



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

# COVID-19 Social Impact Dashboard

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**An ongoing report on the impact of the pandemic**

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## Covid19 Social Impact Dashboard – Summary

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August 2020

# About the SPPU



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

- 5 staff including three social policy analysts working with Director Ian Hutson
- Policy Positions Paper and social analysis
- 5 work areas – Housing, Children and Youth, Crime and Punishment, Work and Incomes, Social Hazards (credit/debt)
- Reports
  - State of the Nation Feb 2020
  - State of Our Communities 2018 (2020 release Sept)
  - The Housing Crisis Facing Pasifika People in Aotearoa
  - Progress Towards Equality
  - Reconsidering The Aotearoa Criminal Justice Policy Model

**Tangata Whenua, Tangata Tiriti, Huia Tangata Kotahi**  
*People of the land, People of the Treaty, Bring Everyone Together*



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[www.salvationarmy.org.nz/socialpolicy](http://www.salvationarmy.org.nz/socialpolicy)

**STATE  
OF  
THE  
NATION  
REPORT**



# Outline



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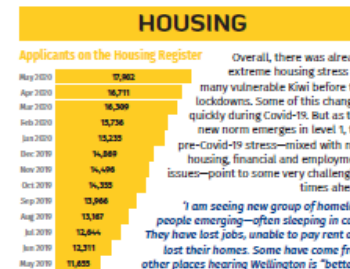
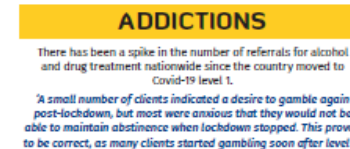
## Monitoring the social impact of the Covid19 pandemic crisis

4 Dashboards published fortnightly 9<sup>th</sup> April, 24<sup>th</sup> April, 8<sup>th</sup> May, 22<sup>nd</sup> May.

- 5<sup>th</sup> Dashboard released 31<sup>st</sup> July, further releases in September & November
- Focus on how communities are being impacted, government responses, and looking ahead to medium – long term responses
- Five areas monitored: Food Security; Addictions; Housing; Financial Hardship/Debt; and Incomes and Employment
- Writers: Ian Hutson, Ronji Tanielu, Ana Ika & Paul Barber
- Feedback group: Major Christina Tyson, Prof Tracey MacIntosh, Campbell Roberts

## COVID-19 Social Impact Dashboard

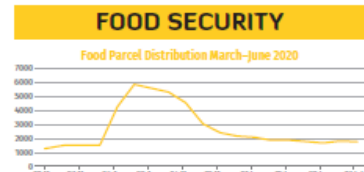
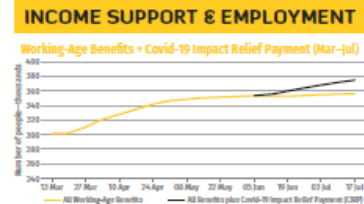
31 July 2020



We welcome your comments on this Dashboard series.  
Please contact the authors at [social.policy@salvationarmy.org.nz](mailto:social.policy@salvationarmy.org.nz)  
Keep up to date with the Dashboard series at [salvationarmy.org.nz/covid19report](http://salvationarmy.org.nz/covid19report)



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Since the release of our last Dashboard, food parcel distribution for The Salvation Army has decreased by 35%, from 26444 in the week of 19 May to 1673 in the week of 30 June.

'When the Government subsidy runs out in early September, there is the possibility that this will create a new wave of food demand.'

'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.'

