beginning to see as we emerge out of lockdown. In one of our future Dashboards, we will have a specific housing focus to try and unpack these current and emerging housing impacts of Covid-19.

We welcome your comments on this Dashboard series.
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Keep up to date with the Dashboard series at salvationarmy.org.nz/covid19report

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Te Ope Whakaora