



**Financial distress in lockdown:  
The impact of lockdowns on demand  
for food relief and financial assistance**

**23 July 2021**



## Demand for financial assistance during COVID-19

**The COVID-19 pandemic has dramatically increased demand for emergency relief and financial assistance as well as a range of other community services.**<sup>1</sup> As the pandemic took hold in Australia in early 2020, followed by lockdowns to safeguard public health, people turned to the community sector for support, particularly people who could not get income support payments from the Federal Government.

Since then, the Federal Government has withdrawn financial assistance that kept people afloat during 2020, including the Coronavirus Supplement for people receiving working-age income support payments, and the JobKeeper wage subsidy. The Federal Government withdrew this support even though the number of people receiving income support payments remains much higher than prior to the pandemic, and lockdowns continue to lead to job losses as industries shut down to safeguard people's health.

### **Lockdowns, while essential to protect people's health, are disasters for people's incomes.**

The Federal Government has announced COVID Disaster Payments for people who lose paid work because of lockdowns. However, people receiving income support are excluded from these payments (even if they lost paid work because of lockdowns) and people on temporary and student visas continue to seek out emergency relief at record levels.

ACOSS estimates that there are now over 1 million people in lockdown areas in Greater Sydney, Victoria and New South Wales who were relying on some income support at the time of lockdown. They are therefore excluded from Disaster Payments despite being on the lowest incomes and having the least behind them to cope with the financial distress.

This report sets out data generously provided by Infoxchange and Foodbank NSW & ACT showing the nature and extent of demand for key types of financial assistance in the periods leading up to and during lockdowns.

Increases in demand for these kinds of services are typically direct evidence of people being in financial distress.

The data provided by Infoxchange and Foodbank Australia gives an important insight into how the community is faring in lockdown and the nature and extent of financial distress.

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<sup>1</sup> Cortis, N & Blaxland, M (2020): *Australia's community sector and COVID-19: Supporting communities through the crisis*. Sydney: ACOSS [https://www.acoss.org.au/wp-content/uploads/2020/09/Australias-community-sector-and-Covid-19\\_FINAL.pdf](https://www.acoss.org.au/wp-content/uploads/2020/09/Australias-community-sector-and-Covid-19_FINAL.pdf)

This data report complements ACOSS, [\*Locked out in Lockdown: A Report about People with the least trying to survive in lockdown\*](#), 22 July 2021, which sets out findings from the stories of people in Greater Sydney who are in financial distress in lockdown, locked out of receiving Disaster Payments.

**This report shows that there has been sharp rises in demand for financial support following the 2021 lockdowns, exposing the gap left by the Federal Government in its exclusion of people on the lowest incomes from COVID Disaster Payments.**

### **Key findings:**

- Foodbank NSW/ACT has a **backlog of over 10,000 food relief requests** as at 19 July 2021
- **International students** have made **20,000 requests for food hampers** since 6 July 2021
- Foodbank is now processing as many hampers a day as they did in a week before lockdown began, **2,500 – 3,500 emergency relief hampers a day**
- Online searches in NSW for **emergency relief services** on Ask Izzy **increased by over 800%** during the period from 26 June to 14 July 2021
- **Searches for Financial Assistance** in Ask Izzy have **doubled** in number during the 2021 Greater Sydney lockdown period, and increased by 50% in Victoria during the period of the May-June lockdown.
- During the May-June Victorian lockdown, there was a **120% increase in searches for emergency relief**, with almost one in four searches relating to food relief.

With 14 million people in Australia now in lockdown across NSW, Victoria and South Australia, and the exclusion of more than one million people on the lowest incomes from COVID Disaster Payments, community services will continue to face strong demand.

The scale of financial need highlights that current income support arrangements are not enough.

## Recommendations:

To close the glaring gap in support for people on the lowest incomes, ACOSS urges the Federal Government to do the following:

1. Immediately **extend Covid Disaster Payments** to lift incomes for all people without paid work to at least \$600 per week, including those in receipt of social security and those without any other income source at all.
2. Reintroduce a targeted **JobKeeper Payment** for industries particularly affected by lockdowns.
3. As soon as Parliament resumes in August, pass legislation **lifting working-age income support payments** (JobSeeker, Youth Allowance, parenting payments and related income support) to above the poverty line (at least \$475pw for the single rate). See further below for increases to supplements needed for specific groups.
4. All income support payments **must be indexed twice per year in line with wage growth** as well as prices.
5. Extend income support to all affected by inadequate paid work, including people on temporary visas.
6. **Increase Commonwealth Rent Assistance** by 50%.
7. **Provide supplementary payments** for people with disability or illness, and single parents, recognising the additional costs they face.