# Lockdown in Numbers



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## THE SALVATION ARMY

### Lockdown in numbers

11,242 first-time clients

36,972 food parcels given out

21,219 text enquiries for assistance

Over 6000 requests for help across all our services through our 0800 number

717 helped with clothing, linen or household packages

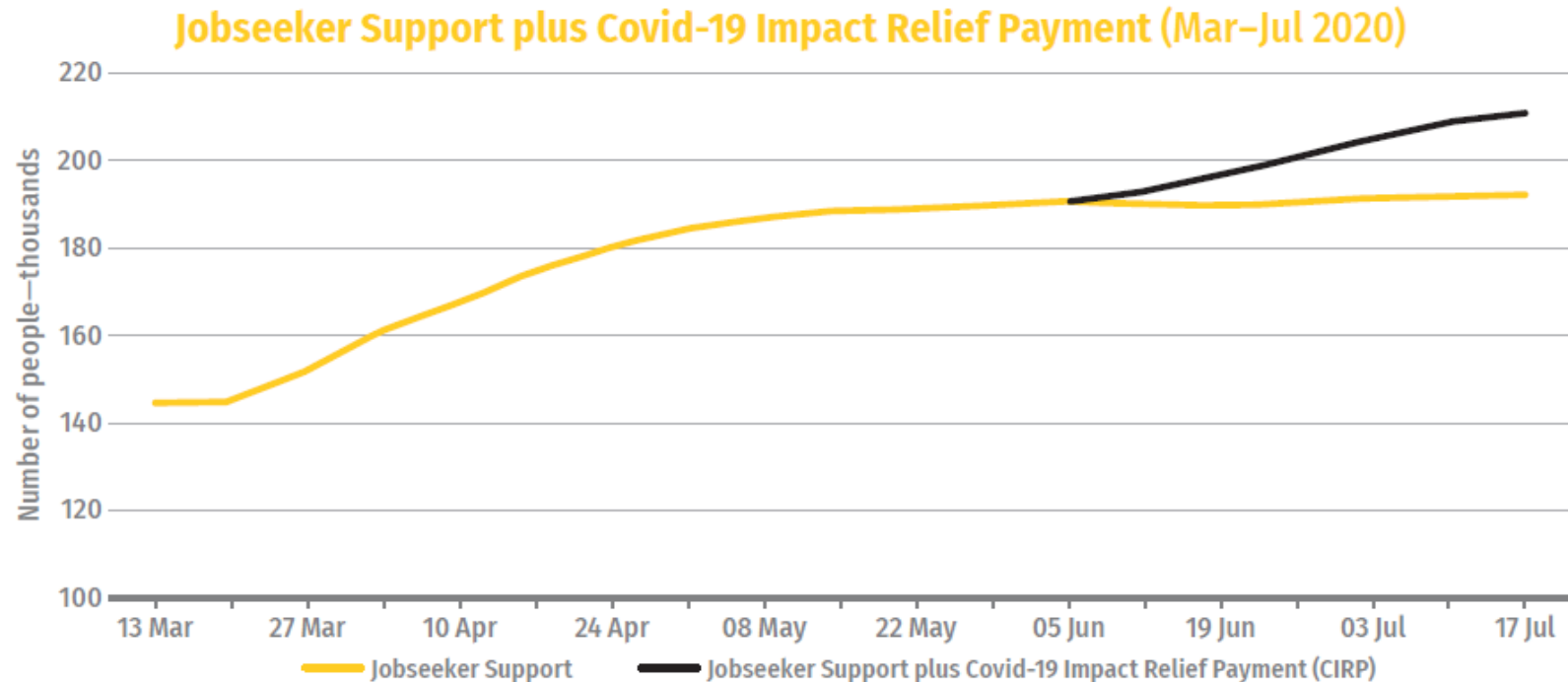
4713 budgeting hours with clients

23 March–25 May 2020

# Income support & employment



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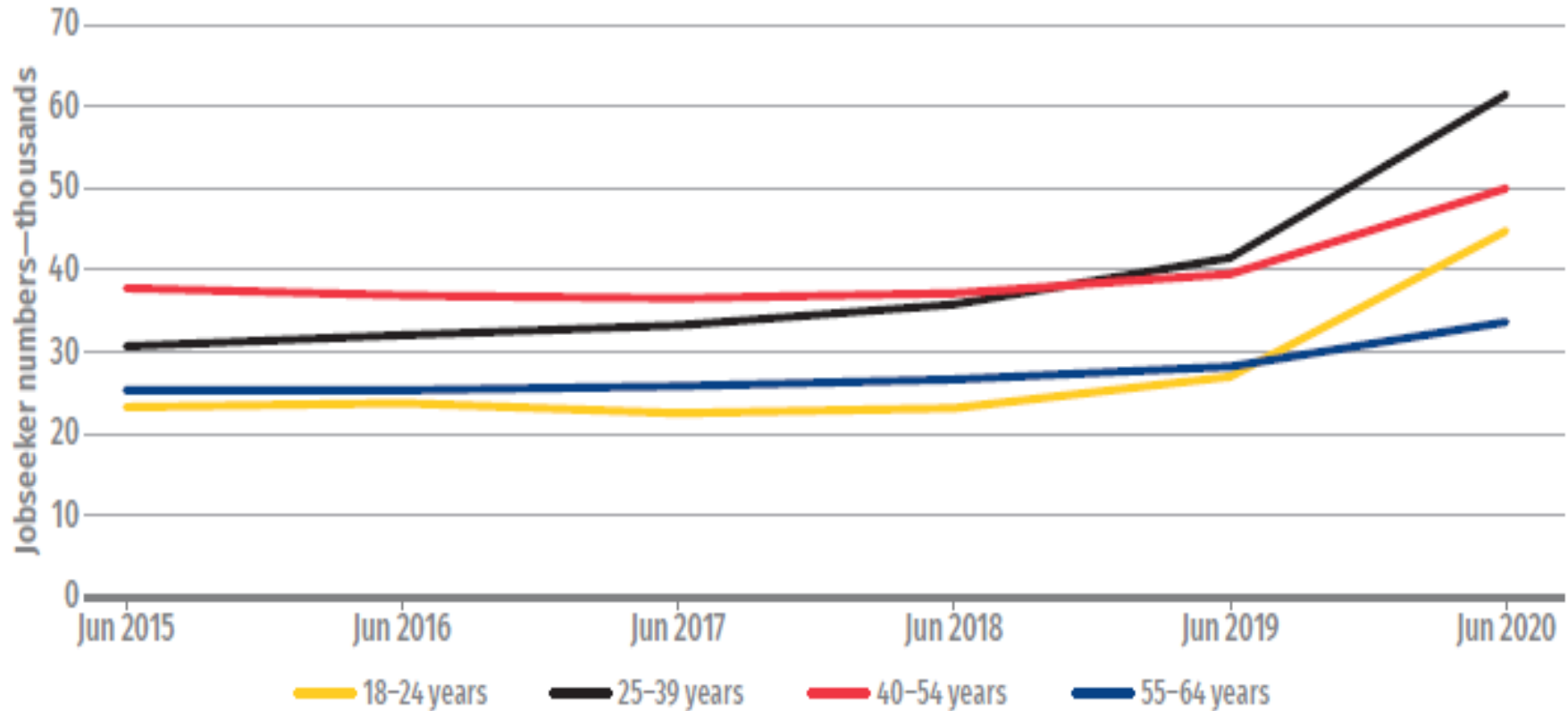
- Sharp rise in unemployment measured using Jobseeker work ready number.
- Unequal impacts – young people, Māori, regions, sectors
- Rapid response through wage subsidy has been effective in keeping employment and reducing need for other assistance
- New client group appearing shows how many households are hovering close to not getting by
- Situation for migrant workers is desperate and needs a compassionate response both in short-term and over coming years. New Visitor Care Manaaki Manuhiri programme run by Red Cross offers in-kind assistance.

# Income support & employment



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## Jobseeker Support by Age Group (June 2015–2020)



