



Good Shepherd
New Zealand

Year in Review

July 2021 - June 2022



Our mission

To tackle the significant issues impacting women, girls and whānau.

Our vision

That all women, girls and whānau are safe, well, strong and connected.



Our values

Reconciliation

Supporting people to find peace, wellbeing and wholeness within themselves, each other and in their environment.

Justice

Challenging systems and behaviours that disadvantage people and advocating for positive change.

Audacity

Having the courage to speak out, follow new paths and take action for the mission.

Zeal

Being wholehearted in our purpose.

The value of each person

Seeing and respecting everyone's rights.



“Someone had given me a chance and said yes. It had been so long since I'd experienced a positive like that.”

- Good Loans Client

Our strategic priorities

1 Build financial wellbeing

We maintain and grow our microfinance and debt solutions services and focus on building financial security and resilience for women, girls and their whānau.

2 Advance social wellbeing

We identify social issues where we can contribute the value of our expertise, with a focus on the intersect of financial and economic wellbeing with other social issues.

3 Influence systems change

We advocate for changes in policies and practices that reduce and remove barriers to financial inclusion and economic participation.

Our current Board

Emma Saunders, Chair

Sr Teresa Donworth

Marian Kleist

Emma Thompson

Sara-Jane Erika

Ally Gibbons

Anne Astin

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A note from the Chief Executive

The impact of Covid-19 continued to shape New Zealand in 2021/2022.

The record volume of enquiries into our financial wellbeing programmes was evidence that whānau across the country, particularly those living week-to-week on limited incomes, experienced significant pressure to keep up with the rising cost of living. I want to acknowledge our team and our community providers for the dedication they have shown to meet the ever-increasing numbers of clients accessing our services.

One of our priorities has been to ensure people facing financial challenges continue to have fair and affordable choices when it comes to credit, and an alternative to quick high-cost loans, buy now pay later schemes and other products that come with the risks of high interest, default fees and unmanageable debt.

A large part of our work this year has been to review the Good Loans programme, alongside our partner BNZ, to identify changes that will offer an improved service for more people. We are very excited about the first phase of this review being implemented in late 2022, to remove interest charges from all Good Loans.

Another priority for us has been continuing to work through the recommendations from our 2018 research into economic harm. We are encouraged by the growing awareness and understanding of this form of family violence, and the number of organisations wanting to work with us to support their own clients, employees and communities.



Fleur Howard
Chief Executive, Good Shepherd NZ

In November 2021 we began piloting a new phone-based service designed to support people through the impact of economic harm, improve our understanding of the type of support clients need, and identify the actions that can make a positive impact in their lives. I want to thank our team who have been relentless in their commitment to finding ways to support people experiencing economic harm.

We continue to advocate for change where systems and processes create hardship and exclusion for our clients. This has included working closely with industry bodies and forums to build awareness of our clients' experiences, supporting clients to share their lived experience in media, collaborating with like-minded organisations to amplify areas of concern, and contributing to legislative reviews.

I'm thrilled to introduce you to our new Chair, Emma Saunders. I am confident Emma's passion for equity and experience in governance will support us to keep growing and adapting to meet the emerging needs of the women and whānau of Aotearoa.

Finally, thank you to our Board and partners for their ongoing support.

Ngā mihi,
Fleur Howard

A note from the Chair

I am delighted to have joined the Good Shepherd NZ Board as Chair.

Good Shepherd NZ's work is vital to improving the financial and social wellbeing of women and their whānau living across Aotearoa.

Whether that's through Good Loans, Aotearoa's biggest microfinance programme, our economic harm services, or advocacy – we're committed to reaching more people whose lives could be improved by our work.

As a Board, our focus has been on increasing collaboration with our Australian colleagues. While our local communities have differences, our shared mission and common issues for women, girls and their families mean there is much to gain from working together. This follows the path forged by the Sisters resident in each country, who have always worked together.

We are currently creating a shared strategy for Australia and Aotearoa that responds to the needs of our local communities and reflects our collective mission. This shared strategy will pave the way for more sharing, greater collaboration, and ultimately increased impact for the women and whānau we serve.

My thanks to the members of our Board who continue to volunteer their time and energy to guide this important work. Thanks too to our amazing kaimahi, our wonderful partners, and the people who entrust us to support them.