## Where is the data in this report from?

This report uses data provided by Infoxchange and Foodbank NSW & ACT on demand for services during the pandemic, with a focus on lockdown periods.

Infoxchange hosts [Ask Izzy](#), which provides information on housing, food, health, government support, domestic and family violence help, funds, drug and alcohol services, money help, legal services and more.

“Infoxchange has seen a massive increase in usage of [Ask Izzy](#) during the COVID-19 pandemic with more people than ever before seeking support. Requests for food, emergency relief and financial support have spiked significantly during lockdowns, while demand for housing support, mental health and family violence services have been increasing steadily over the course of the pandemic and are now at record levels. We hope that by sharing our anonymous usage data we can provide insights into the level of demand across the community and help inform the sector’s response.”

*David Spriggs, CEO, Infoxchange Group*

Foodbank Australia is the largest food relief organisation in Australia. It provides food and grocery items to over 2,600 charities around the country for distribution to people in need.

“Foodbank has never been more important than it is right now, ensuring essential food relief remains available to vulnerable Australians in the face of successive lockdowns, unpredictable employment patterns and the broader economic fallout from COVID-19. Foodbank is doing an extraordinary job of treating the personal hardship symptoms of the pandemic through the provision of vitally important food relief, but what is urgently needed is a focus on the cause: growing inequality and poverty. Ensuring vulnerable Australians have access to adequate income support is crucial if we are to improve food security and help vulnerable Australians bounce back from COVID.”

*Brianna Casey, CEO, Foodbank Australia*

## What are the impacts so far of the NSW lockdown?

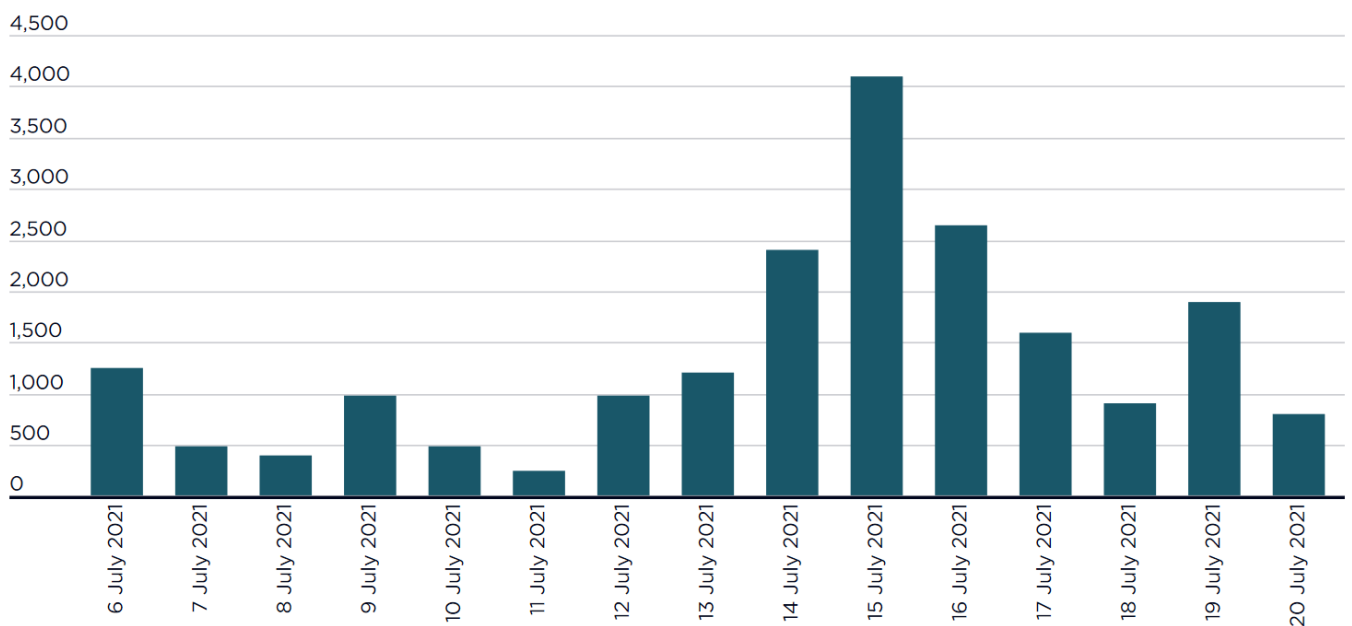
**Both Infoxchange and Foodbank report an immediate increase in demand for services when the NSW lockdown began on 26 June 2021.**

