



*Being in solidarity with the picket line people was a humbling experience. I was welcomed in a little tent as the bishop who came amongst them. I was honored to stand amongst them and be welcomed in Māori and to offer a prayer during this, our time of Lent. I gladly offered a prayer for people who were suffering and were courageous to assemble next to a busy road to draw attention to accept farewell decisions imposed on them, and subject them to the welfare alternatives for their survival.*

Chairman of the Anglican Social Justice Commission,  
Bishop Muru Walters.

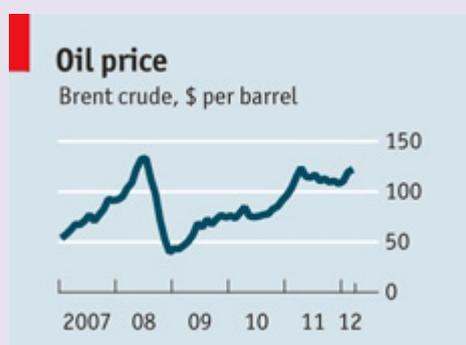
## INTRODUCTION

Welfare reform, policies relating to vulnerable children, the Inquiry into the Wellbeing of Māori Children, and now an Inquiry into Preventing Child Abuse and Improving Children’s Health Outcomes provide part of the political context for this report. Sales of state assets are looming. Industrial disputes illustrate people with the power have the clout, e.g. MFAT diplomatic staff protests have Minister McCully reportedly worrying about losing talented staff (Dominion Post 1/03/2011), however similar ministerial concern for Ports of Auckland workers engaged in a protracted struggle is absent.

The 12th Vulnerability Report uses both government data and community information to illustrate how the materially poorest in our community have been faring in the year to December 2011. Some data from January and February 2012 has been included when available.

## What The Economists Are Saying

*The economic outlook is flat.* (NZIER)

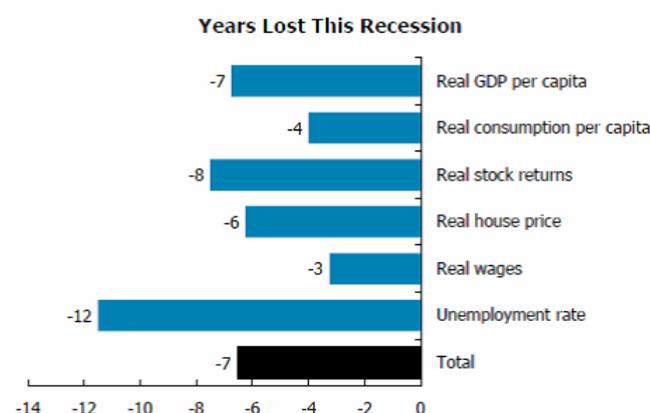


Source: The Economist, March 10, 2012

The NZIER describe a flat economy, although future work in Canterbury is increasing construction and housing costs in that area. Exports have grown, but our export success is highly dependent on selling specific commodities to Australia and China (NZIER, *National Business Review*, 2 March 2012).

Overseas, oil prices have started increasing again, and Europe and America both look a bit stronger. At home, the NZIER estimates New Zealand has slipped back seven years thanks to recession (12 years if we consider only the unemployment rate – NZIER, *Insight 33*). Predicted growth rates range from 1.8 -2.2% over the next year (NZIER, *Consensus Forecasts, March 2012*).

Figure 1 Seven years lost to recession



Source: Statistics NZ, QVNZ, DataStream, NZIER

## THE ELUSIVE HOME

*A place to call home is an essential part of life. It provides a secure environment where we can grow and develop. It provides the basis for us to participate in our wider community.*

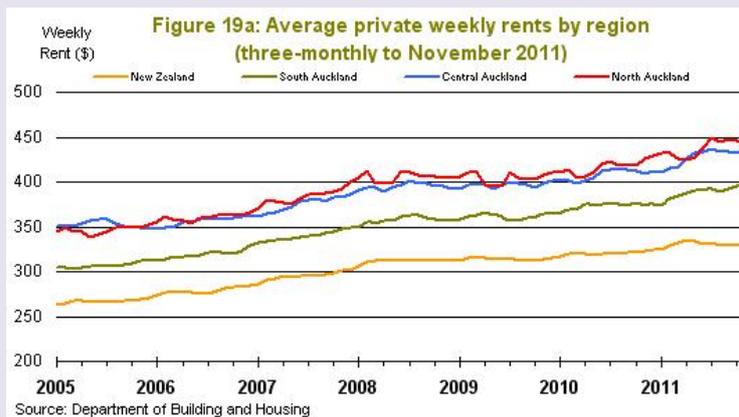
Presbyterian Support Otago

We do better when we have somewhere to live. Yet as we write, Cantabrians still wait for post-earthquake decisions and pay high rents on their homes (when they can find homes to rent), Aucklanders struggle to find affordable homes, and Wellingtonians hope to still pay for their homes as state sector workers lose jobs and unemployment increases.



## Housing costs

Rents for private tenancies increased 2.8% during the year to November 2011. Average weekly rents are \$333. However, this hides regional variation with central Auckland rents at \$444, (7.8% ↑), and South Auckland rents \$395 per week in November 2011 (6.5% ↑). Dunedin rents increased by 9.5%, and now average \$355. Wellington rents average \$398 per week (4.1% ↓).



Rent changes in other places:

- North Auckland: \$430, 0.9% ↓
- Christchurch: \$305, 1.7% ↑
- Hamilton: \$296, 2.4% ↑

Source: Department of Building and Housing, Sector Information, Market Rent Analysis

Buying a house is expensive with property values increasing by 2.9% over the past year to February (Quotable Value, *Residential Price Movement, February 2012*). This hides regional variation, with Auckland properties increasing by 4.8% (6.5% ↑ in the old Auckland city). Wellington values have remained the same. The biggest increases occurred in areas adjoining Christchurch city: Waimakariri District (12.0% ↑) and Selwyn District (10.8% ↑).