Ngā mihi,
Emma Saunders



Emma Saunders
Board Chair, Good Shepherd NZ

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Prior to coming across Good Shepherd NZ's economic harm support service, we were trying to figure out how to get rid of the joint debt from her abusive ex-partner. When Good Shepherd came onboard we made quantum leaps. It was so amazing to see. Thanks to Good Shepherd NZ's expertise we had a way to tackle the debt and get that relationship behind the client so she could finally move on.

– Mike Patterson, Financial Mentor,
Otamatea Community Services

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Economic harm

This year we were able to implement new initiatives based on the planning and knowledge building undertaken in previous years.

New support service

One of those initiatives was establishing an economic harm support service pilot; to provide over-the-phone support to people affected by economic harm. The aim of this service was to find out exactly what support people needed, whether there was a demand for specialised support, and to identify trends and insights we could feed back to our partners across a range of sectors to inform systemic improvements.

In the first six months of the pilot we identified a number of key insights, some of which would immediately improve outcomes for people impacted by economic harm:

- Banks and other creditors urgently need clear guidelines on how to respond to Protection Orders.
- Banks and other creditors need to limit liability on joint debts in cases of family violence.
- Government's family violence responses must be reviewed with an economic harm lens.
- Government agencies need family violence training that includes economic harm.
- Legislators need to designate economic and financial abuse as its own form of violence.

The full findings are discussed in our Economic Harm Support Service Interim Report which can be found on our website.

Aotearoa's inaugural Economic Harm Awareness Day

At the end of 2021, Good Shepherd NZ led New Zealand's first economic harm awareness day campaign, in collaboration with NGOs in Australia, Canada and the UK. It was an important opportunity to raise awareness of the issue. Our 2018 research, Economic Abuse in New Zealand, identified lack of awareness as a major impediment to effective responses.

During the campaign we amplified stories of people with lived experience of economic harm. The stories illustrate the harm and barriers people face when trying to establish lives free from family violence. We were humbled by the many messages from people with lived experience. They told us they were grateful we were drawing attention to a topic that had such a terrible impact on their lives, and felt hopeful that this would create change for people in similar situations.

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Everything was fine at first, but as time went on, he started to get controlling and demanding that I do what he said – or there would be consequences. I couldn't go to the shops by myself. I couldn't go and pick up the children from school by myself. I couldn't spend anything without him knowing about it.

– Good Shepherd NZ client

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Shine in School

We joined forces with Shine, a Presbyterian Support Northern social service, to trial the expansion of its 'Shine in School' programme, initially into the Wellington region.

The Shine in School programme educates young people to become 'Champions of Change' by promoting safe and healthy relationships.

Despite the restrictions of Covid-19, and an already crowded curriculum, our facilitator managed to work with senior students from three secondary schools in the Wellington region. The students completed the Champions of Change training, which included student-led activities to raise awareness and improve understanding of healthy relationships amongst peers.

We will use the findings from this project to inform our ongoing conversations with Presbyterian Support Northern about the most impactful way to deliver Shine in School.

Upskilling through presentations and training

Throughout the year, including during the awareness day campaign, we built on our relationships with partners and networks; to raise visibility of economic harm, and collaborate on ideas to better prevent harm and support those affected.

We were invited to deliver presentations to more than 1,000 people working in health, finance and community services. We spoke about what economic harm is, its long-term impact on whānau, and how together we can make a difference.

Brilliant webinar. Great panelists. I was really impressed with the reach of sectors and community groups. Well done!

– Feedback from webinar participant on Aotearoa's inaugural Economic Harm Awareness Day

We also created economic harm resources in a hub on our website, including in downloadable formats. The resources include information for employers to support affected employees, the 'red flags' that indicate economic harm may be occurring, and the various support that is available from banks and others.

Working together

To support more people experiencing economic harm, we've been working with banks, creditors, insurance companies, family violence agencies and financial mentors.

These relationships have resulted in reciprocal referral pathways that support better access to specialist services for people dealing with the impacts of economic harm.

Preventing and addressing economic harm is a key piece of the puzzle when it comes to eliminating family violence in New Zealand. We will continue to work in this area for as long as it remains an under-addressed issue in our community.



Client story: The impacts of economic harm

After two years, a lot of inner strength, and the support of our team, Holly was finally able to deal with the impact of economic harm and move on with her life.

