



*E tū ake nei tō tātou whare whakahirahira
Ko Ranginui e tū ake nei hei tuanui
Ko Papatūānuku e takoto nei hei whāriki
Ko te reo me ngā tikanga hei tāhuhu
Ko te iwi hei poutokomanawa*

E tū e te whare e!

*Hei whakairi i ō tātou wawata, ō tātou tūmanako,
ō tātou moemoeā!*

There stands our house in all its grandeur

The sky is its roof

The earth is its carpet

Our language and culture is its ridge pole

And the people stand at its centre

Stand erect!

So that you may house our hope and dreams within!

Source: Blueprint II: Improving mental health and well-being for all
New Zealanders (2012)

INTRODUCTION: AOTEAROA, OUR TŪRANGAWAEWAE

The philosophers of old wrote there is a time for all things – for birth and for death, for tearing down and for building, a time for silence, and a time for speech (Ecclesiastes, 3). We continuously face choices about how we spend time and our resources. What would life be like if we ensured all our people had access to both the necessities of life and the wherewithal to foster their own and their children's wellbeing? We all benefit when we stand tall in our place - Aotearoa.

What we have instead is reduced numbers of people receiving government housing assistance. We have income inequalities associated with shameful differences in health and wellbeing across our population.

We have too many people chasing too few jobs, and welfare benefits and hardship grants are harder to obtain. The stresses and strains hurt our families. Our welfare system is failing to do the job it was intended for. Rather than enabling people to participate and belong in our society, it is increasingly looking to Christian social services and others to pick up where it is leaving off. The services are over-stretched, and increasingly cannot provide.

Government wishes to reduce numbers of vulnerable children. Reducing welfare provisions creates poverty and stress, and hurts those very children:

[Children recognised] poverty can impact negatively on family, and spoke of stress, possible tensions and arguments as a result of living conditions and the impact this has on family relationships.

Some children spoke of having to take on more responsibility within their families in order for their parents to work

Experts Advisory Group on Solutions to Child Poverty, 2012,
Solutions to Child Poverty: Evidence for Action, p. 22.

The Fourteenth Vulnerability Report covers the trends experienced in government agencies and community based organisations in the third quarter of 2012. Data since September has been included when available.

CONTEXT: OUR PLACE IN THE WORLD

A change of course is urgently required if New Zealand is to avoid yet another damaging recession. Policy targets need to be refocused on resuscitating the export sector, bringing the current account deficit under control and avoiding deflation

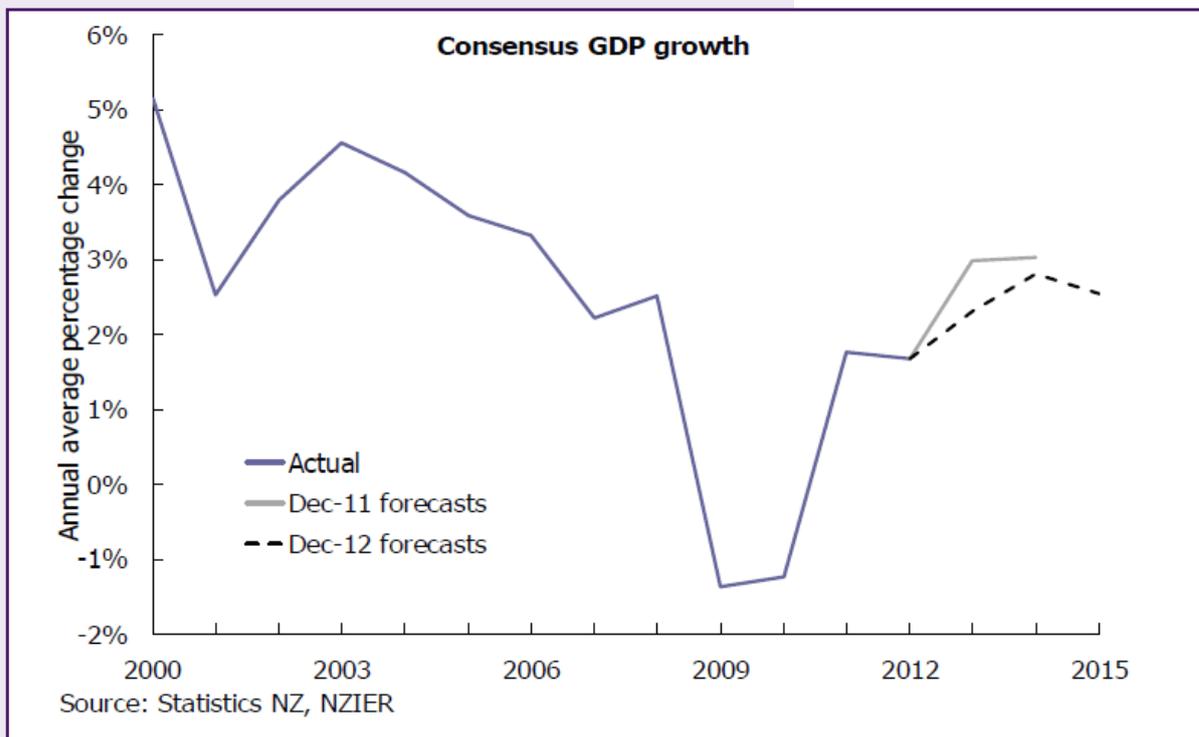
BERL Monthly Monitor, November 2012.

How are we valuing our people? Last October we learned births fell 3%, deaths rose by 2% and international permanent departures increased by 9% in the year to June 2012. We wonder if this reflects some of the stresses and strains on our population (Statistics New Zealand, *Subnational Population Estimates*, June 2012).

The population statistics provide a demographic context. Local and national economic trends also shape our context, as do government policies. On the international front, the New Zealand Institute of Economic Research (NZIER) suggests the big risk “is from a slowing Australian economy. Australia accounts for a fifth of our exports, [and these] have fallen by almost 10% in the last six months” (*Quarterly Predictions*, December 2012).

Nationally, the economy has been sluggish. Inflation is negligible probably reflecting the low level of demand in the economy. Unemployment has increased to 7.3%. It is not surprising the tax take was less than expected, because wage growth and private consumption (GST impact) were below forecast (NZ Treasury, *Press Release*, 7 November 2012).