Accommodation supplements and income related rents are the main forms of housing support. Accommodation supplements assist those on low incomes or in receipt of benefits. People in Housing New Zealand homes are eligible for income related rents which are set at no more than 25% of income when income is below a set amount. There were 322,465 people receiving accommodation supplements during the December 2011 quarter. This represented a 2.3% decrease over December 2010. Numbers paying income related rents decreased from 61,712 in December 2010 to 61,001 in December 2011 (1.1% ↓) (Department of Building and Housing website: *Sector Information*).

## Finding a house

New dwelling building consent numbers fell by 12% in the last year to 13,662; the lowest December-year total since the series began in 1965 (Statistics New Zealand *Building Consents Issued: December 2011*). The Salvation Army estimate Auckland's housing deficit is growing at about 80-100 houses per week, and their report *The Growing Divide*, contains a useful section on housing issues. They conclude:

*Auckland's housing shortage continues to worsen with no credible policy response from either Government or Auckland council. A great deal of hope is being put into the forthcoming Auckland Spatial Plan to address these problems, but emerging proposals from this Plan show little change in thinking and no commitment to any investment by government or council (p.73).*

Recent stories coming out of Christchurch suggest rental housing is in short supply and landlords are "picking and choosing tenants" for damaged homes (*The Press*, 10/03/2012).

The Housing New Zealand Corporation (HNZC) waiting list is no longer a good guide to housing need as people have to meet strict criteria to even be able to join the list. The organisation is "reorganising its services to be more efficient and help provide a higher return to the Crown" (Dec 2011, *Briefing to Incoming Minister*). Priority C and D applicants have not been added since 30 June last year. These people can "remain on the list until they accept an available state house not required by any priority applicant or they exit the list" (Housing New Zealand Corporation). Even if we consider only priority A and B applicants, there are far fewer than one year ago. There were 3,357 on the A + B list at the end of January 2011, and 2,429 on the list at the end of February 2012.

- 432 were Priority A
- 1,997 were Priority B
- 1,178 were C applicants
- 1,235 were D applicants

Even if the different months are not directly comparable, a 39% decrease seems extraordinarily large. Housing New Zealand has three simple ways of reducing demand for state housing.

First, getting on the waiting list is harder:

*The decline in the waiting list appears to be linked to the introduction of the Corporation's Options and Advice service ... implemented nationally in June 2010. In the 12 months before implementation, around 56% of customers seeking housing assistance from the Corporation had a housing needs assessment. In the 12 months following implementation, this had decreased to 32% (HNZC Briefing to the Incoming Minister p.20).*



Then, HNZC is 'freeing up' more houses as a result of fraud:

*[In the two years] between 2008/2009 and 2010/2011 the Corporation freed up 397 state homes after investigations uncovered ... tenants had provided false or misleading information about their circumstances. In 2010/2011, 241 houses were freed up ... (p.22, NZCCSS emphasis).*

Finally, as of 1 July last year, HNZC introduced reviewable tenancies for new tenants, for

*helping tenants to move into more suitable state housing, or into appropriate alternative accommodation if they are ready and able to move on from state housing (p.17).*

Sources: MSD, HNZC, Department of Building and Housing, Salvation Army (2011) "The Growing Divide."

## COMMUNITY IMPACT

***Vulnerable families are increasingly struggling to find or stay in affordable, secure and adequate housing. They are moving from place to place and are facing a wide range of difficult issues which affect their wellbeing and their social participation. A Social Inclusion approach is helpful in looking at the complexity of these issues and ways in which they interact to create disadvantage***

– Presbyterian Support Otago

Community organisations are left to deal with those with no access to a home:

- *One over-arching trend is that we just don't have enough houses to be able to meet the needs for emergency housing in our community. In the last month alone there were 34+ referrals that we could not help and had to refer on elsewhere – VisionWest*
- *... the latest peak [in infectious diseases], driven by skin infections, appears to be linked to worsening overcrowding, as extended families unable to afford rising Auckland house prices and rents double up in houses and garages – Otago University public health professor Michael Baker (NZ Herald, 09/02/20120).*
- *In the first half of 2011 we housed only 37.4% of our clients [needing housing]; in the second we housed only 31%. This isn't due to lack of trying, rental costs have increased significantly in the past 12 months, we put it down to the Rugby World Cup, however the cost hasn't come down – Lifewise.*
- *... a strong demand for supportive accommodation services in Auckland and there is also a pressure point around the demand for addiction treatment places – Salvation Army*
- *... more and more desperate families are telling us that they have been turned away by Housing New Zealand because they are not eligible for housing ... There are just no joined-up government services here and it looks as if the situation is only going to get worse – David Zussman, Monte Cecilia Housing Trust Executive, assisted 664 families in 2011.*

- *... very hard to access affordable appropriate housing [for] low-income single people. There are not many good options out there for them apart from flatting, which is not suitable for all people. We have often had to place them in a flatting situation in our emergency housing – VisionWest.*
- *One third of guests at the soup kitchen are homeless – most living in the night shelter, in a boarding house or sharing with friends or family – Suzanne Aubert Compassion Centre.*
- *Forty per cent of all Māori males over 15 have either been imprisoned or served a community sentence (Workman, Scoop, 21/02/03). It is very hard to find accommodation for people coming out of prison – Suzanne Aubert Compassion Centre.*

While Housing New Zealand is moving to core functions, other organisations report wraparound services work better:

- *Clients feedback that their time with the Housing Social Worker ... They have been given the tools through these sessions to look at their goals for their future and their children's futures and take realistic, achievable steps towards them – VisionWest.*
- *... Housing NZ has shifted its focus ... from helping single people towards accommodating families, ... Wellington City Council ... is refurbishing hundreds of its flats, leaving few available right now; ... [that means] turning to private landlords – 'less than desirable' or boarding houses and that's becoming more difficult because they want passports [as ID], which our people don't have" – Suzanne Aubert Compassion Centre.*

And in Christchurch:

- *The day to day environment they're living in is horrible and as tenants they have no voice, ... Some landlords ... are continuing to charge [rent] and alternative accommodation is at a premium with rents families can't possibly afford. Te Puna Oranga believes there should be a Commission of Inquiry into the Christchurch housing issue – Tania Matakī Te Puna Oranga, Christchurch, (Jigsaw).*
- *Stopping Violence Services has had to shift premises six times in the past 16 months. Their offices in the Manchester Court building were destroyed in the first earthquake in September 2010 and their new premises were wiped out by the February 2011 quake – Jigsaw.*



## COST OF LIVING

*260 food parcels were distributed in January 2011 and 279 last month (Jan 2012). Previously we assisted people with food parcels as a short-term emergency but now the need for food assistance is becoming a regular feature*

Peter Mullenger, Salvation Army, Whangarei

Consumer Price Inflation



Source: Statistics NZ, NZIER

The Consumer Price Index increased by 1.8% in year to December 2011. The October GST increase is now out of the statistics resulting in lower annual increases than have been reported in recent vulnerability reports.

	% Increase
<b>Basics</b>	
Petrol	11% ↑
Cigarettes / tobacco	9.4% ↑
Housing rents	2.0% ↑
Local authority rates and payments	4.6% ↑
Grocery food	3.1% ↑
Bread	6.1% ↑
Ready to eat food	2.6% ↑
	<b>% Increase</b>
<b>Other</b>	
Second hand cars	5.1% ↑
Domestic air fares	14% ↑
Diesel	22% ↑

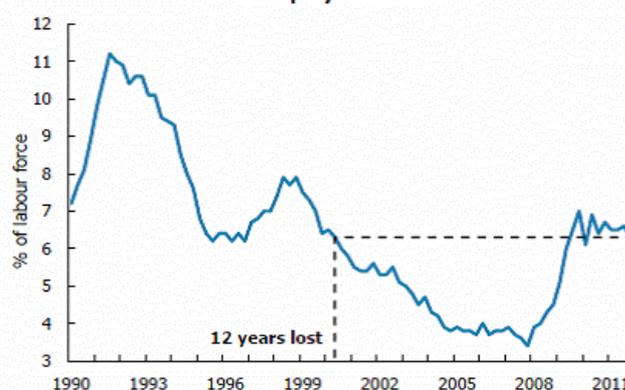
Source: Statistics NZ, Consumer Price Index, December 2011 Quarter

Total average hourly income from all sources increased by 2.8% in the year to December. Rents for private tenancies increased by 2.8% on average during the year to November 2011, however this hides considerable regional variation (see housing section).

Sources: Statistics NZ Consumer Price Index; Department of Labour, Wage Growth – December 2011; REINZ Monthly Housing Price Index; Department of Building & Housing: Sector Information; Statistics New Zealand, Quarterly Employment Survey

## EMPLOYMENT AND UNEMPLOYMENT

Unemployment Rate

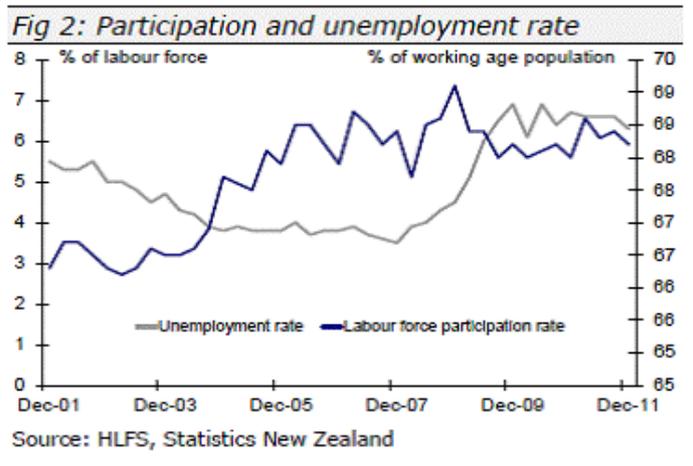


Source: Statistics NZ, NZIER

### Who is unemployed?

Unemployment is back to where it was between 2001 and 2002. The current rate is 6.3%, a 0.4 percentage point decrease in the last year. Male unemployment (6.4%) and female unemployment (6.3%) are about the same. Those unemployed include:

- **Young people** – People aged 15-24 who are not in education, employment or training (13.1%). This NEET rate is a *measure of youth disengagement*. Among 15-24 year olds, in the year to December 2011, 18.5% of Māori males and 14.2% of Māori females were NEET, compared with 11.1% of all males and 8.4% of females in this age group (Department of Labour, Employment and Unemployment, (December 2011 Quarter).
- **Non-Pākehā** – People who are not Pākehā (unemployment rate 4.7%); i.e. Māori (13.4%); Pasifika (13.8%); Asian peoples (9.1%).
- **Some regions** – People in Northland (8.3%), Auckland (6.7%), Bay of Plenty (8.3%), Gisborne/ Hawkes Bay (7%), Wellington (7.2%).
- **Long term unemployed** – An increasing proportion of those unemployed have been unemployed for more than 6 months. This long term unemployment has grown from 21% in December 2009, to 25% in 2010 to 26% in December 2011.