A few months after her relationship ended, Holly learnt her ex-partner stopped paying his half of a joint loan when a debt collector came knocking on her door to repossess her household items.

"I had to call my ex on the spot to try and get him to pay his half so they wouldn't take my stuff away. He did that one repayment, but little did I know that this was the beginning of a two-year long headache."

Worried about her ex-partner not paying his half of the joint loan, and her car being repossessed because it was used as security, Holly joined the DEBTsolve programme, and began working with one of our Financial Wellbeing Coaches to map out a plan of action to help get on top of her debts.

With assistance, Holly negotiated to have her car removed as security, but her ex-partner continued not to make any repayments leaving Holly to pay the remaining debt on her own or have a default in her name.

"I freaked out. There was no way I could pay it off with my supported living payment, while looking after two kids and trying to pay the bills at the same time."

As Holly explained the situation, her Financial Wellbeing Coach suggested she talk to our Economic Harm Support Service team.

Holly said: *"after learning more about economic harm and then looking back at our relationship, I realised there had definitely been some harmful behaviour. He was constantly spending all our money. He was the reason we took out all those loans."*

"In the end, I had to stand-up for myself. The lender just wanted the money repaid, and because they couldn't find him, they said – you need to pay for it."

Our team worked with Holly to negotiate with the lender.

After considering Holly's case, the lender excused the remaining debt under its hardship policy – meaning that after two years of stress and back-and-forth, Holly could begin to move on with her life.

However, having the loan excused meant Holly's ex-partner didn't have to pay his remaining half of the joint loan and had no repercussions for it – which after everything she had to go through, Holly found unfair.

We asked Holly how she is feeling now her two-year battle is over.

She said: *"It was a struggle. It took a lot of time and effort and my mental health suffered throughout it all. I don't know where I'd be without the support and love from my kids through this whole process – I am so thankful. Knowing that I can finally move on and not have my car repossessed is a big relief. Thank you to Good Shepherd NZ for all your help."*

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 move on and not have my
 car repossessed is a big
 relief. Thank you to my
 Financial Wellbeing Coach
 for all your help.**
 “

- DEBTsolve client



DEBTsolve

The DEBTsolve programme extends the original model of fair and affordable Good Loans by providing debt solution loans of up to \$15,000 to help people take back control of their unmanageable debt.

Our Financial Wellbeing Coaches support clients to negotiate affordable repayments and reductions, access hardship provisions, and challenge previous lending provided outside responsible lending regulations. This ensures that a debt solution loan is leveraged to be as effective as possible for the client's situation.

In 2021/2022, DEBTsolve provided financial wellbeing support and debt solutions to just over 500 clients. This support included 64 debt solutions loans totalling over \$380,000, to consolidate high-interest loans that clients could not repay and were already paying penalties on. Not only did our debt solution loans save clients further high-interest and penalties, in many cases they enabled clients to negotiate a reduction in total repayments and more favourable repayment terms. One DEBTsolve client said: *"The stress of not having money is really really hard. The DEBTsolve programme gave me hope when I had none."*

Advocacy

The changes to the Credit Contracts and Consumer Finance Act (CCCFA) over the last few years have made it easier for our team of Financial Wellbeing Coaches to challenge unfair and illegal lending, which almost exclusively impacts New Zealanders on the lowest incomes. We were a signatory to an open letter, along with other social services, urging parliamentary parties across the spectrum not to significantly dilute the changes to the 2021 reform of the CCCFA and lose sight of the reason the changes were implemented in the first place – to reduce the harm done by high-cost debt in our communities.

Buy now, pay later (BNPL) services increasingly put our clients into further hardship and we have been concerned about the lack of regulation of this sector. The vast majority of people who approach us for financial support have several BNPL accounts in use, and they are often being used to purchase essential items in the short-term. This creates longer-term

issues when several payments become due at the same time, and the lack of affordability checks from some services leads to missed payments and subsequent penalties.

The increasing number of clients using BNPL services regularly, and the financial hardship created by Covid-19, led us to join forces with other not-for-profit financial services on a 2021 digital marketing campaign to drive home the message: spend wisely in the lead up to Christmas and reach out for support if you have unmanageable debt.