Government reducing expenditure in some areas further dampens demand. Welfare reform measures result in benefits being harder to access, which in turn impacts heavily on areas where people receiving benefits comprise a large proportion of the population. In addition, reduced employment in central government has a negative effect on both local employment levels and demand in the Wellington economy. Given all of the above, it is hardly surprising the NZIER consensus growth forecast is less optimistic than in December 2011.



Sources: NZIER Quarterly Predictions December 2012, NZIER Consensus Forecasts December 2012; Statistics New Zealand: Household Labour Force Survey Sept 2012.

Key statistics

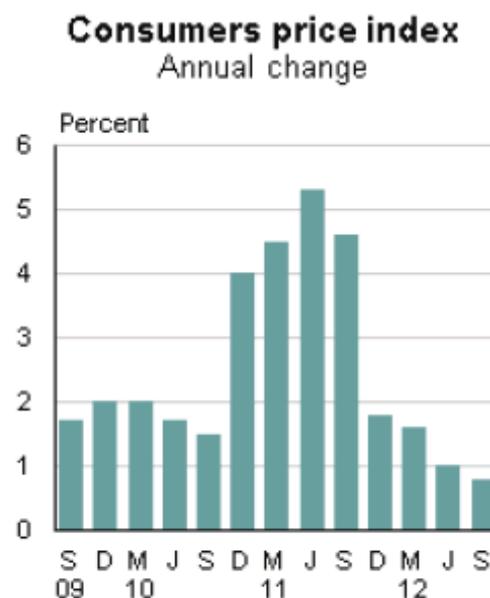
Some of the key changes in the last year are reflected in the data below.

	2011	2012
Annual price increases (CPI) (September)	4.6%	0.8%
Median weekly household income (couple + 2 children) - June	\$1,604	\$1,642
Median weekly household income (one parent + dependent child(ren) - June	\$594	\$592
Unemployment rate (September)	6.6%	7.3%
Number unemployed (September)	157,000	175,000
Number on unemployment benefits (September)	55,661	50,390
Total benefit recipients (September)	328,496	320,942
Benefit dependent children (September)	231,519	223,757
Substantiated child abuse findings (June)	22,087	21,525

Sources: Child, Youth and Family, Media Info website; Ministry Social Development, Benefit Fact Sheets; Statistics New Zealand, Consumer Price Index September 2012; Statistics New Zealand: Household Labour Force Survey Sept 2012; Statistics New Zealand, 2012, New Zealand Income Survey, June 2012 quarter, Statistics New Zealand, Table Builder.

HOW MUCH DOES DAILY LIFE COST?

The Consumer Price Index rose by 0.3% during the September quarter. The annual increase was 0.8, the smallest annual increase since 1999. However, some items increased at much higher levels.



Source: Statistics New Zealand



During the year to September:

Items which increased:

- Vegetables rose 8.4%
- Petrol increased by 2.6%
- Electricity – up 4.4%
- Local authority rates and payments – 4.1% increase
- Average rents increased by 2.4%
- Newly built houses increased by 3.0%
- Insurance prices grew by 7.1%
- Cigarettes and tobacco increased by 13.5%

Basics which have fallen in price:

In particular, the October Food Price Index (FPI) recorded a number of food basics are cheaper than a year ago.

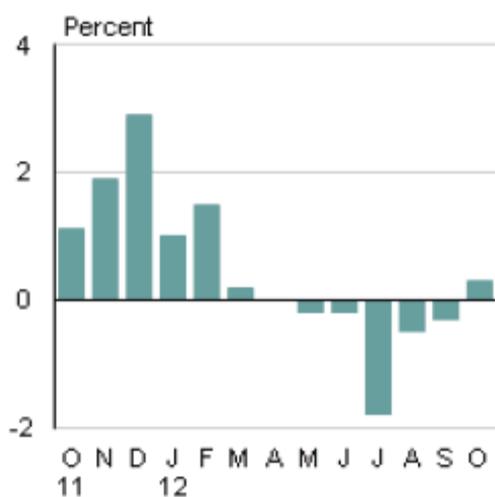
Main decreases were:

- fresh milk 9.5%↓
- butter 28 %↓
- bread 3.8% ↓
- cheese 6.8%↓
- coffee 5.6% ↓

Fresh milk prices are their lowest since December 2009.

The FPI measures the rate of price change of food and food services purchased by households. Statistics NZ visits shops across New Zealand to collect prices for the FPI and check package sizes.

Food price index
Annual change



Source: Statistics New Zealand

Sources: Statistics New Zealand, Consumer Price Index September 2012; Food Price Index, October 2012.

WHAT ABOUT PAYING FOR IT?

Average total hourly earnings increased by 2.7 % in the year to September. This includes both ordinary time payments and overtime payments (Statistics New Zealand, *Quarterly Employment Survey: September 2012 quarter*). Median household incomes differ considerably by household. The New Zealand Income Survey was carried out in June with results published in October 2012. Median weekly incomes for couples with two dependent children are \$1,642. This is a 13% increase on 2008. Single parents with dependent children have median weekly incomes of \$592. This is a \$4.00 or 1% decrease on 2008.

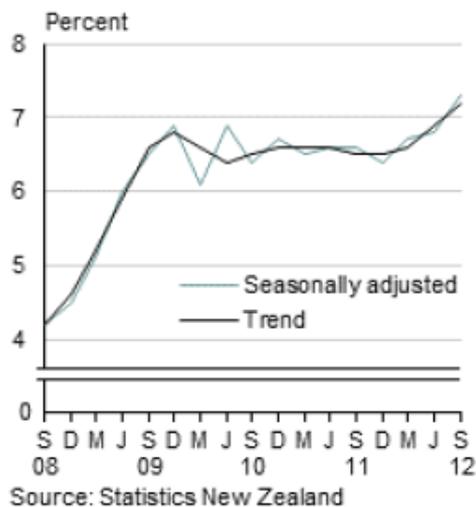
Median Weekly Income from all Sources			
		Household Type	
		Couple with two dependent children	One parent with dependent child(ren) only
Year	2008	1,453	596
	2012	1,642	592
\$ change		+ \$189	-\$4
% change		13%	-1%

Source: Statistics New Zealand, 2012, *New Zealand Income Survey*, June 2012 quarter; Statistics New Zealand, 2012, Table Builder.