Source: Department of Labour, *Employment and Unemployment, December 2011 Quarter*

### Changes in the year to December 2011

- Pākehā unemployment fell from 5.1% to 4.7% in the last year (even though labour force participation increased\*).
- Māori unemployment remained at 13.4% (but the proportion of Māori in the workforce fell). We note Māori are slightly more likely to be receiving invalids' or sickness benefits than one year ago).
- Pasifika unemployment grew from 13.6% to 13.8% (and labour force involvement also increased).
- Males underemployed (working fewer hours than they would like to work) increased by 6.8%.
- People aged 15-24 not in employment, education or training (NEET) increased by 0.7 percentage points. NEET by ethnicity is as follows:

Ethnicity	Dec 2010	Dec 2011
Pākehā	8.1%	8.5%
Māori	16.9%	16.4%
Pasifika	14.3%	13.4%

- The proportion of those 65 and over in the labour force increased from 17.8% to 19.5%.
- Unemployment fell in 8 out of 12 regions, but increased in Waikato (6.1% to 6.3%), Bay of Plenty (7.3% to 8.3%), Wellington (5.4% -7.2%), and Tasman / Nelson/ Marlborough/ West Coast (4.6%-4.9%).

\*"The total labour force (ie the number of employed and unemployed) expressed as a percentage of the working-age population" – Statistics New Zealand.

### Canterbury

Unemployment in Canterbury has remained below the national average. It was 5.3% in December 2009, unchanged at 5.3% in 2010, and grew to 5.7% in December 2011. National unemployment ranged between 6.1 and 6.5% during that period.

However, Canterbury has moved against the national trend in both (a) labour force participation; i.e. the proportion of the population working age in the labour force; and (b) employment levels. Labour force participation reduced by 2.7 percentage points to 68.0% in the last year while it increased very slightly in the rest of the country (0.7%).

The number employed in Canterbury fell by 8.3% since December 2010, whereas it grew by 3.3% in the rest of Aotearoa New Zealand. However, Canterbury's employment rate (64.6%) is still higher than the country as a whole.

The City Mission in Christchurch issued 2,271 food parcels in February 2012, a 102% increase on the year before. The night shelter figures are not quite comparable, but they do illustrate there are too many people in need. In February 2011, 323 beds were used with clients staying 8.5 nights on average. In January 2012, 645 beds were used and clients were staying an average of 12.5 nights (Michael Gorman, Christchurch City Mission).

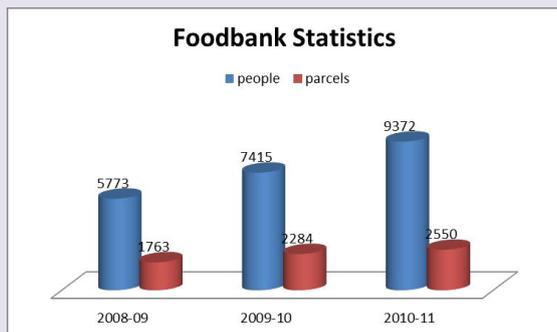
Sources: Statistics New Zealand, *Household Labour Force Survey, December 2011 Quarter*; Department of Labour, *Quarterly Regional Labour Market Update, December 2011, Canterbury*; Māori labour market factsheet; Youth labour market factsheet; Christchurch City Mission.

### COMMUNITY IMPACT

*How does one young man come to eat his breakfast at the Soup Kitchen while another is at home with his family? How does one young man come to wander the streets of Wellington and another set off for school in the morning? And what are the implications of this for him and us as a community? And, if you find yourself in this situation, how do you get out of it*

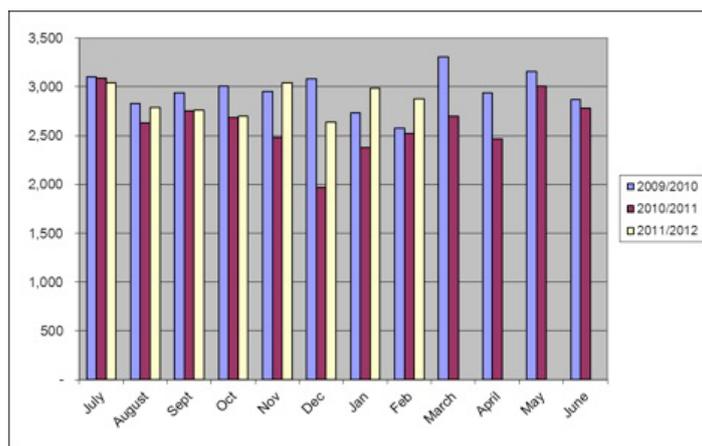
Philippa Meachen Suzanne Aubert Compassion Centre

- *Looking at our service delivery for 2011 ... average interventions have increased from 87.25 per month in 2010 to 128.5 per month in 2011 [a 47% increase] – Lifewise*
- *The foodbank numbers just keep increasing – VisionWest*



