

The game changer

Wellington City Mission

Poutū-te-rangi 2020

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Author: Sam Green

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1 Introduction

Wellington is going through a challenging period, with growing costs of living, increasing shortage of available homes, and an increased number of families in need of support. The Wellington City Mission (the Mission) has been operating in Wellington for 116 years to help the most vulnerable, and support those that have been harmed the most by these changes.

The Mission has proposed to construct a new building, Whakamaru, to improve their contribution to the Wellington community and to provide support for individuals and families most at risk. Whakamaru will have housing to help individuals facing chronic homelessness, a social supermarket, community café and offer other Mission services.

This report considers Whakamaru, the growing need in Wellington, and highlights how the development can support the Wellington community. This report has been completed by Business and Economic Research Limited (BERL) on a pro-bono basis, as part of BERL's partnership with the Wellington City Mission.

1.1 Report summary

In Wellington, there is a clear and growing need for support for families facing insecurity of food and housing.

Rents in Wellington for smaller homes are growing quickly, at more than six percent per year since 2015. This growth has placed significant need for suitable housing in Wellington. The Ministry of Social Development's housing register has increased 400 percent in just four years, with the significant majority of the need being for one and two bedroom properties.

For many Wellington residents, paying for housing and food leaves little income remaining for other necessities. For sole parents, even working 40 hours per week can leave them \$60 short for weekly expenses. On Jobseeker Support, individuals are \$130 short per week to cover their basic living expenses. In both households, deficits of this size cannot be solved by strict budgeting. After paying rent, there is not enough income remaining to pay for food and other necessities, leading to food and housing insecurity. Living with this level of insecurity reduces the ability to participate in society, with inadequate incomes restricting access to participate in sports, clubs or attend other social gatherings.

The additional services that the Mission can offer with Whakamaru address the areas of the highest need in Wellington. For 40 people Whakamaru is able to provide secure housing, with access to other Mission services in the same location.

This development enables a transformation of the Mission's foodbank, providing a mana-enhancing solution to food insecurity, and providing the dignity of choice to the Mission's clients. The activity of the Mission will be able to be extended to the broader community. The public café and performance space will be open to the public, while giving Whakamaru residents and other Mission clients the opportunity to participate in the local community.

Whakamaru is changing the game for both the Mission, and those most in need in Wellington, providing shelter, choice, and a community.

2 Whakamaru – Changing the game

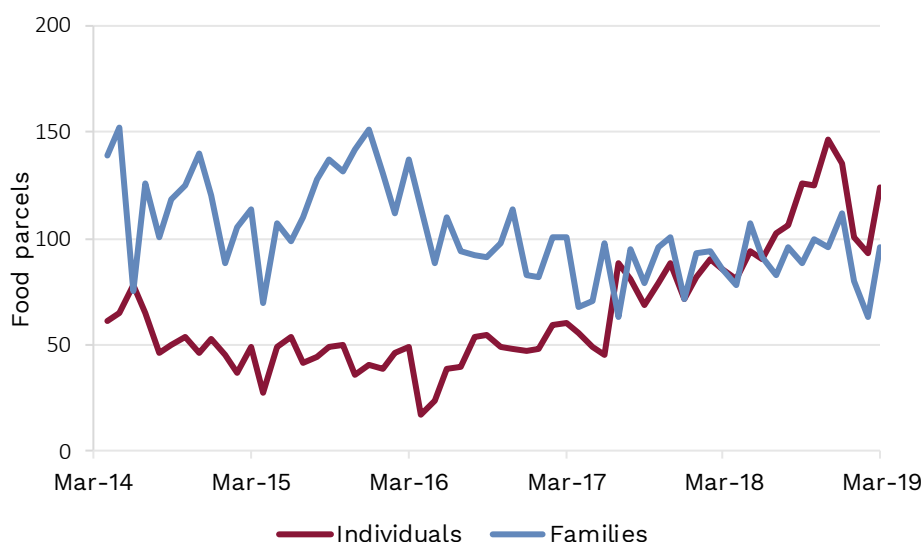
Whakamaru enables a transformation of the Mission’s services. While the Mission already plays a vital role in supporting vulnerable communities in Wellington, Whakamaru offers the ability to provide additional services, providing existing services differently, and enabling engagement with the wider community. This is a recurring theme of Whakamaru, promoting togetherness, removing the “us and them” and the stigma of needing support.