Sources: Statistics New Zealand, *Household Economic Survey*: Year ended June 2011; Statistics NZ, *Quarterly Employment Survey*; Statistics New Zealand, *NZ Incomes Survey* June 2012 Quarter.

WHO IS UNEMPLOYED?

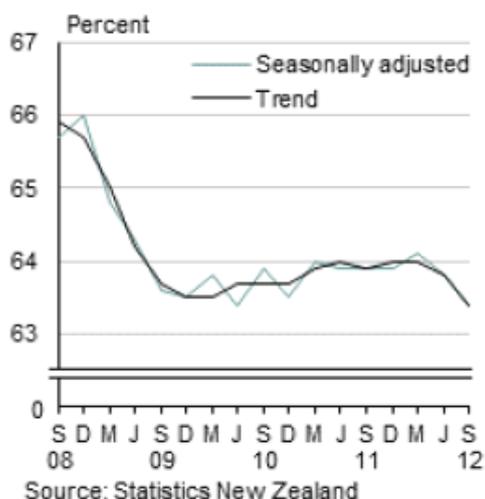
Unemployment rate
Quarterly



Source: Statistics New Zealand



Employment rate Quarterly



Annual Changes

Unemployment

- The **unemployment** rate (number of unemployed as a percentage of the labour force) has increased from 6.6 to 7.3% in the September 2012 year. The actual number **unemployed** increased by 19,000 (12%) with female unemployment increasing by 9.0% and male unemployment increasing by 15.2%.
- The number of people **jobless** increased by 16.1% (40,800) in the year to September. These are people who are either officially unemployed, available but not actively seeking work, or are actively seeking work but not immediately available for work.
- Long term unemployment (people unemployed for longer than 26 weeks) increased by 32% to 54,500 during the year to September (41,300 one year ago).
- The labour force participation rate (people in the labour force as a percentage of the working age population) remained the same as one year ago – 68.4%.

Employment

- Total **employment** increased by 1,000 people.
- Self-employment fell by 8.1% (19,900) in the last year.
- The number of employed people 65+ increased by 11,500 (11%).

- The proportion of people receiving income from self-employment aged 65+ has increased from 6.0% to 7.5% in the year to June 2012.

Sources: Statistics New Zealand: *Household Labour Force Survey* Sept 2012, Ministry of Business, Innovation and Employment, *Quarterly Labour Market Report*, November 2012; Statistics New Zealand, *New Zealand Income Survey*; June 2012.

The Regions

- Unemployment is highest in Northland at 10%, and lowest in the Tasman/Nelson/Marlborough/ West Coast regions (4.5%). This could be slightly misleading as the West Coast District Health Board records a higher proportion of their population of receiving unemployment benefits than for the country as a whole (West Coast DHB, *Annual Plan 2012-13*, p. 6).
- Employment increased and unemployment reduced in Canterbury. Employment increased by 8,800 and the unemployment rate fell by 0.3 percentage points to 5.2% (see also NZCCSS, *The Canterbury Report*, December 2012).
- Unemployment increased by 13,600 over the year in Auckland, with the unemployment rate increasing by 1.8 percentage points to 8.6%. The increase could partly be associated with Rugby World Cup jobs coming to an end. These jobs would have been reflected as a glitch in the September and December 2011 statistics, therefore, in the absence of other jobs, their removal could result in a large increase in September 2012 Auckland unemployment data.
- Cuts to government spending appear to have had an impact with unemployment in Wellington increasing from 6% to 7.1% over the year.
- Significant change also occurred in the Waikato where the unemployment rate fell from 7.5% to 6.0% in the year to September 2012.

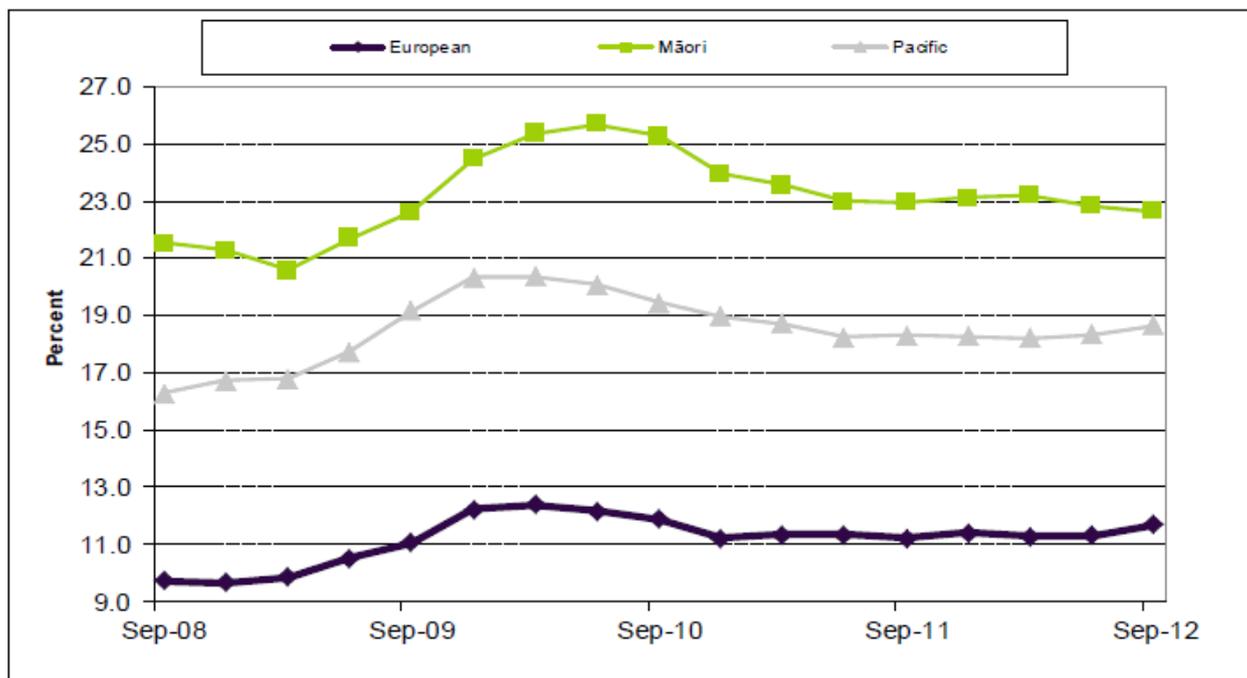
Ethnicity

Unemployment increased most for Asian peoples (10% from 7.9%), and least for NZ Europeans (5.4% from 4.9%) during the September 2012 year. Pasifika have the highest unemployment rate (15.6%, up from 14.4%), followed by Māori (15.1% - an increase from 13.1%).