### Foodbank NSW/ACT

Foodbank saw an immediate increase in demand when the lockdown took effect, both for general emergency hampers and hampers for international students. As at 19 July, it reported a backlog of **over 10,000 food relief requests**.

Since 6 July, **20,000 requests have been made for international student hampers**. This shows the depth of need among people in Australia who do not qualify for social security payments like JobSeeker or Youth Allowance (noting that international students with work rights may qualify for the COVID Disaster Payment if they have lost paid work because of the lockdown).

**Figure 1: Number of online requests for international student hampers, Foodbank NSW/ACT**



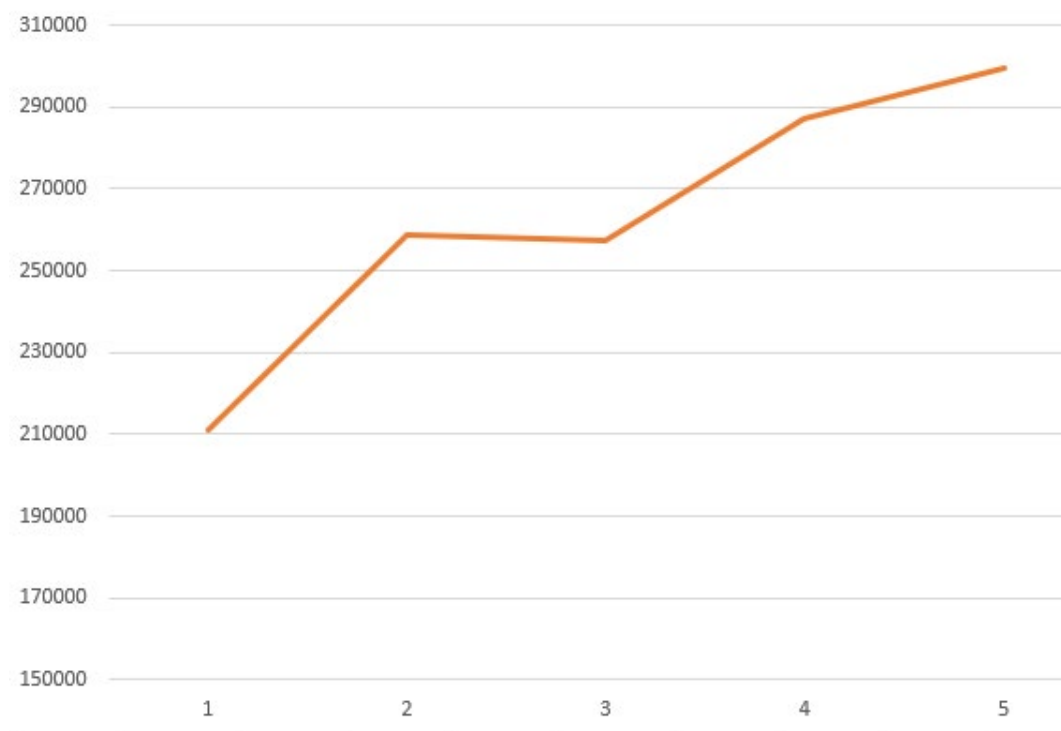
Foodbank is now processing as many hampers a day as they did in a week before lockdown began, **providing 2,500 – 3,500 emergency relief hampers a day**.

As at 22 July, it reported that over **12,163 emergency relief hampers had been distributed to lockdown areas** across Greater Sydney, the Blue Mountains, the Central Coast and Wollongong, **an increase rollout of 160%.**

**Foodbank also reports an overall 37.5% increase in food distribution in the past five weeks.**

The graph below shows this increase in distribution by weight.

**Figure 2: Increase in weekly total kilograms of food distribution in NSW & ACT for the past 5 weeks**



"Access to income support and financial support is essential to keep people safe. People need to be able to put a roof over their heads and food on the table in order to stop working and stay home. Our members are reporting a significant increase in emergency relief requests from people of migrant and refugee background in their communities. We urgently need to support them as part of the public health response."