To get better outcomes for our clients and to support financial wellbeing in Aotearoa, we will continue to work with the financial sector, policymakers, and the community and financial capability sectors, to highlight the experiences of our clients and collaborate on suggested improvements to products, services and policies that will benefit them.

Thank you to our partners BNZ and MSD



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I almost didn't go to my appointment due to lack of self-confidence and anxiety. But once I got there, I felt at ease straight away. My Good Loan was not approved initially, but I was encouraged to put away savings and do a few things then re-apply in one month. My Good Loans Advisor was absolutely amazing. I felt she had empathy and really wanted my loan to be approved as she could see I was struggling in so many areas of my life and needed a reliable vehicle. The second time I submitted the paperwork my loan was approved. I cried tears of joy. There are no words to describe how much the whole experience has improved my self-esteem and my overall wellbeing. I can now get to appointments for myself and my children, I can see my terminally ill Mum. It has had a flow on effect with my mental and physical health, just because I was given a chance that so many do not get. I am glad I forced myself to go to my appointment and did the work to make it happen. The Good Loans programme has changed my life.

- Good Loans client

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Good Loans

Good Loans provide a fair and affordable way for people on limited incomes to access essential items or services as an alternative to high-cost lending. For people who are underserved by more traditional forms of credit, Good Loans reduce the risk of being caught in a cycle of unmanageable, high-cost debt.

At the end of June 2022, our Good Loans programme had provided close to \$12 million of no and low interest loans. We estimate this has saved our clients over \$6 million in interest, fees and penalties, compared with borrowing from high-cost lenders.

The programme provides more than just a fair and affordable loan. The loan application process gives us an opportunity to have a financial conversation with clients, to help them improve their financial confidence, skills and knowledge. During 2021/2022 we facilitated a total of 3,185 conversations.

Expanding the programme

Based on our Good Loans' enquiries, we knew that migrants to New Zealand needed to access Good Loans. We also heard from our own team members who had migrated to New Zealand how difficult it can be to navigate the financial culture and access fair credit. To respond to this need, we adjusted the criteria on our no interest Good Loans for people holding work or student visas.

As part of our Economic Harm Support Service pilot, we identified a need for no-interest loans to support economic harm clients who did not meet our existing Good Loans eligibility criteria. We worked with BNZ to develop a \$5,000 family violence no interest loan to support these clients.

We also increased our no-interest loan limit from \$1,500 to \$2,000 to provide more options for clients using their Good Loan to access an essential item or service.

Continuing to branch out

We partner with community-based organisations to ensure Good Loans reaches people on limited incomes across New Zealand; in the 2021/2022 year this included The Salvation Army, Aviva and Presbyterian Support Otago.

In 2021, we welcomed BudgetFirst to our network, to help provide people in Hastings with better access to our Good Loans programme.

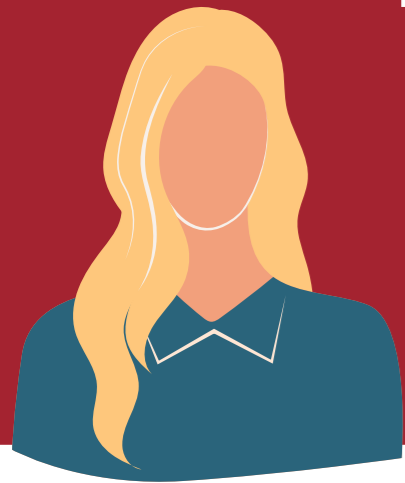
These partnerships have resulted in more people feeling financially confident, while also having access to an essential item or service that has improved their day-to-day lives.

“

The repayments process is great, it's all automatic so I don't need to do anything. The affordability has been spot on. To be honest, I haven't even noticed the repayments.

- Good Loans client

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“

I was very fortunate to have someone suggest I apply for this loan, as I had no idea they existed. The process was incredibly smooth for me as someone who deals with a health issue that impacts on my ability to get into the city and have face-to-face meetings. I was really surprised that it could all be done remotely. My Good Loans Advisor was wonderful to deal with. I'm very grateful for the way that they made it easy for me to complete forms by distance. I feel very fortunate to be able to access a Good Loan. Thank you.

- Good Loans client

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Good Loans Advisor at BudgetFirst, Gemma, said:

“Access to fair and affordable loans that help people buy what they need while making sure they can still manage their other expenses, is a really important addition to our range of financial capability services.”