Our young people

NEET rates by ethnic group, 2008-2012



Source: Ministry of Business, Innovation and Employment, Youth Labour Market Factsheet – September 2012.

We try and measure youth disengagement by looking at numbers who are “not in employment, education or training” (NEET). Currently, 9.4% of 15-19 year olds males and 8.9% of females in this age group are in the NEET category. For the 20-24 age group, 13.2% of males and 21.4% of females are NEET.

Rangatahi have the highest NEET rate (22.7%), followed by Pasifika (18.7%), and Pākehā (11.7%).

Sources: Statistics New Zealand: Household Labour Force Survey Sept 2012, Infoshare; Ministry of Business, Innovation and Employment, Quarterly Labour Market Report, November 2012

WHAT’S HAPPENING IN THE COMMUNITY?

- People who are on benefits they don't come to us because they are in crisis any more they come to us because they are in chronic poverty - Diane Robertson, Auckland City Mission, TVNZ National News (21/12/2012)

Perhaps reduced unemployment resulted in reduced demand for assistance in Hamilton:

- Overall, the Catholic Cathedral Centre in Hamilton ... served fewer hot meals during 2012 than it had done the previous year - Catholic Family Support Services, Hamilton.

- Our agency processed 154 applications for emergency food parcels in 2011 for the reporting period. For the same period in 2012 we have processed 83. That is a drop by 71 applications. We are not sure of the actual reason but it could be that hardship applications by clients to Work and Income have been processed in a positive way - Catholic Family Support Services, Hamilton.
- We typically provide rice or pasta and some form of tinned tomatoes or pasta sauce as part of a food parcel and people are telling us they don't know what to do with them. Not only is food becoming increasing unaffordable, but we are also losing the skills to be able to create something nutritious out of the basic cheaper items - Hamilton Combined Christian Foodbank.
- We have seen an increase in the last quarter across all our areas – 5.71% across the country, but 9.6 % increase in the Auckland area, 6.33% in Waikato, 10.22% lower North Island, and 5.54% in the South Island. New families needing food support have increased 5.43 % in the last quarter - Pam Waugh, Head of Welfare Services, The Salvation Army.



- Vison West gave out fewer food parcels during the June–September 2012 period than it had done during the same period last year.



- Ranui Baptist community centre reported a significant increase in families asking for assistance close to Christmas (Ranui Baptist Community Care, 23/12/2012).
- *Christchurch City Mission has given out 300 more food parcels than at the same time last year* - Michael Gorman, Christchurch City Mission (December 2012).
- *The Combined Christian Food Bank had seen a 25% increase in demand during November* - Anglican Family Care duty social worker Katie Baumler, Anglican Family Care, Dunedin

HOW MANY RECEIVE BENEFITS?

We have had a considerable increase in ...young people accessing food parcels – those in the 17- 19 age group ... it could be a glitch as young people get used to the new structure around their benefits

Pam Waugh, Head of Welfare Services, The Salvation Army

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.
 SB Comprises Sickness Benefits and Sickness Benefits - Hardship.
 OB 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.

Main changes over the last year to September 2012 include:

- Numbers on all benefits reduced apart from Sickness (1.6%↑) and Other (7.3%↑). We wonder if the increase in these two benefits reflects people struggling with Government's new rules around benefits.
- Numbers receiving unemployment benefits fell by almost 10% (over 5,000), despite the 19,000 increase in unemployment. This follows an almost 15% decrease during the September 2010 -11 year (approximately 9,600 people).
- People receiving Domestic Purposes Benefits fell for the first time since 2007 (3.0% decrease or 3,409 people). Since September 2010 DPB recipients have been subject to part-time work obligations when their youngest dependent child is six or older, and may lose 50 per cent of their benefit if they do not comply with their work obligations. Sole parents with children under six are required to develop an agreed Employment Plan with Work and Income to identify their skills and any areas

for development or training (MSD, *Domestic Purposes Benefit fact sheet - Future Focus*).

Numbers of people receiving main benefits at the end of September 2009 - 2012

End of quarter	Unemployment Benefits	Domestic Purposes Benefits	Sickness Benefits	Invalid's Benefits	Other main benefits	All main benefits
Sep-09	60,660	107,658	56,384	85,015	17,094	326,811
Sep-10	65,281	112,765	58,661	85,305	16,200	338,212
% change 09-10	7.6%↑	4.7%↑	4.0%↑	0.3%↑	-5.2%↓	3.5%↑
Sep-11	55,661	114,147	58,651	84,524	15,513	328,496
% change 10-11	-14.7%↓	1.2%↑	0.0%	-0.9%↓	-4.2%↓	-2.9%↓
Sept-12	50,390	110,738	59,595	83,570	16,649	320,942
% change 11-12	-9.5%↓	-3.0%↓	1.6%↑	-1.1%↓	7.3%↑	-2.3%↓