*Sandra Elhelw-Wright, CEO, Settlement Council of Australia*

Of particular concern to Foodbank is the impact of the harsher lockdowns in the 3 Local Government Areas (LGAs) of Sydney – Liverpool, Fairfield and Canterbury-Bankstown.

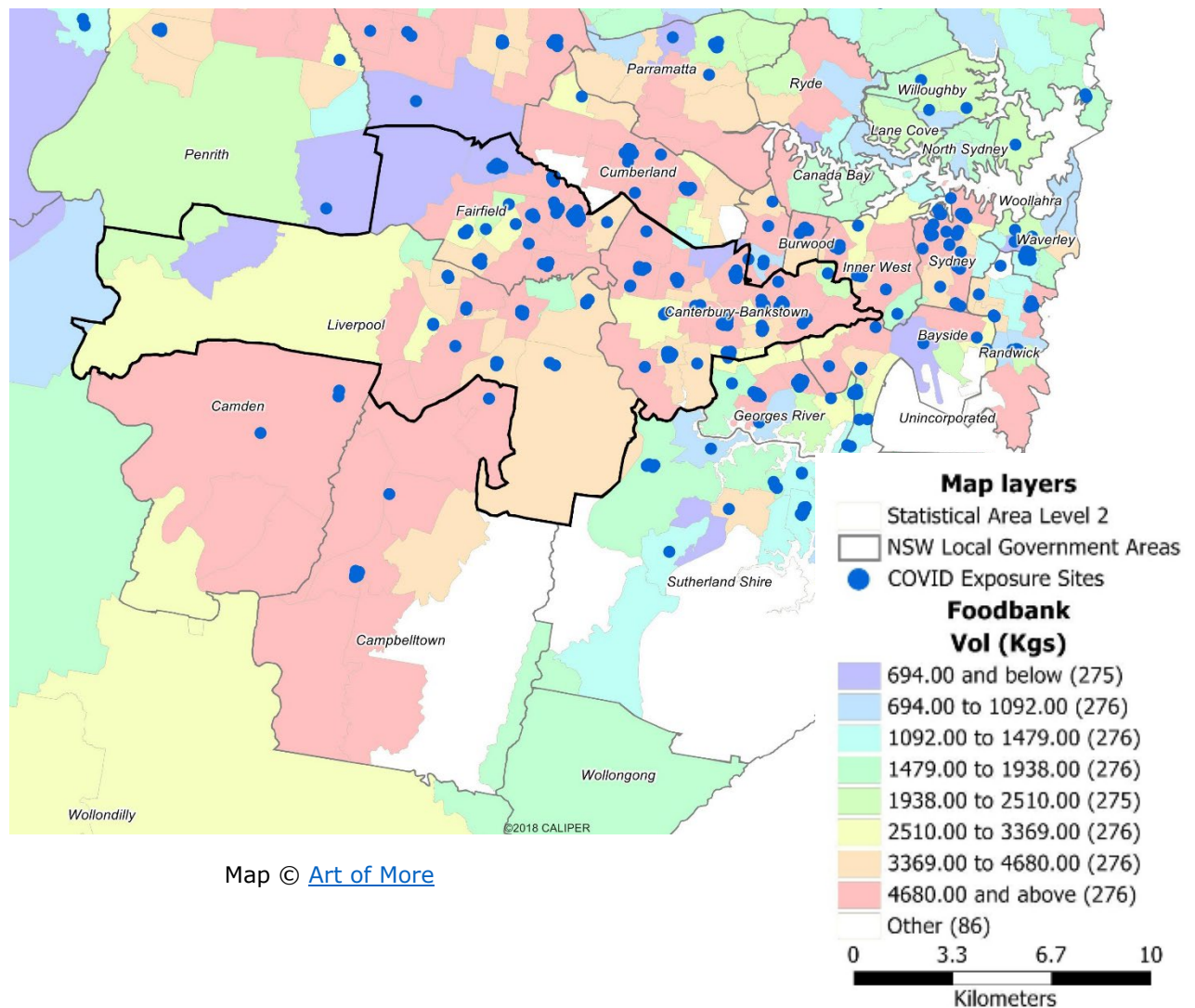


"We know that more than 1 in 6 children are living in poverty across Australia. Anti-Poverty Week is particularly concerned about the impact on families with children reliant on the low working age payments. Many will be struggling with rent, food and home schooling. Too many may not even be able to afford the internet access, others may have multiple children sharing a single device."