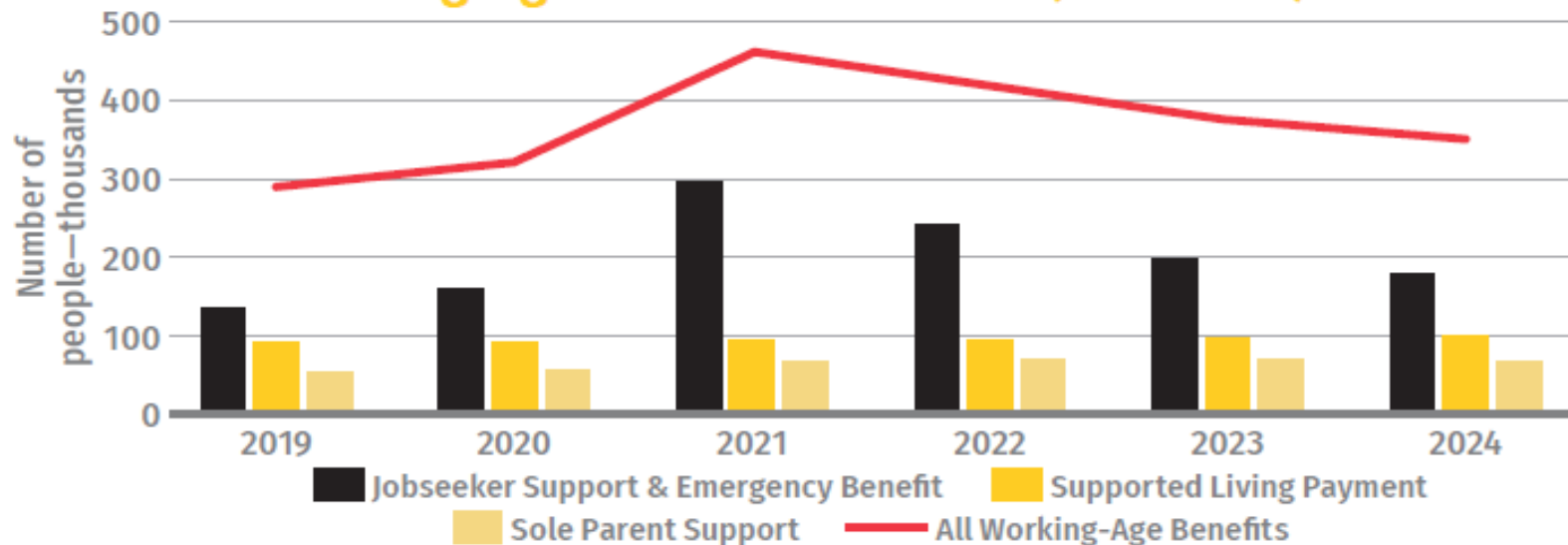
- Unequal impacts on young people
- Young Māori especially vulnerable – 73% work in sectors most likely to be heavily impacted by downturn

# Income support & employment

## Moving forward...

- Employment creation in the short term crucial to keep economy and communities functioning until medium- long term sustainable changes can be implemented
- Training and education links crucial – 20,000 jobs lost in the building sector in the previous recession because not enough was done to keep people and their skills/training going
- Jobseeker support not adequate – new benchmark is ‘Covid19 Income Relief Payment’. An average extra \$110 per week needed for a range of benefit households to reach poverty line (CPAG)
- Benefit numbers will continue to rise – and will be higher for at least 2-4 years. There has to be a compassionate and robust approach to supporting people in this time – more than half will need help for more than 1 year

