



New Zealand Council Of
Christian Social Services

POVERTY INDICATORS
PROJECT UPDATE:

A Snapshot Comparative Analysis of Foodbank Use

**December Quarter 2004 and
December Quarter 2007**

**Prepared by:
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EXECUTIVE SUMMARY

The need for foodbanks shows no sign of going away. Thousands of people around Aotearoa New Zealand still need the help of foodbanks to feed themselves or their families. This is the main conclusion to be drawn from the data in this latest update on the usage of foodbanks provided by New Zealand Council of Christian Social Services (NZCCSS) member agencies.

In the December Quarter (Quarter 4) of 2007 NZCCSS worked with three foodbanks operated by some of its member agencies to prepare a “snapshot” of the work undertaken by these foodbanks and the problems faced by those accessing support. This information was then compared with data collected during the December Quarter 2004 as part of the Poverty Indicators Project survey of foodbanks that ended in December 2004. The three foodbanks that provided data for this report were all part of the earlier survey.

Key facts:

This review has seen little change in the food poverty situation for households accessing the three foodbanks. Food poverty exists when access to adequate food is compromised or threatened by factors such as inadequate income. Similar numbers of households were accessing these foodbanks in the Quarter 4 2007 as in Quarter 4 2004. The three participating foodbanks in Hamilton, Dunedin and Invercargill assisted around 2,500 people in the three months ending December 2007.

- Many thousands of people continue to need foodbank assistance. The number of foodbanks that are part of the NZCCSS networks remains virtually unchanged (135 in 2007 compared to 140 in 2005). NZCCSS member the Salvation Army assisted more than 5,000 households including nearly 15,000 people through their 37 foodbanks throughout the country in the December 2007 quarter
- Foodbanks are a place of last resort for many people. Over the three months surveyed, most people used the foodbank only once, which implies that there is a large group of people affected by food poverty who turn to foodbanks only when all other options are exhausted.
- Around half of households supported through foodbanks include children.
- Most foodbank users receive income solely from benefits but the proportion has dropped slightly across the foodbanks surveyed. This suggests more people who are in part-time or casual employment are resorting to foodbanks.
- The proportion of people using foodbanks who receive income only from wages rose in two of the three foodbanks surveyed. This shows that despite the full roll-out of the Working for Families income support package there are still people in paid employment who need foodbanks.
- Disposable incomes for foodbank users continue to be very low and they are rising more slowly than average wages.

- Debt continues to be a main reason for people to need foodbank assistance, with rates of indebtedness as high as or higher than three years ago. This debt includes arrears for basic utilities such as electricity, gas or telephone.
- Housing costs continue to be an ongoing source of hardship for people using foodbanks. Approximately a third to a half of foodbank users are spending more than 50% of their net income on housing costs.
- The Ministry of Social Development (MSD) Foodbank Strategy was launched in 2002 with the goal of reducing and ultimately eliminating the need for foodbanks in New Zealand. MSD confirms that the strategy is still current with the focus of their work being on improving and maintaining relationships between local Work & Income offices and foodbanks, establishing a consistent approach to working with foodbanks and ensuring clients receive their full and correct benefit entitlements. NZCCSS notes that in the five years to the end of 2007 this Strategy appears to have had no significant impact on reducing the need for foodbanks.

Conclusions and Recommendations

Over many years, community agencies have been calling for changes to reduce the need for foodbanks because in a country such as New Zealand they should not be necessary. Foodbanks are an indicator of intense hardship, because many people experiencing food poverty do not go to a foodbank unless they have exhausted other forms of help (such as loans or benefit assistance) and are desperate or courageous enough to ask for assistance.

Specific recommendations arising out of this snapshot of foodbanks are:

1. Income levels remain too low for many people. The kind of income assistance offered through the Working for Families package to people in employment who have children needs to be extended to all those on low incomes (e.g. those on benefits or those in employment without children), because they make up the majority of those resorting to foodbanks.
2. Benefit levels should be more closely indexed to increases in food costs as measured by the Food Price Index, as these costs impact very directly on low income households and are rising faster than general inflation as measured by the Consumers Price Index.
3. The MSD Foodbank Strategy needs to be re-visited in consultation with the sector to develop and implement a plan of action that will actually achieve a measureable reduction in the need for foodbanks.

Strategies to reduce poverty must recognise the wider stress and distress that financial hardship creates, including the lack of confidence to engage with any system to access needed help. A holistic policy perspective that encompasses the value of social well being and social functioning for the good of the whole community is needed - one that uses resources intentionally to redress injustice.