We know there is power in collaboration which is why we will continue to explore how we can work together with other organisations to adapt our products and services to support and improve financial wellbeing in New Zealand.

Improving the programme

In early 2022, we began planning the changes necessary to make all Good Loans interest free by removing the low interest component from our larger loans.

This will:

- Improve access to fair and affordable loans
- Give our clients the ability to pay off loans more quickly
- Provide more flexibility if things go wrong

These changes were identified as part of our ongoing partnership commitment with BNZ to keep reviewing and improving the Good Loans programme and reach more financially excluded people.

Workplace financial wellbeing programme

In 2021/2022, we worked with a large New Zealand employer to provide a Financial Wellbeing Programme for their staff – which included access to no interest loans of up to \$3,000 and support to build financial wellbeing.

Thank you to our partner Bank of New Zealand, the Ministry of Social Development for its support, and to our community partners: The Salvation Army, Aviva, Presbyterian Support Otago and BudgetFirst



Te Ope Whakaora



Client story: How Good Loans helped Aaria's busy life

Single mum of three, Aaria*, works nights, which means a car is essential to care for her family while also maintaining their everyday routine.

“My car was getting older and less reliable. There were recurring problems and it cost more money each time to repair it, which could have been used for my family instead. A few times it broke down and I couldn't get to work.”

Aaria has always been careful with her money and wanted to make sure she got the best deal.

“I did some research and looked at different options for financing a car purchase. I was focused on the cheapest interest rates available and that's how I found Good Loans.”

Before Aaria applied she had some concerns about the process. *“As a working beneficiary, I was worried that this might affect my ability to get a loan. Because I was buying a car, I also thought my restricted license would be a problem – but I didn't have to worry.”*

Aaria met with Gemma (pictured right) at BudgetFirst in Hastings for her application interview.

“The application process was so easy. It wasn't complicated at all. I feel like my Good Loans Advisor, Gemma, did all the work. She was really efficient and it was all finished in only two visits.”

During the interview Aaria and Gemma assessed her budget to check that the loan was affordable. *“It was interesting to go through my budget in detail. I have always tried hard to manage money well for me and my family. It was very satisfying to see evidence of this and empowering to know that all the hard work pays off every week.”*

It wasn't long before Aaria heard the news that the loan had been approved and she found the perfect car in great condition.

“The car that I purchased is like brand new, it's immaculate. I've noticed that the gas is way cheaper each week, and there haven't been any problems with the car at all. The biggest difference for me was not having to worry about getting stuck or stranded, and not having to put money aside for the next thing that goes wrong.”

Six months down the line and Aaria is managing the repayments easily in her normal weekly budget.

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It's been a pleasure working alongside Good Shepherd NZ over the past year to provide positive outcomes for their clients.
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– Jane Brewer, Executive Manager
Consumer Insurance at Vero



Drive Insurance

In the year to
30 June 2022,
98%
of clients whose
Drive Insurance
policies came up for
renewal for a second
year chose to renew.

Drive Insurance is offered to clients who use a Good Loan for a car. The premiums are fixed at \$8 per week and clients don't pay any excess on their first claim. If they have a claim, we can have a more in-depth conversation with them about preparing for an excess in the future.

In November 2021, we confirmed with Vero an extension to the Drive pilot – an affordable car insurance product designed to support Kiwis on limited incomes who are often excluded from the traditional car insurance market.

Drive, initially launched in November 2020, was developed based on the findings of research into why some of our clients were borrowing money to buy a car, and then not insuring it. The aim of the pilot programme is to gather further insights, and to test the product to make sure it provides genuine value.