## Working-Age Benefits 2019–2024 (estimated)



# Food Security

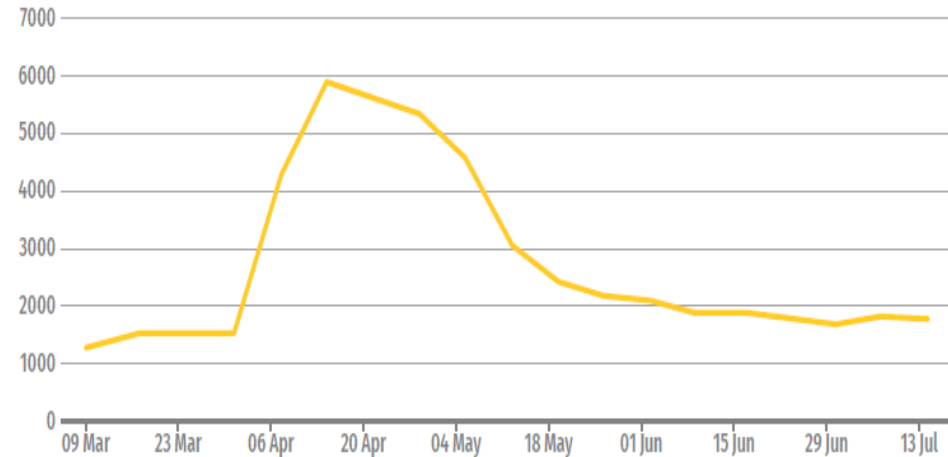


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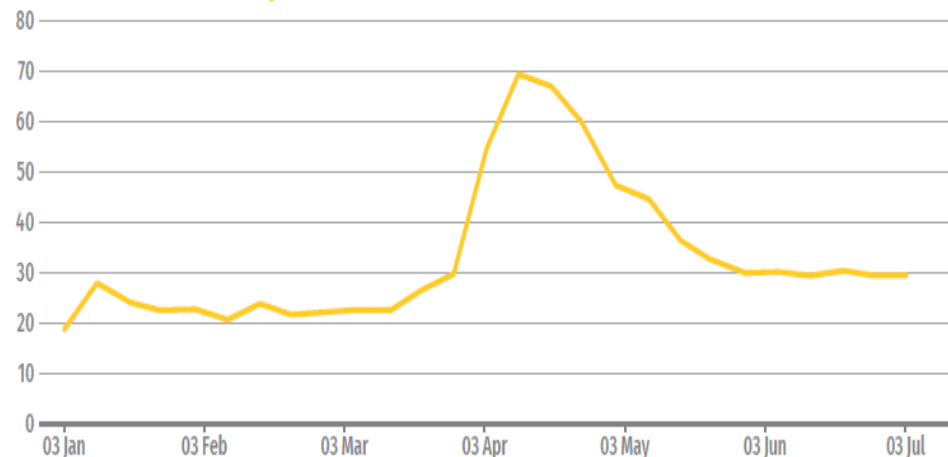
Most visible side of the social crisis, relatively easy to measure. Salvation Army is involved directly working with those in need.

- Huge spike in need in late March to mid-April then a consistent decline from this peak through to end of lockdown. MSD food grant statistics show the same trend.
- The May Government Budget included funding for first time to support food distribution by NGOs as well as developing community networks to strengthen food security funded through MSD. Free school lunches programme is huge, run through Ministry of Education

Food Parcel Distribution March–June 2020



Special Needs Grants For Food (Thousands)





# Food Security



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## Moving forward...

- After the return to Level 1 on 8<sup>th</sup> June after about three months of emergency level response, community organisations were stretched and welcoming the reduced pressure of recent weeks. We do not expect it to stay this way and are planning and preparing for ongoing high level of need.
- There is still not enough being done to address the underlying low incomes, inadequate housing and health factors that drive the need for food assistance. This gap needs to be addressed.



*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 really be struggling.*

**Porirua Salvation Army**

# Financial Hardship/Debt



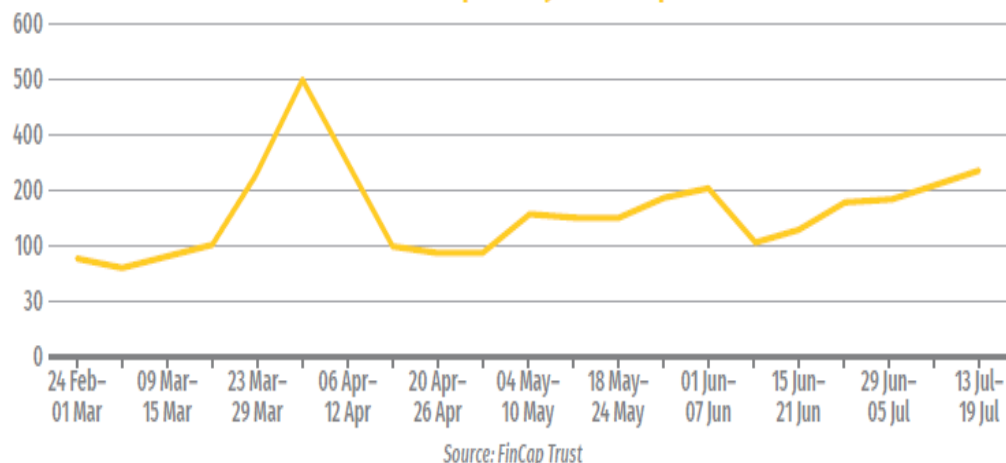
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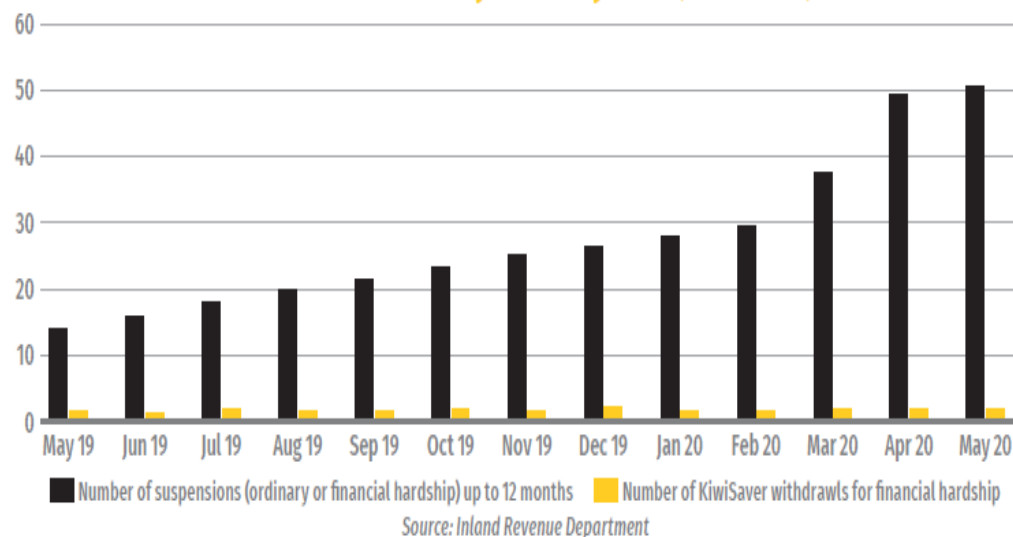
Requests for assistance with financial mentoring are another early indicator of social need that Salvation Army services directly link with.