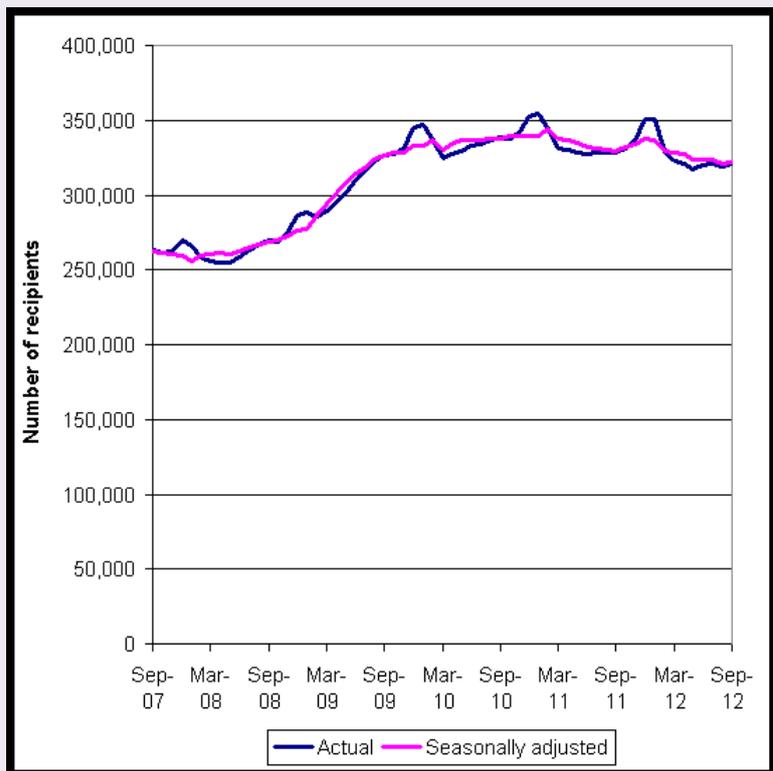
Source: Benefit Fact Sheet, MSD

Government wishes to reduce numbers of people on benefits, and this does appear to be happening. Government may view this as ensuring people who do not need benefits, do not receive benefits. However, the services are struggling with increased demand, e.g. The Salvation Army reports increased demand across all areas. There appears to be a growing gap between those who receive a benefit and those in genuine need who are either losing or unable to obtain social welfare assistance.

This table refers to people aged 18 - 64 years, to reflect the minimum age of entitlement of most benefits and the age of eligibility for New Zealand Superannuation.



Total number of main benefit recipients



Source: MSD Benefit Fact Sheets

Who gets what benefit?

Domestic purposes benefits

- Recipients are 87.7% female
- 42.8% are Māori
- Nearly 20% are aged 18-24 (18.6%)
- 46.2% are aged 25-39

Invalid's benefits

- Just over half are male (53.3%)
- 37.8% are aged 40-54
- Around 30% have a psychological or psychiatric condition (30.8%)

Sickness benefits

- Māori are over-represented (27.8%)
- Nearly 15% are aged 18-24
- Almost 42% have psychological or psychiatric conditions (41.8%)

Unemployment benefits

- Just over 70% are male (70.1%)
- 38.2% are Māori (two percentage point increase since last year)
- 26.7% are aged 18-24
- 13.5% are aged 55-64
- Just over 30% have been receiving a benefit of some sort between one and four years.
- Most (75%) have been receiving their current benefit for less than one year.

HARDSHIP ASSISTANCE

SVDP in Whanganui contacted the local Work and Income office to advise them some people are having trouble getting their disability forms filled in due to new doctors coming in from overseas. Work and Income has now notified all the doctors as to the correct procedure

St Vincent de Paul News 20/10/2012

Hardship assistance fell in the last year in almost all categories. Special benefits are being phased out and this has been occurring since 2006, when they were replaced by Temporary Additional Support (TAS). TAS numbers did increase by just over 600 (1.8%) in the last year. However, they were the only hardship measure to increase.

Māori grew increasingly overrepresented among the diminishing numbers of people receiving food grants and power advances. Māori comprise almost 43% of those obtaining special needs grants for food and 46.6% of those receiving advances for electricity water and gas.

Sept Quarter	Special Benefit (SB)	SB annual change	Temporary Additional Support (TAS)	TAS annual change	Total (SB+TAS)	Total annual change
2008	16,716		32,232		48,948	
2009	12,854	-23.1%↓	50,101	55.4%↑	62,955	28.6%↑
2010	10,300	-19.9%↓	54,725	9.2%↑	65,025	3.3%↑
2011	8,149	-20.9%↓	53,579	-2.1%↓	61,728	-5.1%↓
2012	6,659	-18.3%↓	54,517	1.8%↑	61,176	-0.9%↓

Source: MSD



Sept Quarter	Special Needs Grants (for Food)	Annual change	% Māori	Benefit Advances for Electricity, Gas and Water	Annual change	% Māori
2008	98,126		43.6	9,844		44.5
2009	131,750	34.3%↑	43.1	15,541	57.9%↑	43.6
2010	149,658	13.6%↑	44.9	13,978	-10.1%↓	44.4
2011	102,001	-32%↓	41.9	9,962	-28.7%↓	44.3
2012	88,771	-13%↓	42.9%	9,782	-1.8%	46.6%

Source: MSD

Future Focus policies requiring repeat applicants for one-off hardship payments to complete a budgeting activity (budgeting activities range from simple self-directed activities to attending budgeting seminars and seeking advice from budgeting services) were introduced in September 2010. Since that time, special needs grants for food have reduced by 40% (60,887), and advances for power have fallen by 4,196 (30%). Work and Income referred 175,136 people to budgeting courses in the year to June in contrast to 121,177 the previous year (MSD Annual Report 2011/12).

During the same period, the services report increased demand. This appears to reflect the need for Christian and community organisations to provide basic support to families as government assistance becomes harder to access.

This punitive approach is punishing the most vulnerable people and the withdrawal of their benefits simply shifts the responsibility for looking after them to organisations such as the City Mission

Diane Robertson, Auckland City Missioner

Since September 2010 there have been:

- 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;
- More frequent medical assessments for Sickness Benefit clients in the early stages of receiving a benefit.

Since May 2011, Sickness Benefit recipients for more than 12 months have received compulsory reviews.

Since August 20 2012, a new youth package has come into force requiring 16 and 17 year olds needing benefits to work with a youth service provider, have their finances managed, and be engaged in education or training. Failure to meet all the requirements risks the payment being stopped. A similar approach is being applied to 16-18 year old parents who must

enrol their child with a medical provider, send them to an early childhood education programme while they (the parent) is in training, and ensure all, early childhood medical checks, vaccinations etc occur.