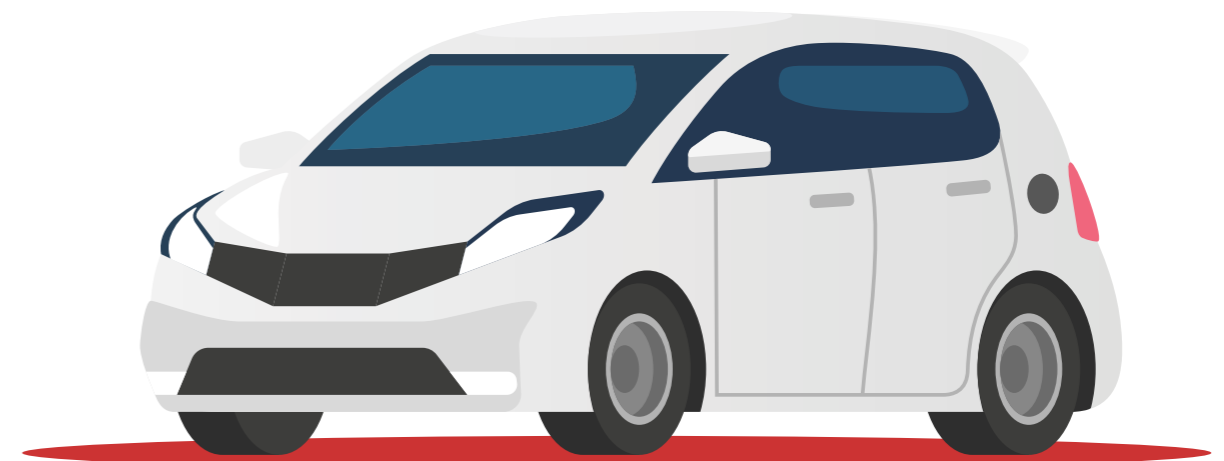
In September 2021, we ran a survey to gain insight into how our clients were feeling about Drive. Over 80% of respondents said they were satisfied or very satisfied with the service and information they received, commenting they *“learned quite a lot from the loans person about vehicle insurance”* and *“I was very happy with the service provided and everything was explained to me in a way that I understood what to do and what to expect.”*

Since it launched, the percentage of clients using Good Loans to purchase a car who have also taken out Drive insurance cover has steadily increased, to reach more than 40% for the month of June 2022.

Jane Brewer, Executive General Manager Consumer Insurance at Vero, told us that by renewing the pilot for a further 12 months, Vero will be able to take customers through the renewal process, extend the number of customers taking up the product and take more customers through claims – all of which will allow the Vero team to learn more about the value and accessibility of the product and how they can continue to improve the customer experience.