- After an initial sharp increase in requests for assistance and calls to helplines during late march and early April, volumes dropped back again but have started increasing again since mid-June and expected to grow further over coming months
- Considerable additional funding has been allocated to support financial mentoring services which is much needed and very welcome – but is still about treating the ‘symptoms’.

**Calls to FinCap MoneyTalks Helpline**



**KiwiSaver Statistics May 2019–May 2020 (Thousands)**



# Financial Hardship/Debt



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## Moving forward...

We must deal with the underlying causes of this need:

- Predatory lending – law changes being implemented such as interest rate cap are progress but will need proactive enforcement
- Debt collection – not well regulated, need for focused legislation in this area
- Low incomes – people will resort to high-cost lending to cover shortfalls
- Lack of alternatives – big boost for low/no-cost lending needed. A necessary partner policy to stricter lending controls.

*There's a sense that people are shocked from Covid-19...we are 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.*

**National Community Finance Team**



# Addictions



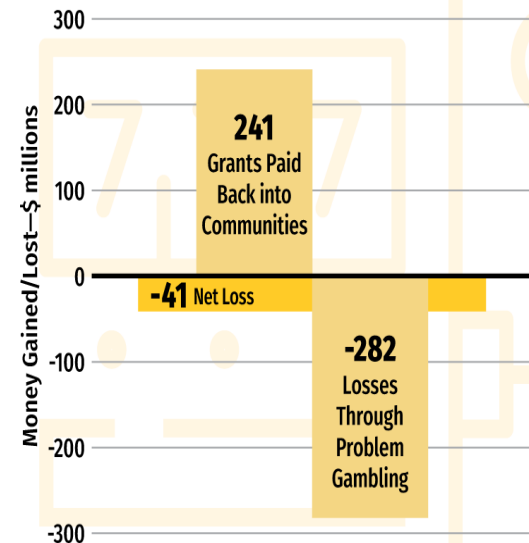
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- During the lockdown access to usual gambling was limited and this was a good thing for most people battling addiction. But SkyCity reports significant increased online gambling & increase in people asking for help from gambling harm services.
- A report on community funding from gambling shows how little seems to get back to the communities that are losing on the gaming machines
- Drug addictions show mixed experiences. Overall there seems to have been less access to drugs for people. Since lockdown referrals have spiked again.

## COVID-19 Social Impact Dashboard

22 May 2020

### Pokie Machine Effects on New Zealand— Net Loss, Comparing Problem Gambling Losses & Grants Paid Back into Communities