2.1 Transforming the foodbank

The Mission operates a drop-in centre for meals and a foodbank giving parcels of food to individuals and families to prepare at home. Over the past five years, the Mission has provided an average of 135 food parcels per month. This has risen over the past 12 months, where an average of 180 food parcels were provided, along with an average of 1,000 drop in centre meals. Approximately 80 percent of the food parcels are provided to families on a regular basis. The components and quantities in each food parcel is shown in Appendix A. Parcels offer a basic supply of food, though families regularly receiving the food parcels have little choice about what they are eating.

The activity of the foodbank has been changing over time, as shown in Figure 2.1. Since June 2017, there has been a clear shift in the profile of users accessing the foodbank, with a clear increase in the number of food parcels being provided for individuals. This is consistent with provision of services by Government providers, which is considered later in the report.

Figure 2.1 Monthly food parcels issued, 2014 to 2019



2.2 Social supermarket

With Whakamaru, the foodbank will be transformed completely, being replaced by a social supermarket. This gives the Mission’s clients the ability to choose which groceries they need, and allowing for a more varied diet for individuals using the supermarket regularly. The Mission will also offer food-preparing classes in a purpose-built training kitchen. While providing the dignity of choice to the Mission’s clients, the new model also reduces the social stigma of receiving food parcels, allowing clients to engage with the Mission as they would in a typical supermarket.

2.3 Providing accommodation

Housing is a large and quickly growing problem in the Wellington Region, and across New Zealand. With quickly growing rents and little growth in incomes, the budgets of families are being squeezed so tightly, there is simply not enough income to pay for necessities.

One of the key components of Whakamaru is the development of accommodation units for individuals and families facing chronic homelessness. The units available will offer secure housing for individuals in a central location, and the additional benefits of being able to participate in the community, with a community café also on site.

The housing will be integrated with the operation of the Mission and be on the same levels of the building. This will provide access to other Mission services for the residents of Whakamaru, while also allowing the residents, the Mission staff and volunteers, and the community visitors to Whakamaru to connect.

2.4 Community café and performance space

The community café will cater for up to 120 people. This component of Whakamaru also brings together the theme of community engagement and togetherness. With a café and live music and performance space, Whakamaru can be a small community hub, enjoyed by everyone.

This changes Whakamaru from being a place of social service provision, to a community place where people of all walks of life come together and enjoy music and performances.

2.5 Other services in the same location

The other services of the Mission, including the alternative education facility, financial mentoring will also be available at the same location. For individuals that access a range of the Mission's services, these can be accessed in the same location, saving the costs and time requirements of travelling between services.

3 Economic impact

While the development of Whakamaru will be greatly beneficial for the Mission clients, the development of Whakamaru will also be beneficial for the Wellington Region in generating employment and other benefits through the duration of the development. This section presents the economic impact of Whakamaru development. A summary of the methodology is presented in Appendix A.

Economic impacts of new developments are typically made up of two components, a one-off impact of the capital expenditure of development, and the ongoing economic impact of the operation. This section considers the impact of the development of Whakamaru.

The development of Whakamaru will allow the Mission to offer additional services, and the existing services, in one location. As most services will continue to operate, though in a different way, the exact employment and spending has not yet been determined. While this would be expected to provide improved outcomes for the Mission’s clients, the economic impact of the additional activity, including the community café, which may have a significant ongoing economic impact, have not been assessed numerically.

Over the construction period, the development of Whakamaru will be expected to produce the full time equivalent (FTE) of 115 workers. This would also generate a total of \$12 million to the Wellington economic output over the construction period as shown in Table 3.1.

Table 3.1 Economic impact of Whakamaru construction on Wellington Region

	Direct	Indirect	Induced	Total
Expenditure (2019\$m)	15	11	5	32
GDP (2019\$m)	5	5	3	12
Employment (FTEs)	46	49	20	115

The economic impact generated is based on the cost of constructing Whakamaru. The indirect spending is generated by the spending of the construction companies and professionals, to enable this work, including materials manufacturers and logistics companies. The induced impact is the result of the additional incomes of the employees of these companies, and their spending on the wider economy as a result of this development.