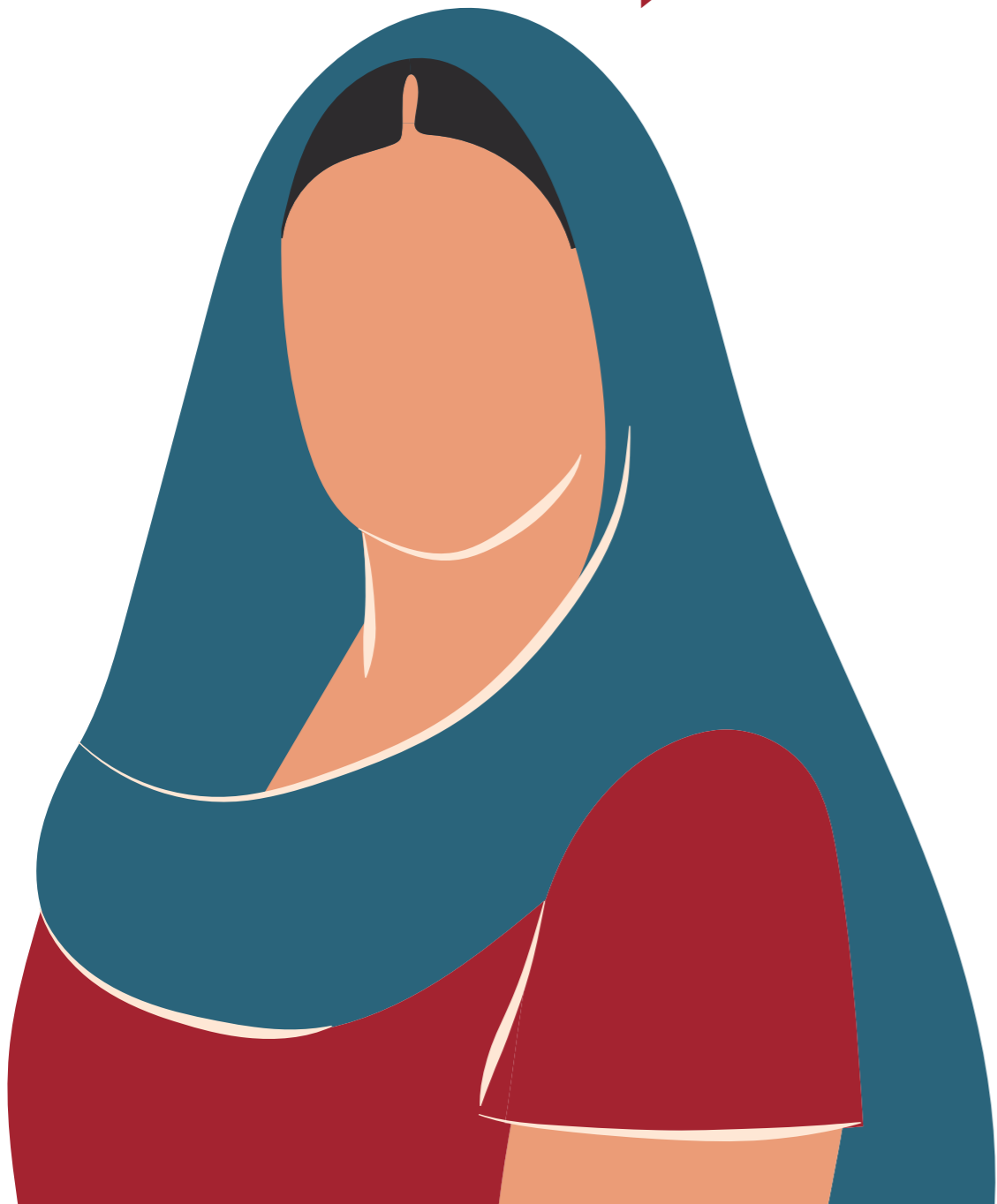
Thank you to our partner Vero

vero



“
Instead of attacking my partner, I have listened to his ideas and not thought ‘here we go again... all talk and no action.’ This time I have a glimmer of hope it could be different.
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- Focus Group participant



Healthy Financial Relationships

Toolkit

We upgraded and formally launched our Healthy Financial Relationships Toolkit in partnership with AUT; the free online toolkit is designed to give people tangible ways to have healthy conversations about money with their partners.

It was developed based on research that found a money taboo in relationships was leading to significant issues such as mistrust, mental and emotional stress, and divorce. In addition, a reluctance to talk about financial issues can create an environment where harmful behaviours flourish. People told us there were great financial capability tools available, but they weren't useful if you couldn't have a conversation with your partner about money without arguing.

Over the 2021/2022 year we worked alongside AUT to use the findings from participants of our focus groups to improve our Healthy Financial Relationships Toolkit. Participants told us they felt like the toolkit was much needed, but it was text heavy, hard to navigate and felt overwhelming.

Based on this feedback, we worked with digital agency Alexanders to design an easy to navigate and engaging Healthy Financial Relationships Toolkit. The refreshed toolkit is made up of 16 different topics and divided into two sections – ‘Preparing for the conversation’ and ‘Talking about money’.

It provides the opportunity to understand your own relationship with money. It features quizzes, activities, real-life examples and tips to help respond to strong emotions and break down barriers that may be preventing people from having effective conversations with their partners.

Healthy
Financial
Relationships
Toolkit



We're committed to working in the prevention space. Encouraging partners to talk about their financial situation ensures healthy financial behaviours are valued in relationships and role modelled to the next generation.

Thank you to Dr. Ayesha Scott, AUT Health Futures funding, and to Alexanders Digital Marketing for the in-kind support



Online hub

One of the challenges of economic harm is recognising it. When people start realising they may be either causing or experiencing harm, that can be difficult for them to work through.

Some people may be unsure what a healthy financial relationship looks like, so it was important for us to develop a healthy financial relationships online hub. The hub is made up of a range of resources that support people to identify both healthy and harmful behaviours, as well as help for them to work through any relationship concerns.

All the resources on the hub are free and can be found on our website. There is information about why money can be so tricky to talk about, real-life stories of economic harm, and the Healthy Financial Relationships Toolkit – all in one place. It also has a support section at the bottom with the phone number for our economic harm support service, and other relevant services for people who have concerns about the financial and economic aspects of their relationship.

In the six months since it was published, the hub attracted 5,052 views from over 650 different users.



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