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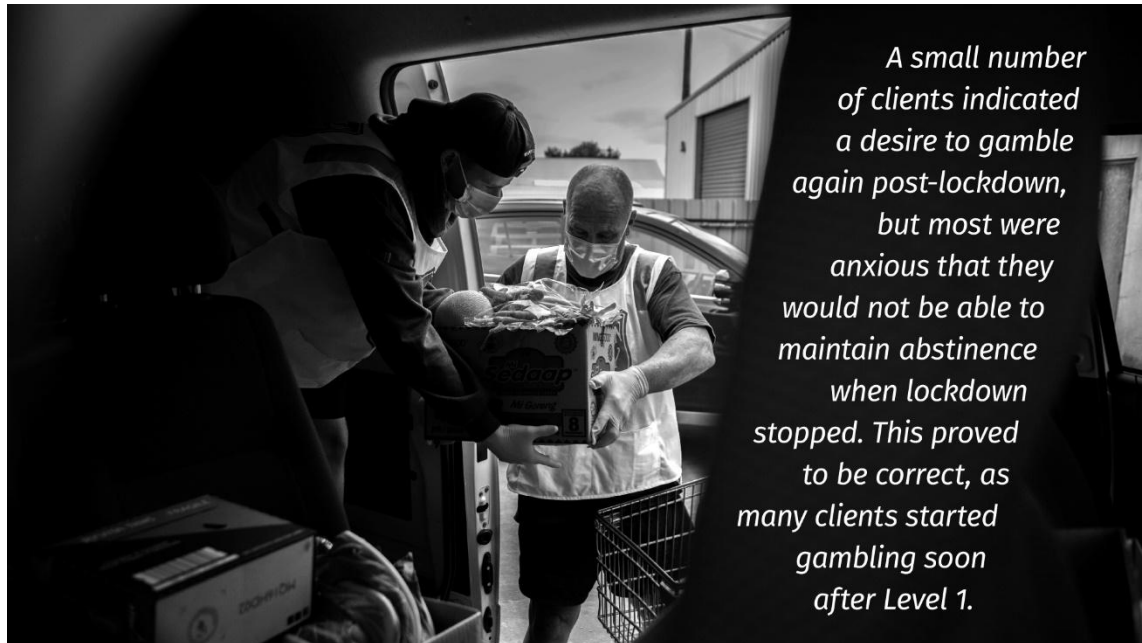
# Addictions



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## Moving forward...

- Post-Covid19 recovery will need more resources going into addictions services, that tend to be the 'poor relation' in the mental health and addictions space.
- Current approaches to dealing with gambling, alcohol and illicit drugs health affects need to take account of the distinction between addiction and mental health problems – they are often linked but for many this is not the case. e.g. fund mental health nursing & peer support workers in NGOs
- Stronger regulation of gambling, especially now online gambling is needed as this area is growing fastest



*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.*

# Housing



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- Rough sleeping largely eliminated – by moving people into motels and other temporary housing that became available. Uncertainty remains for longer term for these people.
- Social housing waiting list (public housing register) continued to climb under lockdown and increased sharply to nearly 18,000 in May (reached 18,520 June 2020).
- Transitional housing could not take on new clients in lockdown - but now seeing property owners looking for alternatives
- Private rental market – unclear how situation under Level 1 will play out. The evictions freeze ended on 25<sup>th</sup> June; landlords under financial pressure as well as tenants.
- Inequities for Māori and Pasifika housing likely to be compounded by crisis. Half of those waiting for public housing are Māori

## ***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



# Housing



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## Moving forward...

- Multi-billion dollar housing investment happening – funding for Kainga Ora but role of community housing unclear
- Community housing organisations like Salvation Army are building houses & ready to scale up
- Progressive home ownership fund \$400 million (rent-to-buy and shared equity) - first initiatives for 1500 – 4000 homes. Plan to include strong focus on Maori and Pacific households.
- Changes to rental laws passed in last days of parliament
- There is a strong sense that housing pressure continues to build for those on lower-incomes

*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'.*

**Street Community Worker (Wellington)**



# Some final reflections



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- The worst impacts have not yet arrived = good news in the bad news
- It may not be as bad as initially forecast but still the worst recession in decades is coming and will last 2 or more years
- Recovery from recessions in the past has been slow: 8-10 years for the last two in this country.
- Impacts are unequal – about a third feel little impact, while lowest third suffer greatest impacts
- Huge uncertainty requires us to work together to manage through many unknowns. The international situation impacts us in ways we cannot control
- Social ‘infrastructure’ is vital – there is much good work to do in our communities that is worth paying for
- Government must focus on those most vulnerable and not those with the loudest voices – the voices of clients of our services are not heard enough
- There appears to be a significant number of people who have retreated, are not seeking or able to access all the help that is available
- Can we find the energy and vision to re-think our relationships with each other, the world and the environment?



# Upcoming Work



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- **Covid 19 SID Dashboards** September & November  
( <https://www.salvationarmy.org.nz/research-policy/social-policy-parliamentary-unit/reports> )
- **State of Our Communities 2020** report – release September 2020
- **Election 2020** – issues paper to support and encourage citizenship, engagement in political process for those marginalised. Available early August