Source: VisionWest

- *There has been a big increase in requests to The Salvation Army for the basic necessities ... food, clothing, rent, power, and transport and furniture. We note particular housing distress in Auckland. This is against a backdrop of stabilised benefit levels. We never turn people away, however we have reached the point where we cannot provide much more from our current resources – The Salvation Army.*
- The Salvation Army provided 66,038 food parcels in the year to December 2011. This represented an 18% increase over the previous year and a 34 % increase over the last three years. This excludes the emergency response in Christchurch.
- People attending the Catholic Cathedral Parish Centre in Hamilton’s Tuesday midday meals increased by 11% in the last year. *Many of the same people attend each week, and we have noticed a lot of new faces as well. The new people are mostly younger – mid 20s- 30s and a very multi-cultured group – Catholic Social Services.*
- *Early in 2011 and basically due to a then shortage of food for inclusion in parcels, the Trust introduced new procedures for the issuing (qualification for) of food parcels which basically meant that recipients were able to receive 2 food parcels in any 12 month period and to receive additional parcels (which is often the case) they had to be undertaking budgeting advice. ... The policy has certainly reduced the number of food parcels issued but ... parcels are feeding greater numbers of people and we do not have the capacity to record how many people are being covered by each parcel. We are currently issuing in the vicinity of 150 / 170 food parcels each week so certainly the need is still there and in the current economic conditions we believe that this will continue to be the case long into the future – Tauranga Community Foodbank.*



Source: Suzanne Aubert Compassion Centre

### PERSONAL DEBT

***We’ve got everybody here, the loan sharks, the mobile trucks, the liquor truck, money lenders operating out of garages. They are literally operating out of the back of \$2 shops.***

Darryl Evans, CEO Mangere Budgeting Services  
(Dominion Post 16/02/2012)

The small growth in employment over the last year may be reflected in bankruptcies, Summary Instalment Orders and No Asset Procedures (NAP) fell during 2011. The number of personal insolvencies during December was down 3.3% on the same month last year. Summary Instalments reduced by 13.7% during the December year following a 33% reduction in the previous year. Summary Instalment Orders were created under the Insolvency Act 2006 and can be an alternative to bankruptcy when a person has assets or income. Total debts need to be under \$40,000.

No Asset Procedures are an alternative to bankruptcy and last for one year. During this time, creditors cannot pursue debts included in the NAP. People who qualify have no realisable assets and have total debts (excluding student loans) of not less than \$NZ 1,000 and not more than \$NZ40,000. No asset procedures reduced by 25% in the 2009-2010 year and then by a further 11.2% in the year to December 2012.

	Bankruptcy	No Asset Procedure	Summary Instalment
2009	2,785	2,987	303
2010	2,622	2,244	402
% change 09-10	6%↓	25%↓	33%↑
2011	2,535	1,992	347
% change 10-11	-3.3%↓	-11.2%↓	-13.7%↓

Source: Insolvency Trustee Service (Ministry of Economic Development).



**COMMUNITY IMPACT**

*The Salvation Army provided 33% more budgeting sessions in the last year than they had in the previous year*  
– The Salvation Army

- Nelson budget advisors report it “being really tight in Nelson, because rents are so high.” The Salvation Army also report “clientele we don’t normally see are starting to turn up – people on low incomes, not just beneficiaries. They’re people for whom it’s out of the norm to come, and it’s quite a hard thing for them to actually come in through the door” (Nelson Mail 18 January 2012).
- We have had many client cases where “Stand Downs” or current benefits have been temporarily stopped as a result of conflicting information given from either the Call Centre or Case Managers themselves. This scenario happens frequently. The impact the new “Future Focus” initiative and changes around “Hardship & Advance” approvals, initially posed problems with the referral process to Budgeting Services. The expectation to see clients and produce a budget from one visit for an advance to be approved was flawed, as we could only produce one based on little information given. To effectively support clients with budgeting activities, takes time... This enables us to advice client’s options to consider. VisionWest Budgeting Service offers a holistic approach, aiming to educate & show clients new ways, to Negotiate with Creditors, Goal Plan, Reduce Debt, and how to save on General Spending* – VisionWest
- The recession is still having effects for the unemployed beneficiaries, and the low paid. The change to Work and Income eligibility for Special Needs Grants has contributed to this increase. We find that people are presenting in greater financial distress, in deeper debt and this is causing Salvation budgeting staff to work on more complex cases for a longer period of time* – The Salvation Army
- Kathleen [name changed] first approached our service to inquire about the Non-Asset Procedure. [She] had a residue debt of about \$34k ... [and] no way of honouring any of this debt. As a single mum to 3 young boys ... she had just regained custody after a time spent in jail. As part of budget activities [we] supported Kathleen’s family with regular food parcels. Kathleen’s application was approved and continues to visit us once a month for on-going support* – VisionWest
- ...high unemployment and a limited job market ... [results in] income loss and economic distress to... families has seen an increase in the use of Immediate Services. This includes assistance for free food, advocacy for affordable housing, access to transport and medical assistance and budgeting type services. This impact often goes beyond the financial hardship into improved spirits and social isolation* – Presbyterian support Otago.
- Funding is an on-going challenge which is vital for the survival of budgeting services... – VisionWest

**BENEFITS**

*Often our clients are in need of further mental health support to ready them for work but are being forced to work before they are ready for it* – VisionWest

Numbers of people working age receiving main benefits at the end of December 2009-2011

Main Benefit Type	Dec-09	Dec-10	Dec-11	% change Dec 09-10	% change Dec 10-11
Unemployment	66,328	67,084	59,964	1% ↑	-10.6% ↓
Domestic Purposes	109,289	112,865	114,230	3.3% ↑	1.2% ↑
Sickness	59,158	59,988	60,748	1.4% ↑	1.3% ↑
Invalid’s	85,038	85,105	84,043	0.1% ↑	-1.2% ↓
Other	25,663	27,665	31,947	7.8% ↑	15.5% ↑
<b>Total</b>	<b>345,476</b>	<b>352,707</b>	<b>350,932</b>	<b>2.1% ↑</b>	<b>-0.5%</b>
Number Māori	108,510	112,569	114,116	3.7%	1.4%
Total % Māori	31.4%	31.9%	32.5%		

Source: Benefit Fact Sheet, MSD

Notes

People working age are aged 18 – 64 years, to reflect the minimum age of entitlement of most benefits and the age of eligibility for New Zealand Superannuation.