According to the Ministry of Social Development, by 30 June 2012:

- “16,358 Domestic Purposes Benefit clients undertook part-time work, compared to 15,312 in 2010/2011.
- 4,545 Sickness Benefit recipients undertook part-time work, compared to 4,212 in 2010/2011.
- Nearly 8,000 benefits were cancelled following a requirement to prove continuing entitlement to the Unemployment Benefit after 12 months.”

Source: MSD Annual Report 2011-2012

We have noticed an increase in people presenting saying their benefit has been cut and they need food support until they can get the benefit re-established.

This has mainly been with sickness beneficiaries.

We do notice that some of our clients ... face such difficulties in their everyday living that each day is one that is conquered, and often things needing attention just get left, then they miss deadlines such as reporting with another medical certificate.

Pam Waugh, Head of Welfare Services, The Salvation Army

WHAT ABOUT DEBT?

There has been an increase in people accessing the Vision West Uniform Bank. Clients come to us from Work and Income because they haven't any advance entitlement left.

(VisonWest)

Bankruptcy figures fell in year to June 2012. The Ministry of Economic Development collects figures on bankruptcies and other ways of dealing with personal debts. Their figures for June years are reproduced below. Bankruptcy numbers have been falling since June 2010.



Personal Debt				
	Jun-09	Jun-10	Jun-11	Jun-12
Bankruptcy	2,521	3,054	2,718	2,434
No Asset Procedure	2,833	3,026	2,514	1,874
Summary Instalments	257	346	368	367

Source: Ministry of Economic Development

Summary Instalment Orders have been consistently rising since June 2009, but reduced by 1 in the last year. Briefly, **Summary Instalment Orders** (SIO) are formal arrangements between a debtor and creditors allowing people to pay back all, or an agreed part their debts by instalments. They are usually for three years, but can be made for five years. SIOs may be considered as an alternative to bankruptcy when a person has assets or income. Summary instalments provide a way for people to try to pay debt rather than face the considerable disadvantage associated with bankruptcy. They are designed to provide an opportunity to budget and to manage finances with the idea of preventing difficult financial positions in the future.

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 increased by 193 (nearly 7%) between June 2009 and 2010, fell by 512 (17%) the following year, and then fell a further 640 (25%) last year.

It is possible the official figures increased markedly in the 2009-2010 years because people were being badly affected by the global recession, and have since borrowed less money. Since then, household debt has fallen, but the fall has levelled off. The Federation of Family Budgeting Services says they are busier, but are dealing with lower levels of debt, e.g.

Two years ago we were seeing around 31,500 client cases a year. This year we saw over 55,000 client cases ... Three possible causes for the increase in numbers are ... [1] more people than normal are finding themselves made redundant, or their working hours reduced. [2] The implementation of the Future Focus legislation has meant far more referrals to budgeting services. [3, more positively] Our typical client two years ago came to us with \$32,000 in debt. This year our typical client presents with only \$20,000 in debt. This is a great indication that clients are beginning to seek help earlier

Raewyn Fox, Federation of Family Budgeting Services.

It is also possible debt numbers have reduced because of people withdrawing from Kiwisaver to deal with debt. The Financial Markets Authority record \$7 million withdrawn because of serious illness, \$19 million because of transfers on permanent emigration, and almost \$29 million owing to significant financial hardship (Kiwisaver Report 2012, p.11).

WHAT IS HAPPENING IN THE COMMUNITY?

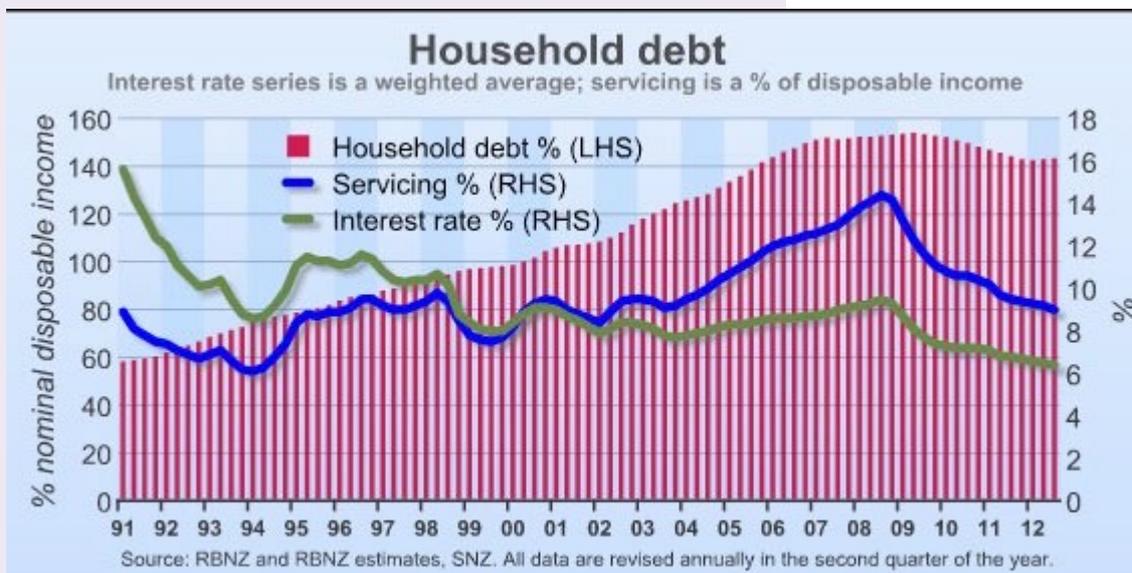
...our capacity to deal with our client numbers is extremely stretched. We have more budget advisers, working more hours, across more budgeting services – and still our budgeting services are swamped.