*Toni Wren, Executive Director, Anti-Poverty Week*

The map below shows the correlation between the rate of food insecurity and COVID exposure sites in these areas.

**Figure 3: COVID exposure sites in Sydney areas of greater lockdown compared with levels of food insecurity as indicated by Foodbank's regular distribution in these areas**





Foodbank also notes the **impact of lockdown on vulnerable families having to school their children at home**. Foodbank NSW & ACT provides *School Breakfast for Health* programs to over 100 schools across western Sydney, delivering a healthy breakfast and sometimes also lunch for those in need, which can no longer be provided via the school. Instead, agencies are requesting staples such as breakfast cereals and long-life milk.

"Hardship has been compounded as the disaster payment is missing this time-around. Single mothers are shouldering the cost and responsibility of home-schooling are overwhelmed by the financial burden of this lockdown. The digital divide is on display whilst the cupboards are bare. Every family feels the cost-pinch during lockdown; more food is required along with soaring utilities bills. Anxiety is increasing with no relief in sight".

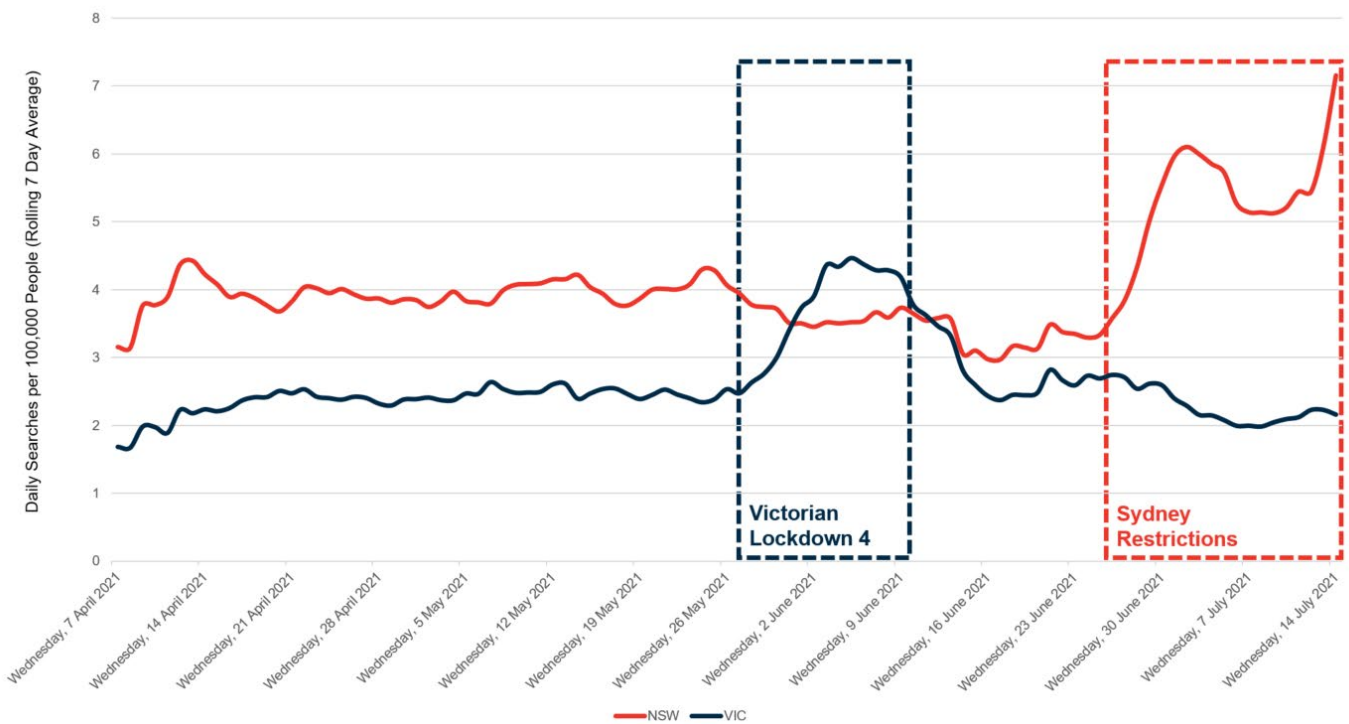
*Terese Edwards, CEO, National Council of Single Mothers and their Children*