The Gross Domestic Product (GDP) is the value added to the economy as a result of the direct expenditure. For the direct GDP, this is the value of the building, less the value of the components that went into the construction.

3.1 Non-financial impacts

While the financial impacts of Whakamaru are not quantified in this report, the transformation of existing services, and the new services being offered will likely have a very positive impact on the broader community wellbeing. Whakamaru offers support for vulnerable individuals and families in a way that allows them to participate in the community. In Wellington food and housing insecurity can reduce the ability to participate fully in society. With an inclusive building, offering services for those in need, and the wider community, this reduces social stigma and allows individuals to participate in the broader community.

4 Wellington housing need growing quickly

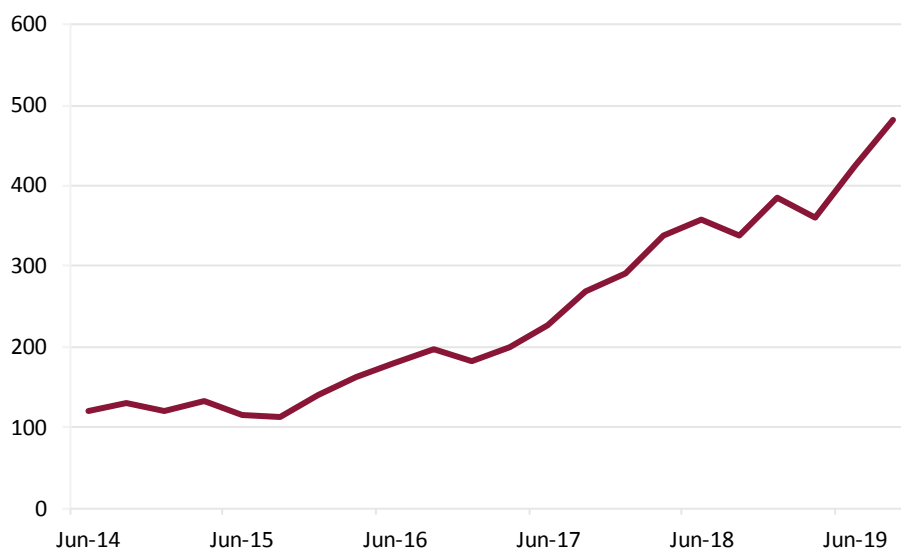
Housing is a significant political issue in New Zealand. In Wellington, housing is a real issue that can significantly disrupt a household budget, and place families in high levels of insecurity. Housing is one of the largest regular payments of households; when housing costs increase, the increased costs result in reduced disposable funds for other expenses and saving. If there is not enough available income for both housing and other expenses, the household needs to move to a cheaper form of housing or reduce spending on expenses. Finding affordable housing is becoming increasingly difficult in Wellington placing families in significant financial distress.

This section highlights how the housing need and costs of housing have changed around the Wellington Region over the past five years, and how this will affect Wellington residents.

4.1 Housing register increasing

There is a large and quickly growing need for housing in the Wellington Region. Figure 4.1 shows the Ministry of Social Development’s (MSD) housing register. In September 2019, there was 482 applicants in “serious housing need” in Wellington City alone. Of these, 439 are classified as “Priority A” housing need, which means that they are considered at risk, and have a “severe and persistent housing need that must be addressed immediately”.

Figure 4.1 Housing register, serious housing need in Wellington City, 2014 to 2019



4.2 Smaller homes are needed the most

The need for housing in Wellington and nearby areas is heavily weighted towards one and two-bedroom units as shown in Table 4.1. Of the total housing need, 86 percent are either one or two bedroom units. In Wellington City, the housing register indicates a need of 300 one bedroom units, and 125 two bedroom units. This indicates at least 550 individuals in Wellington are living in highly insecure housing and need additional support.

In the 2018 Census, 400 people in the Wellington Region indicated living in either shelters, improvised dwellings or rough sleeping. As the Census was largely conducted online, with little follow up, it is likely that the real number is significantly larger than 400 individuals.