UB – Comprises Unemployment Benefits and Unemployment Benefits – Hardship.

DPB – Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.

Sickness Benefit Comprises Sickness Benefits and Sickness Benefits – Hardship.

Other – Comprises Emergency Benefits, Independent Youth Benefits, Unemployment Benefits – Training and Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Widow’s Benefits, and (until April 2004) Transitional Retirement Benefits.

**General** – There are currently around 351,000 people aged 18-64 receiving a main benefit. Women are over-represented (57.7%), as are Māori (32.5%), and people aged 18-24 years (20.6%). Total numbers on benefits fell by 1,775 (0.5%) in the year to December 2011.

**Unemployment** – Numbers receiving unemployment benefits have reduced by 7,120 or 10.6% in the last year. There are currently 59,964 people receiving this benefit. Just over two-thirds are male and 37.1% are Māori. Important changes in the last five years include: a significant increase in the proportion of recipients aged 18-24 years (24.7% in 2006 vs. 30.3% last December), and a large reduction in the proportion aged 55-64 (20.2% five years ago compared to 11.5% last December).



**DPB** – Just over 114,000 people were receiving the DPB in December 2011. DPB recipients are most likely to be female (87.7%), aged 20-24 (16.8%), and caring for a child aged 6 and under (62%). DPB recipients have increased by 1.2% in the last year, and by 14% since 2006. Māori comprise 42.4% of recipients. Fewer than one third of recipients have been receiving a DPB continuously for more than four years.

**Sickness** – Numbers on sickness benefits increased by 760 or 1.3% in the last year. Over 15% (15.5%) of them were aged between 18 and 24 years. Just fewer than 61,000 people were receiving sickness benefits in December. Again Māori were over-represented (27.7%). The most common reason for being on a sickness benefit was a psychological or psychiatric condition (42%), followed by musculo-skeletal system disorders (14.8%).

**Invalids'** – There were 84,043 people receiving Invalids' benefits in December 2011. Almost 75% were aged 40 and over, and 32.3% had been receiving one for 10 or more years. This is to be expected as the very nature of Invalids' benefits is recipients tend to have either chronic, debilitating conditions or a significant disability. People receiving this benefit are most likely to have a psychological or psychiatric condition (30.3%) or an intellectual disability (12.9%). Numbers receiving invalids' benefits have fallen slightly (1.2%) in the last year.

## HARDSHIP ASSISTANCE

*We have been providing free support and services to people on benefits for well over 15 years. Over the past 12 months those seeking support and advocacy from the service have increased by between 40-50%. Unfortunately funding for the service has reduced significantly to the point where we run out of money by the end of March – anonymous NGO*

	Special Benefit	Temporary Additional Support	Total
Dec-09	12,210	50,743	62,953
Dec-10	9,655	53,410	63,065
Annual change 09-10	20.9%↓	5.3%↑	0.2%↑
Sept-11	8,149	53,579	61,728
Dec-11	7,800	54,826	62,626
Quarterly change	4.3%↓	2.3%↑	1.5%↑
Annual change Dec 10-11	19.2%↓	2.7%	0.7%↓

Source: MSD

The numbers of people receiving hardship assistance increased slightly in the December quarter, but remained almost constant over the year. Numbers of people on the Special Benefit have declined by around 20% over the year. This is due to attrition as TAS replaced the Special Benefit on 1 April 2006.

People who identify as Māori continue to be disproportionately represented in the uptake of hardship assistance. While making up 15% of the population, Māori comprised 20% of Special Benefit recipients in the December 2011 quarter and 28% of Temporary Additional Support recipients.

	Special Needs Grants (for Food)	Benefit Advances for Electricity, Gas and Water
Dec quarter 2009	136,596	11,585
Dec quarter 2010	162,541	10,933
Annual change	19%↑	5.6%↓
Sept quarter 2011	102,001	9,962
Dec quarter 2011	97,716	8,264
Quarterly change	4.2%↓	17.0%↓
Annual change	39.9%↓	24.4%↓

Source: MSD

Special needs grants for foods increased by 19% between the December 2009 and December 2010 quarters. It seems remarkable they fell by almost 40% between the December 2010 and 2011 quarters. A not quite so marked, but nevertheless similar change occurred for electricity, gas and water. These grants fell by 6% between December 2009 and 2010, and then fell by 24.4% between December 2010 and 2011. Māori comprise 43% and 47% of food and power assistance recipients respectively.

## WHAT'S GOING ON?

*Most clients to our service would prefer to be in work however; the reality is not enough local employment to cater for the unemployed – VisionWest*

The decrease in hardship grants is large. Employment is increasing, but at about the same rate as the working age population, and the unemployment rate has scarcely moved (a 0.4 percentage point decrease in the last year – HLFS, December 2011). Increased jobs in Auckland have largely been compensated for by reduced employment in Canterbury. Given this situation, we would have expected benefit numbers and special grant numbers to remain about the same as in December 2010.



Instead, numbers on unemployment benefits have reduced by 10.6% (7,120) in the last year. Government's Future Focus policies may provide an important clue. The policies were introduced last September and require:

- 'Part-time work tests for Domestic Purposes Benefit-Sole Parent clients with children aged six years and over;
- Unemployment Benefit recipients need to reapply after 12 months, and undergo comprehensive work assessment;
- Graduated sanctions if obligations are not met;
- Repeat applicants for one-off hardship payments required to complete a budgeting activity (budgeting activities range from simple self-directed activities to attending budgeting seminars and seeking advice from budgeting services);
- More frequent medical assessments for sickness benefit clients in the early stages of receiving a benefit;
- From May 2011, sickness benefit recipients for more than 12 months receiving compulsory reviews' (MSD fact sheets)

According to the Minister of Social Development, Future Focus policies have resulted in:

- 12,500 cancelling unemployment benefits or failing to reapply;
- 2,300 more on the DPB doing part time work;
- 13,000 going off the DPB into work (a 16% increase);
- 50% of beneficiaries not requiring a single hardship grant (Press Release, 27/02/2012).