Federation of Family Budgeting Services – Raewyn Fox

- *We have seen an 18.07% increase in demand for[budgeting] services over the last year, but overall in the last four years there has been a 138% increase. ... Some of the client demand has been through the W&I change to clients have three special needs grants then needing to access budgeting services. However, there is a big increase in people just not managing and we are seeing more clients ... who would not usually need our services. – Pam Waugh, The Salvation Army*

Army

- *It has become evident that clients just do not have enough money left in their budget to provide one of the essentials, food, for themselves and their family. Power usage and costs have gone up considerably and we are seeing more and more clients who need advocacy at Work and Income to request assistance to pay for power arrears. This is a double-edged*



Source: Reserve Bank of New Zealand/ Statistics/ Key graphs/ Household Debt



sword though – if an advance is granted to pay arrears, there will be less money for essentials as the arrears advance needs to be repaid

– Catholic Family Support Services Hamilton.

- *The majority of clients seen (88%) had issues with debt, of these 40.9% had debts to WINZ, a marked increase on the previous year where only 23% of clients had debt to WINZ. Total debt for these 1,014 clients was a staggering \$28.7million [debt to all sources, not just Work and Income]. 45% of this related to mortgages; 22.2% to finance company loans and 15.6% to bank loans. These are very similar to last year's percentages – Presbyterian Support Northern.*
- *We have noticed a continuing number of clients needing to withdraw funds from their Kiwi Saver accounts. Sometimes on instruction by the Insolvency people but other times just because of extreme hardship. In most cases the applications are successful and the money extricates them from serious financial difficulties.*
– Presbyterian Support Northern
- *A number of clients are approaching our agencies to provide financial assistance to accompany KiwiSaver hardship applications – Catholic Family Support Services Hamilton.*
- *For the three month reporting period 68 of the 85 new clients for budgeting were beneficiaries and 49 new clients were NZ Maori and 22 were NZ European. The rest of the new clients were made up of Pacific Islands and either Colombian, Indian, Tongan, Samoan or other ethnicities – Catholic Family Support Services Hamilton.*

MORE PEOPLE NEED HELP WITH HOUSING; FEWER PEOPLE OBTAIN IT

In the last year alone there we've had 77 new families that we could not help in terms of placing them in a house, and out of the 77, we were only able to place 5 in emergency/transitional housing. There is a real lack of appropriate and affordable housing in West Auckland.

VisionWest

The housing problem is urgent. Despite this, numbers receiving housing assistance have fallen.

Government assists low income families into affordable housing mainly via Accommodation Supplements (AS) and Income Related Rents (IRR) for low income state housing tenants. There were 306,238 AS recipients at the end of the September 2012 quarter. Income Related Rents tenants numbered 59,160

in October 2012. We do not have directly comparable data on income related rents, but there were 61,633 recipients in June 2011, and 61,001 in December 2011.

September Quarter	Accommodation Supplement No. recipients	Annual Change	
2008	257,136		
2009	309,932	+52,796	20.5%↑
2010	323,478	+13,546	4.4%↑
2011	310,406	-13,072	-4.0%↓
2012	306,238	-4,168	-1.3%↓

Source: MSD

Reviewable tenancies were introduced for new state tenants on 1 July 2011, so people no longer deemed in need of a state house are 'supported toward achieving private rental or home ownership' (Minister of Housing, *Press Statement* 14/06/2011). This coincides with Housing New Zealand Corporation no longer adding people to the C and D waiting lists ('moderate' and 'low' need) from July 1 2011. Priority C and D applicants confirmed on the waiting list before 30 June 2011 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 / Waiting List).

As at 30 November 2012 there were 4,305 people on Housing New Zealand's waiting list. Of these:

- 1,030 were Priority Eligible - A
- 1,834 were Priority Eligible - B
- 783 were C (assessed before 30 June 2011)
- 808 were D (assessed before 30 June 2011)

Sources: Ministry of Business Innovation and Employment, Building and Housing Information; Housing New Zealand Corporation/Waiting list

October 2012 House prices

Meantime, houses just keep increasing in price. Price increases in the year to October 2012 are as follows:

Auckland

- Old Auckland City 10.7%↑
- North Shore 8.9% ↑
- Manukau 8.1% ↑
- Hamilton 3.1%↑
- Wellington 2.4%↑
- Christchurch 5.9%↑
- Dunedin 4.5%↑



How much is it to rent?

Rents also increased. The national average weekly private rent was \$338 in October 2012, up 4% from October 2011.

- Average weekly private rent in Christchurch City increased by 14%, to reach \$350 per week.
- Average weekly private rents in Auckland (where there is a major housing shortage) increased by 5% in the year to October 2012 (now \$432 per week).
 - Manukau \$412 (4%↑)
 - Waitakere \$385 (7%↑)
 - North Shore \$466 (2%↑)
 - Auckland City \$432 (5%↑)
- Wellington increased by 2% (now \$388).
- Hamilton increased by 1% (now \$283).

Sources: Ministry of Business Innovation and Employment, Building and Housing Information, Key indicator reports and social housing; Quotable Value, Monthly Property Value Index, October 2012.

WHAT'S HAPPENING IN THE COMMUNITY?

2012 was the worst year he has experienced in 20 years of working in South Auckland, according to Campbell Roberts from The Salvation Army

New Zealand clearly has a shortage of affordable, accessible, quality housing.

- *We would usually deal with around 400 to 500 people a year, but that's jumped to 800 or 900. In the last few months the DCM has dealt with 53 people experiencing some form of homelessness. There needs to be more access to affordable accommodation to prevent Wellington's homeless problem getting worse* – Downtown Community Ministry Director, Stephanie McIntyre December 2012
- *All accommodation centres around the country are working to capacity. Accommodation for single men is a big demand and we have up to a 6 month waiting list in the Christchurch area.* – Pam Waugh, The Salvation Army
- *The majority of people coming through our services live in overcrowding, unstable and often poor quality accommodation. We're having to liaise with Housing New Zealand, to ascertain the reasons that people may no longer fit the Housing New Zealand criteria...* – VisionWest

- *Housing New Zealand having lost their social housing element are proving to be harder to contact, and clients in overcrowded homes for instance are not offered alternatives. Clients have been subjected to telephone assessments from Housing New Zealand which has been lengthy and intrusive.* – Catholic Family Support Services, Hamilton
- *Adding to this burden is a reduction of additional assistance available through Work & Income. This has led to the Community Housing Social Worker being more involved in advocacy and an increase in referrals to Budgeting, Uniform Bank, Curtain Bank and Counselling this year.* – VisionWest
- *'2012 was the worst year he has experienced in 20 years of working in South Auckland, according to Campbell Roberts from The Salvation Army. [He] says the desperate housing situation is highlighted by the fact that in the past five years, the number of people receiving the maximum accommodation supplement has almost doubled from 45,000 to 85,000. ... [T]he supplement is not keeping up with rents, and people are having to spend a larger and larger proportion of their money on housing. ... [F]inding cheaper accommodation is also fraught with problems, because it is often grossly inadequate.'* "What's been really desperate for our staff is that often you've got to refer people to housing that you really know is not the best, but it's the only place that you can put them" – Radio New Zealand, *Housing Situation Desperate*, says Salvation Army, 6 January 2013.