Table 4.1 Wellington housing register, number of rooms needed, September 2019¹

Rooms required	Porirua	Lower Hutt	Upper Hutt	Wellington	Total
One	94	202	69	298	663
Two	128	175	52	125	480
Three	33	52	18	39	142
Four	S	15	S	14	29
Five or more	S	7	S	6	13
Total	255	451	139	482	1,327

4.3 Increasing rents in Wellington City

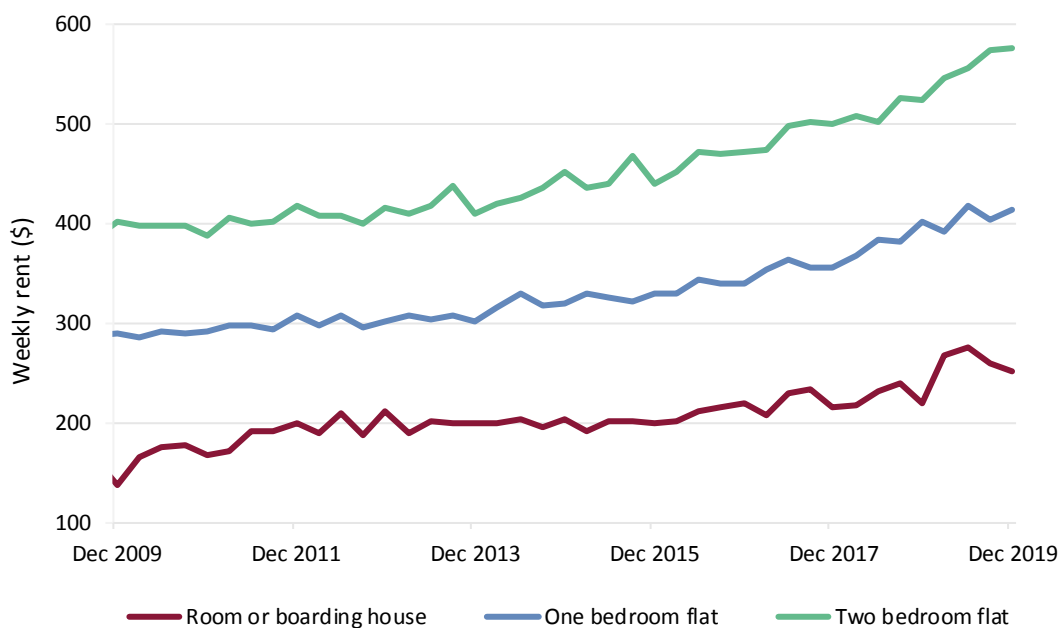
Growth in rents in Wellington coincides with the growing housing register. Rents for small homes in Wellington are growing quickly, much faster than growth in wages, benefits, and other sources of income.

Figure 4.2 shows the increases in rent for one and two bedroom flats, and a room or boarding house since 2009. This information is calculated from the tenancy bond data held by the Ministry of Business, Innovation and Employment. A breakdown of the methodology is presented in Appendix B.

In 2009, renting a two bedroom home would cost an average of \$400 per week. Now, renting the average two-bedroom flat or apartment costs \$580 per week, with the significant majority of this increase occurring since 2015. One bedroom properties show a similar story, with a rapid growth in rents from 2015, with the average one bedroom flat now being rented for more than \$400 per week.

¹ S indicates that a small number has been suppressed for confidentiality reasons.

Figure 4.2 Rent by type of property in Wellington City, 2009 to 2019



When comparing the rate of growth in rents to the rate of inflation over the past decade, there is a stark contrast between 2009 to 2015 and 2015 to 2019. As shown in Table 4.2, the rate of growth in rents from 2009 to 2015 was comparable to the rate of inflation for one and two bedroom flats. From 2015, the rate has been much faster, at around four times the rate of inflation.

The rents for a single room has increased quickly over the whole period since 2009.