It is true there are just under 2,000 fewer people on main benefits (1,775). But if the demand has reduced, why then are the social services busier than ever?

## COMMUNITY IMPACT

*... Permanent 40+ hours required by most are not available in our current economic climate. Lower skilled jobs are generally part-time, casual based work, at the minimum hourly rate. This does not offer the security families need. ... they still fall very short of meeting "Basic Living Costs". The nature of our client base is changing as we are seeing more immigrants and working families ... Currently our waiting lists are at 1-2 weeks [long]; ... The most common issues with the families and individuals we work with are: Unemployment, Redundancy, Loss of Income; Credit Debt, Excessive interest charges; Low Income vs High cost of basic living (Housing, Food, Power); Bankruptcy, Mortgagee Sales; Change of circumstances due to ill health or absence of health insurance; Gambling, Drugs, Alcohol; Domestic discord or relationship breakdown* – VisionWest

*39% of soup kitchen guest are Māori; 76% were receiving benefits* – Suzanne Aubert Compassion Centre.

*We have also felt the effects of other NGOs tightening their criteria. This has included other agencies reducing opening hours, only working with a 'target group of clients' and excluding others* – Presbyterian Support Otago.

Things that would help:

- *Abate benefit rates & entitlements to be more aligned with the current economic climate;*
- *Local business to be supported for job, apprentice and employment opportunities.*
- *Regulate or cap credit & finance companies Interest fees & charges.*
- *Review private rental rates & management of maintenance to these properties. ... we have had families who are paying "Top Dollar" although the home is significantly run down or infested. Overcrowding is a reality. This may be due to sharing costs or lack of availability across Auckland.*
- *Review the costs of School Uniforms, Fees, Stationary, Subject & Course related costs. Currently the average cost for one child (Intermediate-High School) returning to school ranges between \$600-\$800, with the average family having 3 children*
- *Food costs – This has the largest impact on people in our communities including the lives of children, adults and our elderly* – VisionWest

A recent Families' Commission report: *One step at a time: Supporting families and whānau in financial hardship* (2012) describes a context of financial hardship consisting of individual circumstances, chronic poverty, indebtedness, and consumer culture (pp. 64-65). It also provides a list common success factors in working with family and whānau, e.g. trust and working with in the context of the community served are vital (p.107).



## CHILDREN AND POVERTY

Number of benefit dependent children aged less than 18 years as at the end of December 2011 by ethnicity of caregiver

Benefit group	Ethnic group of the caregiver					Total
	Maori	NZ European	Pacific Island	Other	Unspecified	
DPB related	83,845	60,492	21,208	15,171	2,606	183,322
IB	4,401	5,662	1,541	1,669	180	13,453
SB related	3,576	3,879	2,288	3,297	146	13,186
UB related	5,774	3,550	3,526	2,607	154	15,611
Other Main Benefits	2,070	1,458	1,431	1,972	113	7,044
<b>Total</b>	<b>99,666</b>	<b>75,041</b>	<b>29,994</b>	<b>24,716</b>	<b>3,199</b>	<b>232,616</b>

### Percentage

Benefit group	Ethnic group of the caregiver					Total
	Maori	NZ European	Pacific Island	Other	Unspecified	
DPB related	36.0%	26.0%	9.1%	6.5%	1.1%	78.8%
IB	1.9%	2.4%	0.7%	0.7%	0.1%	5.8%
SB related	1.5%	1.7%	1.0%	1.4%	0.1%	5.7%
UB related	2.5%	1.5%	1.5%	1.1%	0.1%	6.7%
Other Main Benefits	0.9%	0.6%	0.6%	0.8%	0.0%	3.0%
<b>Total</b>	<b>42.8%</b>	<b>32.3%</b>	<b>12.9%</b>	<b>10.6%</b>	<b>1.4%</b>	<b>100.0%</b>

**Notes:**

The table includes working age caregivers (18 to 64 years). This is a count of children, not benefits. Clients with more than one child aged less than 18 years will be counted more than once.

DPB is Domestic Purposes Benefit. DPB related includes DPB-Caring for Sick or Infirm, DPB-Sole Parent, DPB-Woman Alone and Emergency Maintenance Allowance

IB is Invalid's Benefit

SB related is Sickness Benefit and Sickness Benefit Hardship

UB related is Unemployment Benefit and Unemployment Benefit Hardship

Other Benefits include Emergency Benefit, Independent Youth Benefit, Unemployment Benefit Training, Unemployment Benefit Hardship Training, Unemployment Hardship Students and Widow's Benefit

- At the end of December 2011, over 232,000 children were being supported by a parent / caregiver receiving a main benefit.
- The number of benefit dependent children has reduced from 234,243 in December 2010 to 232,616 in December 2011, a 0.7% reduction.
- Almost 43% of benefit dependent children have Māori caregivers, and 36% of benefit dependent children have Māori caregivers receiving the DPB.