## **Infoxchange**

**Infoxchange has witnessed huge increases in the use of its services directory for both the Victorian and Sydney lockdowns.**

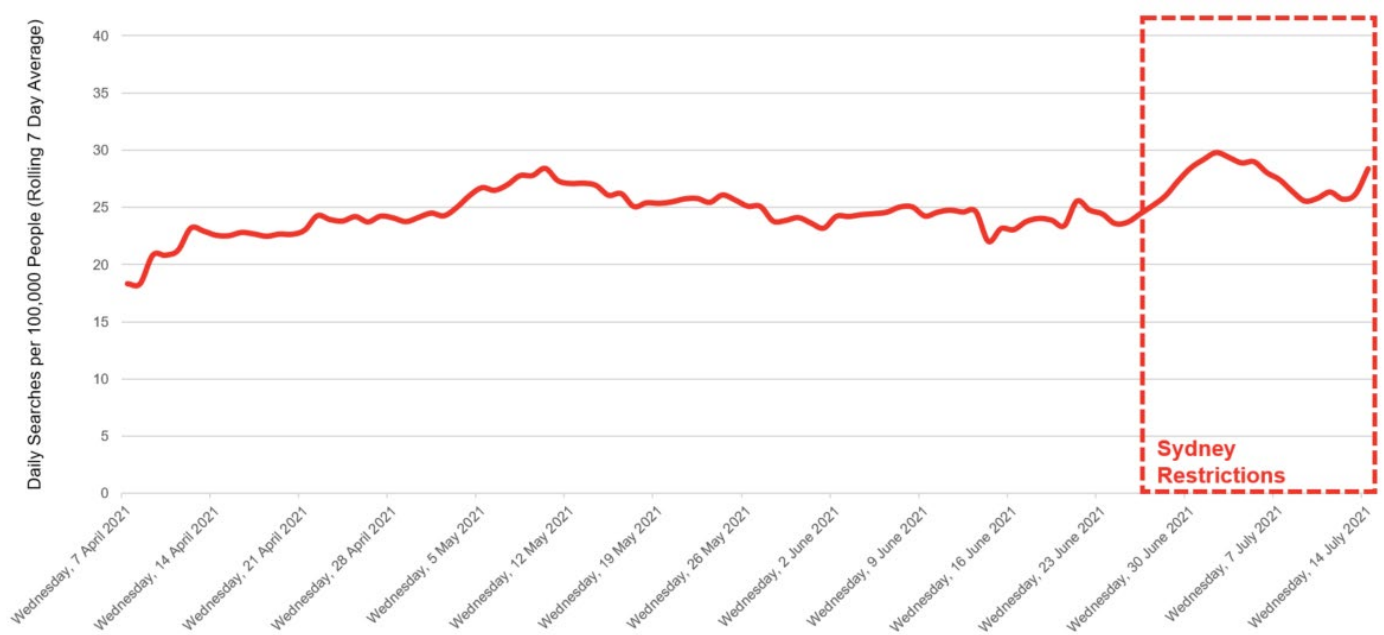
**Searches for financial assistance increased by almost 50% over the period of the Victorian lockdown in May-June, and by 100% over the Sydney lockdown period thus far.**

**Figure 4: Financial Assistance (non-Centrelink) searches per 100,000 people, 7 day rolling average, Victoria and NSW**



In Greater Sydney, there was a 22% increase in searches for assistance in the first week of the lockdown.

**Figure 5: NSW searches for information from Infoxchange (7 day rolling average)**



When split into demand by information type, Infoxchange data reveal a marked increase in the number of NSW searches for **emergency relief services**, which **increased by over 800%** during the period from 26 June to 14 July.

Searches for **information on employment services have doubled in Sydney** over the period of the lockdown so far.

"Denying access to disaster relief payments to people who receive any income support is a kind of reverse means-testing. COVID-19 is a non-selective virus and responses should mirror it. Access to adequate income is necessary for people to be able to afford food, utilities and rent. Without certainty of income, people will be at greater risk of homelessness and housing insecurity with increased movements around communities of people seeking assistance creating greater risk of their exposure to the virus. The risks to individuals and families, as well as to public health measures, are significant."