Table 4.2 Wellington rent growth compared to inflation

	2009 to 2015 (%pa)		2015 to 2019 (%pa)	
	Rent growth	Inflation	2015 to 2019	Inflation
Room or boarding house	7.5	1.7	6.5	1.7
One bedroom flat	2.3	1.7	6.3	1.7
Two bedroom flat	1.6	1.7	7.7	1.7

5 Cost of Wellington food

Provision of food is one of the components of the current Wellington City Mission activities, and one that will continue in Whakamaru, though the foodbank model will be transformed into a social supermarket. This section considers the cost of food currently in Wellington, for a basic diet.

Food insecurity is also a growing problem in Wellington for a number of reasons. Firstly, with the increased cost of housing, the budget for food can be squeezed to pay the ongoing bills and rent, leading to growing food insecurity.

The cost of food can vary depending on diet and types of employment. In this report, the cost of food has been taken from the Welfare Economic Advisory Group (WEAG)², and has been benchmarked against the costs at a Wellington supermarket of a basic basket of food that meets minimum food requirements outlined in a study by the University of Otago.

5.1 Basic diet minimum requirements

Table 5.1 presents the basic food basket used by the Otago University research into estimated food costs.³ The required food quantities are based on the New Zealand Food and Nutrition Guidelines, and the report states that it will “meet the nutritional needs of most healthy people”.

Table 5.1 Basic weekly diet requirements

Food category	Unit	Man	Woman	5yr
Meat and poultry	g	790	630	390
Fish	g	350	210	70
Eggs	ea	4	4	4
Cheese	g	210	210	210
Legumes	g	350	315	280
Milk and yoghurt	kg	2.1	2.1	2.5
Fruit	kg	1.2	1.2	0.9
Potato	kg	1.1	0.6	0.4
Vegetables	kg	1.8	1.8	1.3
Bread	kg	1.3	0.8	0.5
Breakfast cereals	g	490	490	385
Other cereals	g	995	835	435
Fats and oils	g	350	245	210
Spreads	g	210	105	105
Tea	g	35	35	0
Coffee	g	14	14	0
Milo/equivalent	g	70	70	70
Sugar	g	210	210	105
Biscuits and crackers	g	105	105	105
Pasta sauce	g	420	420	210
Tomato sauce	g	50	50	50

Source: Department of Human Nutrition, University of Otago

² Example Families and Budgets, 2019

³ Information Package for Users of the New Zealand Estimated Food Costs 2017, University of Otago

5.2 Cost to purchase basic weekly food basket

Based on prices of this basic basket of food at a Wellington supermarket on 27 January 2020, the cost of food in Wellington is \$64 for men, \$56 for women, and \$42 for five-year-old children. A breakdown of this cost is presented in Appendix A.

The minimum cost of the basic food basket is presented in Table 5.2. This shows the minimum cost of the food basket in Wellington. In each case it is very similar to the estimated cost as assessed by WEAG. The additional cost of food for workers used by WEAG is used to reflect that working full time may result in additional need for pre-prepared food as a result of less time for food preparation.

Table 5.2 Cost of food basked in Wellington (\$)

Cost of food	Supermarket	WEAG
One person	64	67
One person working		87
Sole parent one child	98	98

These estimated food budgets are very conservative. The weekly cost is based on an average cost per gram of the necessary food, and assumes an individual consumes exactly the minimum required food each day. As food is usually pre-packaged to a specific weight, it is likely that additional food would need to be purchased to meet these requirements. For instance, purchasing recommended minimum of 790 grams of meat per week would likely require a one kg package to be purchased.

6 Wellington incomes

Wellington has the highest average wages in New Zealand, though these incomes are not spread evenly across the population, with many struggling on benefits or minimum wage jobs. This section considers the levels of income in Wellington, which will be used in constructing a basic budget in Section 7.

6.1 Working on the minimum wage

The minimum wage in New Zealand has risen quickly in recent years, with the hourly minimum wage increasing from \$14.30 per hour in 2014 to \$17.70 in 2019. With these increases, full-time workers receiving the minimum wage receive a take-home pay of \$603 per week. On \$18 per week, as modelled by WEAG, the take home pay of individuals working for 40 hours per week is \$613.

In recent years, the minimum wage has risen relatively quickly, from \$14.30 per hour in 2014 to \$17.70 in April 2019. This has resulted in a take home pay increase of 4.5 percent per year, though even at this historically high rate, this remains slower than the increase in the cost of accommodation.