## Child, Youth and Family (CYF)

### Children in care

Quarter	All Out of Home Placements as at the end of the quarter	Māori children and young people in Out of Home Placements as at the end of the quarter	% Māori
Oct-Dec 2009	4,533	2,329	51.4%
Oct-Dec 2010	4,299	2,231	51.9%
Jul-Sep 2011	4,116	2,044	49.7%
Oct-Dec 2011	3,963	1,998	50.4%

**Notes for table**

**Out of Home Placements include:** CYF Caregiver Placements, Residential Placements Family/Whānau Placements, CFSS/Agency Placements, Family Home Placements, Other Placement types (including, boarding, school hostel, etc)

**Ethnicity:** clients may have multiple ethnicities. Although Child, Youth and Family capture all ethnicities for a client we only report on the primary ethnicity as selected by the client and their family.

- The number of children in out of home placements declined by 7.8% in the year to December 2011. Around 50% of all children in out of home placements give their primary ethnicity as Māori.
- There were 14,930 care and protection notifications where further action was required in the last quarter of 2011. Māori comprised 44% of these notifications.

Quarter	C&P Notifications	C&P Notifications FARs	C&P Notifications FARs with Ethnicity Maori	Investigations Completed
Oct-Dec 2009	31,651	13,966	6,476 (46.4%)	6,110
Oct-Dec 2010	37,766	14,374	6,466 (45.0%)	6,366*
Jul-Sep 2011	38,162	14,968	6,881 (46.0%)	6,645*
Oct-Dec 2011	38,933	14,930	6,571 (44.0%)	6,688*

Source: CYF

**Notes**

Notifications do not represent actual numbers of clients as some clients can have multiple notifications during the period. CYF clients may have multiple ethnicities Clients and their families are not always consistent in the primary ethnicity they select. An ethnicity is no always recorded. Investigations carried out and completed within a certain time period are not necessarily related to the notifications received within that same period. \*Extracted from operational data on 2/3/11. The quarterly data for care and protection notifications from July 2011 includes Family Violence Contact records.



**COMMUNITY COMMENTS**

*... many clients have become able to identify, inter-generational and historical patterns of abuse, that have impacted on the choices and decisions made in terms of finances, drug and alcohol abuse, parenting skills, domestic violence, cultural influences.*

*... trauma in relation to physical, sexual, emotional and mental abuse, ... has also impacted on their worldviews, parenting, relationships with others and that many clients are in the process of working through these things with a counsellor, and on-going appointments with the Housing Social Worker – Vision West*

- St Vincent de Paul’s pregnancy assistance programme in Wellington worked with 112 mothers and babies in the last financial year (120% increase in welfare expenditure in this area over the previous year) – St Vincent de Paul.
- Slight increase in male clients continues through probation referral. These are males who have been referred as a result of domestic violence, mainly Māori and Pasifika men – Catholic Social Services.
- West Coast Women’s Refuge had the “busiest Christmas period for 25 years” Dominion Post 21/01/2012.
- Funding for children is difficult to find and is most often accessed through Disability Allowance for Children for our families. Often families are declined on the first application as they are told to apply to Marinoto or CYFs for services first. We as Social Service providers are well aware these services are only funded to meet the top 3% of clients and therefore these children will be being referred straight back to us anyway. This creates delays which is often a deterrent to families in need – Vision West.
- Children are suffering and this is being seen as ‘not going to school’ because mum/dad has no food, petrol etc. Increasing numbers of children are being raised by grandparents. Increasing demand for assistance with school costs – Presbyterian Support Otago.
- Our social workers are unable to take any more community or children in school cases. ...we have worked closely with CYF staff as our social workers are dealing with extremely complex e.g. [murder of mother, parental suicide, death of parent(s)]. ... we are experiencing complicated issues around access, custody, shared and blended family parenting issues – Catholic Social Services.
- Requests for counselling in our service have actually decreased over the past few months. Surveys show clients have had to move from weekly to fortnightly sessions in order to budget for basic living costs. The need is higher than ever but a choice has had to be made between basic household needs and mental health well-being. To assist we have bought in free counselling for special circumstances – Vision West.
- Our social workers are working with clients who have much deeper higher and more complex family issues. This requires social workers to work over a longer timeframe and in greater collaboration with other Salvation Army services e.g. Bridge,

Oasis and Community Ministries and other government and NGO services Salvation Army.

- Nearly 3,200 children are taken off their parents every year. Only 16% of these children are ever returned to their parents’ care. ... [E]very year in our Merivale Programme between 80% and 95% of mothers that go through the programme actually retain the care of their children – Iosis Family Solutions.
- Pressure points for us include clients who lack funding for counselling having to pay doctors to sign Disability Allowance forms to access counselling. This often means clients can’t go to the doctor until they can afford it so can’t start counselling immediately. Often clients under financial pressure will have Disability Allowance approval and then not pay for their counselling as they need the money more for groceries – Vision West.
- We know there is a greater demand for addiction treatment services which is confirmed by the Bridge waiting lists – Salvation Army.
- ... the biggest problem is the complete lack of alternative accommodation for women and children, with the effect that many women are choosing to remain at home in spite of the violence. If they leave, they risk homelessness – Nicola Woodward, Christchurch Women’s Refuge.
- Napier Family Centre’s services have nearly doubled in three years, and in the past six months more people have sought help than for the entire 2008. The centre is tracking of a 26% increase from last year, mostly in budgeting and counselling (Hawkes Bay Today, 30/01/2012).
- Clients’ ethnicity 2011.

	Jan – June 2010	July- Dec 2011
NZ European / Pākeha	27.7%	35.2%
Māori	64.5%	45.6%
Pasifika	4.5%	8%
Other	3.3%	11.2%

Source: Lifewise Trust

**About us**

Vulnerability Reports are available on our website [www.justiceandcompassion.org.nz](http://www.justiceandcompassion.org.nz). The next Vulnerability Report will be released in June 2010. If you are involved in a social service agency and would like to contribute to future issues please contact:

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