*James Toomey, CEO, Mission Australia*

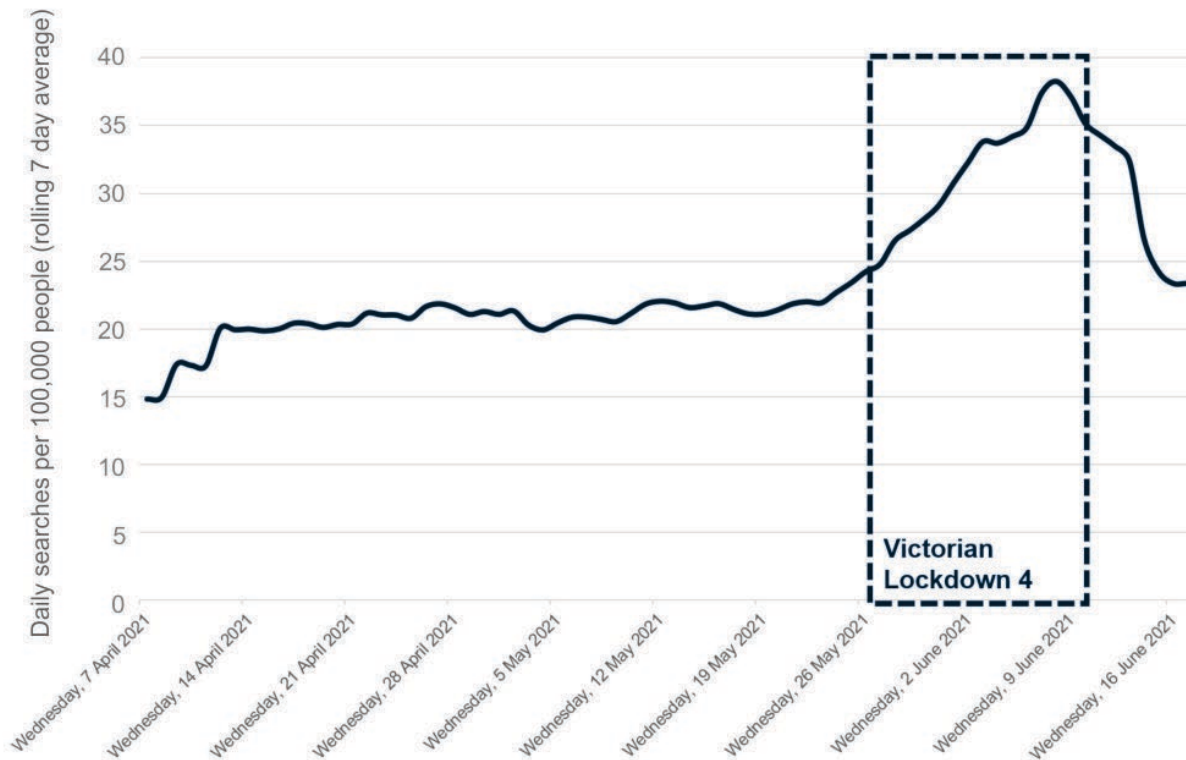
"All things are secondary to living in a safe and secure environment with sufficient funds to meet basic needs. The vulnerable and disadvantaged learners who study with Australia's adult and community education providers cannot engage in learning without their basic needs being met. In 1943, Abraham Maslow first published his 'hierarchy of needs', which remain true to this day."

*Dr Don Perlgut, CEO, Community Colleges Australia*

## Impacts of Victorian lockdown no. 4

In Victoria during the lockdown that took effect from 27 May through to 10 June 2021, searches via Infoxchange's service directory **increased by 65%**.

**Figure 6: VIC searches for information from Infoxchange (7 day rolling average)**



Breaking down the search types, some of the largest demand concerned **COVID-19 specific information, which rose by more than 300%**. People typically searched for information on COVID-19 support payments, testing and vaccination.

There was a 120% increase in searches for emergency relief, with almost one in four searches relating to food relief. Searches for financial assistance rose by 76% in the first 10 days of the lockdown.

"We are working with a range of people in crisis including those exposed to eviction into homelessness and people experiencing elder abuse. We see many struggling to pay the rent, unable to put food on the table and missing out on essential health care needs. We know what's right, and we know what works - adequate income support."

*Chris Povey, CEO, Justice Connect*

**The impacts of denying access to COVID-19 payments to some groups of people are clearly evident through increased demand for emergency relief and financial assistance.**