Table 6.1 Minimum wage weekly income 2014 to 2019 (\$)

	Hourly wage	40 hour week	Tax	Acc levy	Take home pay
Apr 2019	17.7	708	95	10	603
Apr 2018	16.5	660	87	9	564
Apr 2017	15.8	630	81	9	540
Apr 2016	15.3	610	78	8	524
Apr 2015	14.8	590	74	8	507
Apr 2014	14.3	570	71	8	491

6.2 Income, benefits and tax-credits available

For individuals that are unable to achieve full-time employment, their income is significantly lower than the minimum wage. For this report, the benefits have been taken from the WEAG Example Families and Budgets report, with the Jobseeker Support and Sole Parent Support Benefits, and the relevant other benefits and tax credits available.

A significant number of people in Wellington City are on Jobseeker Support or Sole Parent Support. In December 2019, in just Wellington City, 4,753 individuals were on Jobseeker support, and an additional 946 were on Sole Parent Support. For an individual with no children, the maximum weekly benefit on Jobseeker support is \$219. While renting a house, an accommodation supplement is also available, for a maximum of \$103 per week.

After calculating the income from working benefits, the following tax credits are also applied to calculate the actual available income in Wellington.

- In-Work Tax Credit
- Family Tax Credit
- Independent Earner Tax Credit

- Accommodation Supplement
- Income-Related Rent Subsidy
- Temporary Additional Support
- Winter Energy Payment.

7 Wellington income deficit

With the increasing cost of food and rent in Wellington, there is not enough income available for many individuals and small families to pay for other basic costs of living. This section explores the information provided by WEAG⁴, and information in Sections 5 and 6 to show the financial challenges faced by families in Wellington.

This section considers seven budget scenarios, for individuals and sole parents living in Wellington. The three individual scenarios are as follows.

- Individual on Jobseeker Support, living alone
- Individual working 40 hours per week at \$18 per hour, living alone
- Individual on Jobseeker Support, living with two other adults.

The sole parent scenarios are:

- Sole parent on Sole Parent Support benefit, living in a home with one child
- Sole parent working 20 hours per week, living in a home with one child
- Sole parent working 40 hours per week, living in a home with one child
- Sole parent on Sole Parent Support benefit, living in a home with one child and two other adults.

7.1 Single person income deficit

Three budget scenarios are presented for individuals living in three separate situations. The first scenario is an individual living alone that is work ready, and on a Jobseeker Support benefit (JSS). The second scenario is an individual living alone and working 40 hours per week at an income of just above the New Zealand minimum wage of April 2018 (\$18 per hour). With more than 4,700 people on Jobseeker Support on Wellington, inadequacy of income is a widespread challenge, and shocks in expenses or cost of living for these individuals can result in need for secure housing and food, or face homelessness.

7.1.1 Cost of living

The cost of living in Wellington ranged from \$400 to \$510 per week in 2018. These costs do not include any of the costs of social participation, including sports and fitness, personal spending allowances, holidays or cultural events. Between 40 and 50 percent of this cost is rent, with the remainder being made up of a range of expenses, including food, utilities, transport, and an allowance for irregular expenses. A breakdown of the expenses is presented in Appendix C.

The estimated allowance for the irregular expenses, including dental and medical bills, is based on a typical annual cost for basic care. Dental costs of \$260 per year, is the equivalent of one check-up per year, with some basic treatment equivalent to one filling. Most expenses are comparable across the various scenarios, though, for individuals in work, additional spending for clothing and transport would be expected, while individuals sharing a home would also be able to save on rent and utilities.

⁴ Example Families and Budgets – investigating the adequacy of incomes (2019)

7.1.2 Single person deficit scenarios

For individuals in Wellington, working full-time on above the minimum wage⁵ was barely sufficient to cover the core expenses. After paying for core expenses, full-time workers have only \$60 per week remaining. This leaves little income to save to cover irregular shocks to income or expenditure. A summary of the core expenses is presented in Appendix C.

If an individual is between jobs, and on a Jobseeker Support (JSS) benefit, there is no remaining income after core expenses. In fact, even living in shared accommodation, living in Wellington on JSS benefit leaves a weekly deficit of \$115. As the significant majority of expenses are fixed, tightening the budget to balance the weekly expenditure would require removing the allowance for medical bills, dental bills, clothing, shoes, personal care, insurance, household contents and services, with still a \$38 deficit to be taken from food, or utilities. This leaves no money for a balanced diet, even without other irregular expenses. When irregular expenses do arrive, such as needing a filling, or visiting a doctor, there is no ability to pay for these without debt or further compromise on food.

If an individual is living alone, being between jobs on Jobseeker Support, they are in an even worse financial situation. In Wellington City, there is a weekly deficit of \$134. This deficit only allows for spending on food, rent, electricity, and transport, with a remaining \$63 deficit each week to be taken out of these four components, likely transport and food. Again, this leaves no income allowance for any irregular expenses, and unsustainably low weekly spending.

Table 7.1 Deficit scenarios single person households, 2019 (\$)

	JSS	40hrs	JSS sharing
Employment income	0	613	0
Benefits and tax credits	383	22	306
Total income	383	635	306
Rent	257	257	194
Food	67	87	67
Other spending	193	238	160
Total spending	517	582	421
Income less spending	-134	52	-115

Source: Welfare Economic Advisory Group, BERL

7.2 Sole parent income deficit

Four budget scenarios are presented for sole parents, in full-time and part-time employment, and on the Sole Parent Support (SPS) benefit.

7.2.1 Cost of living

The cost of living for a sole parent is much higher than for an individual. Again, these costs do not include any of the costs of social participation, including sports and fitness, activities for children, personal spending allowances, holidays or cultural events.

⁵ The wage used by WEAG was \$18 per hour, \$1.50 per hour above the 2018 minimum wage.

While additional rooms are very expensive, they also face higher costs of food, childcare costs, and the cost of other regular expenses. In total, the cost of living in each scenario ranges from \$700 to \$900 per week. Of this total spending, only \$200 to \$300 is spending other than rent and food.

7.2.2 Sole parent deficit scenarios

For sole parents, the income inadequacy is a significant challenge. In Wellington, all four scenarios result in a weekly income deficit, including when working full-time. In full-time work, the weekly deficit is \$61 per week, only marginally lower than on Sole Parent Support. This is largely due to the additional costs of working, including transport, childcare, higher food costs, and the reduction of the Sole Parent Support benefit.

When living in shared accommodation on a Sole Parent Support (SPS) benefit, the expenses are relatively low, though the income from Sole Parent support is still insufficient to cover these costs. In total, these households are \$75 per week short to cover these expenses.

Table 7.2 Deficit scenarios sole parent households (\$)

	SPS	20hrs	40hrs	SPS Sharing
Employment income	0	311	603	0
Benefits and tax credits	710	528	301	630
Total income	710	839	903	630
Rent	451	451	451	377
Food	98	98	145	112
Other spending	255	373	368	217
Total spending	804	922	964	706
Income less spending	-94	-84	-61	-75

Appendix A Cost of food

Standard foodbank parcel, one adult

Product	Units
Can of spaghetti	1
Can of baked beans	1
Can of fruit	1
Can of vegetables	1
Packet soup or cup of soup	1
Can of tomatoes	1
Can of tuna/chicken	2
2 minute noodles	2
Single serving breakfast cereals	5
Sugar/milk powder/teabags	1 each
2 minute pasta or rice	1
Rice (small pack)	1
1 x crackers or biscuits	1

Standard foodbank parcel, small family

Product	Units
1 box of small cereal	1
Can spaghetti	1
Can baked beans	1
Can of fruit	1
Can of vegetables	1
Can soup/ or meal can	1
Can of fish /chicken	2
2 minute noodles	3
Sugar/milk powder	1
Small spread - jam/marmite/peanut butter	1
Rice	1
Pasta	1
Biscuits or crackers	1
Muesli bars	1
Small box of tea-bags	1

Cost of a basic diet in Wellington

Category	Product	Required (g)			Weekly cost (\$)		
		Man	Woman	5yr	Man	Woman	5yr
Meat & poultry	Beef Mince	790	630	390	9	7	4
Fish	Fish fingers	350	210	70	3	2	1
Eggs	Eggs (number)	4	4	4	1	1	1
Cheese	Edam Cheese	210	210	210	2	2	2
Legumes	Baked beans	350	315	280	1	1	1
Milk & yoghurt	Milk	1,050	1,050	1,250	3	3	3
	Yoghurt	1,050	1,050	1,250	4	4	5
Fruit	Bananas	400	400	300	1	1	1
	Apples	400	400	300	1	1	1
	Oranges	400	400	300	2	2	1
Vegetables	Potatoes	550	300	200	1	0	0
	Kumara	550	300	200	3	2	1
	Cucumber	600	600	433	4	4	3
	Lettuce	600	600	433	6	6	4
	Broccoli	600	600	433	4	4	3
Bread	Toast bread	1,300	800	500	4	2	1
Breakfast cereals	Wheat-Bix	245	245	193	2	2	1
	Cornflakes	245	245	193	2	2	1
Other cereals	Rice	332	278	145	1	1	0
	Pasta spirals	332	278	145	1	1	0
	Plain flour	332	278	145	0	0	0
Fats and oils	Spread	175	123	105	1	0	0
	Canola oil	175	123	105	1	0	0
Spreads	Strawberry jam	105	53	53	1	0	0
	Peanut butter	105	53	53	1	0	0
Hot drinks	Tea bags	35	35	0	1	1	0
	Instant coffee	14	14	0	0	0	0
	Milo	70	70	70	1	1	1
Sugar	White sugar	210	210	105	0	0	0
Biscuits and crackers	Plain biscuits	26	26	26	0	0	0
	Chocolate biscuits	26	26	26	0	0	0
	Crackers	53	53	53	1	1	1
Pasta sauce	Pasta sauce	420	420	210	3	3	2
Tomato sauce	Tomato sauce	50	50	50	0	0	0
Total					64	56	42

Appendix B Cost of rent methodology

The cost of rent in Wellington and nearby areas is based on the tenancy bond data from the Ministry of Business Innovation and Employment (MBIE). This data includes all bonds lodged with MBIE at the start of new tenancies. For all tenancies where a bond is lodged, this is aggregated on a quarterly basis for the Statistical Area Unit (SAU).

The average cost of rent in Wellington City is taken as the weighted average of all new bonds lodged across all SAUs in Wellington City for the given quarter. This presents the average price of the new tenancies in each quarter.

As tenancies are more likely to start in the first and last quarters of the calendar year, (October to December and January to March), there is a large amount of validity throughout the year. In the winter months, with very few tenancies starting, the data can be skewed significantly by property with an unusually high or low rent.

In Wellington City, there are 63 SAUs. Where a very small number of properties in a SAU for a given quarter are small and the rent may be identifiable for the property, the rent for the property is suppressed by MBIE, resulting in areas with very few rental properties being excluded from the average for that period.

Appendix C Detailed cost of living and assumptions

Core living costs of an individual living in Wellington, 2019 (\$)

Expenses	JSS	40 hrs	JSS sharing
Rent	257	257	194
Food	67	87	67
Electricity/Gas/Water	40	40	27
Phone and broadband	25	25	11
Clothes/shoes	9	12	9
Medical	6	6	6
Dental	5	5	5
School costs	0	0	0
Transport costs	58	100	58
Bank fees	1	1	1
Insurance	24	24	24
Personal care	8	8	8
Household contents and services	17	17	11
Total excluding food and rent	193	238	160
Total	517	582	421

Core living costs of a sole parent in Wellington, 2019 (\$)

Expenses	SPS	20 hrs	40 hrs	SPS sharing
Rent	422	451	451	377
Food	98	98	127	98
Electricity/Gas/Water	60	60	60	40
Phone and broadband	25	25	25	15
Clothes/shoes	21	27	27	21
Medical	8	8	8	8
Dental	5	5	5	5
School costs	0	0	0	0
Transport costs	66	108	108	66
Bank fees	1	1	1	1
Insurance	24	24	24	24
Personal care	15	15	15	15
Household contents and services	30	30	30	22
Total excluding food and rent	255	303	303	217
Total	775	852	881	692