CHILDREN AND POVERTY

Parents are struggling- choices between food and bill payment are common. Parents are going without clothing, medical or dental care in order to feed families. Families are often house bound and pressured in their relationships as weather and lack of finance has meant an inability to get out and take a break. Family violence referrals have increased- funding for children in these circumstances would be fabulous and go a long way to changing the cycle now

VisionWest.

Statistics NZ recently examined the 2010 social survey to find out more about risks to children in households. Findings included half of the households in the high risk of vulnerability group contained sole parents, and nearly 43% of the households in the high risk group had a Māori respondent.

Source: Statistics New Zealand, October 2012, *Vulnerable children and families: Some findings from the New Zealand General Social Survey*



Benefit dependent children

Number of children aged less than 18 years included in working age main benefits, as at the end of September 2012 by ethnicity of caregiver

Benefit group	Ethnic group of the caregiver					Total
	Maori	NZ European	Other	Pacific Island	Unspecified	
DPB related	82,642	58,082	14,992	20,893	2,432	179,041
IB	4,266	5,434	1,664	1,453	178	12,995
SB related	3,495	3,623	3,301	2,339	172	12,930
UB related	5,198	2,982	2,061	3,055	169	13,465
Other Main Benefits	1,496	955	1,406	1,371	98	5,326
Total	97,097	71,076	23,424	29,111	3,049	223,757

Source: MSD

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

There are 223,757 children living in households where a benefit is the source of income. This is 7,762 (3.3%) fewer than September 2011. Of these children, 97, 097 (43%) live with a Māori caregiver. Also of the total, 82,642 (36.9%) live with a Māori caregiver receiving the DPB. Almost 32% of all children dependent on a benefit for their economic wellbeing have New Zealand European caregivers.

Care and Protection

Care and protection notifications requiring further action (FAR) increased by 3,125 (almost 5.4%) in the last year, after increasing by 2,455 (4.4%) during the previous year.

From July 2010 the family violence referrals requiring no CYF action have been recorded separately.

** Some clients may have two or more notifications in the same period

Children and young people in out of home placements as at 30 June has remained stable over the past two years

Care and Protection 'Out of Home' Placements



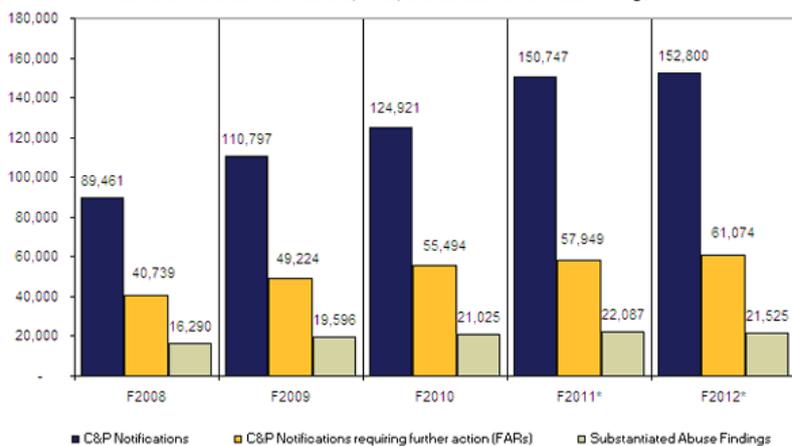
Source: Child, Youth and Family

Snapshot as at 30 June each year

Excludes placement types - 'Independent Living', 'Remain Home' and 'Return Home'

Some of our most vulnerable children are admitted to care and protection residences. Significantly fewer children and young people were admitted to these homes than five years ago; however last year total numbers increased by 11. This was due to an increase in Māori admissions and possibly also an increase in the number of available beds. (From 2007 to July 2010 there were 48 care and protection beds available at any one time; from August 2010 this increased to 58 beds – CYF).

Care and Protection Notifications, FARs, and Substantiated Abuse Findings



Source: Child, Youth and Family (June 2012 data)



Children and young people admitted to care and protection residences (June years)						
Ethnicity	F2007	F2008	F2009	F2010	F2011	F2012
Māori	88	84	69	80	61	73
New Zealand Pākehā	83	66	66	66	61	60
Pacific People	4	4	3		5	4
Asian		5	3			
Other Ethnicities	3	6	2		5	4
Care and Protection Residences Total	178	165	143	146	132	141

These numbers relate to distinct clients (June years)
A child or young person may have more than one admission within any fiscal year.
 Source: Child, Youth and Family

Children and young people admitted to youth justice residences (June years)						
Ethnicity	F2007	F2008	F2009	F2010	F2011	F2012
Māori	326	373	403	445	432	518
New Zealand Pakeha	142	203	226	219	175	180
Pacific People	63	63	70	71	82	90
Asian	2	1	4	9	17	3
Other Ethnicities	14	26	25	27	10	15
Youth Justice Residences Total	547	666	728	771	716	806

These numbers relate to distinct clients (June years)
A child or young person may have more than one admission within any fiscal year.
 Source: Child, Youth and Family

Numbers admitted to youth justice residences have increased over the last five years. In the year to June 2012, numbers increased by 90 (12.6%). This could also be partly due to bed numbers, which increased from 116 to 146 in August 2010 when a new youth justice facility in Rotorua was opened (CYF).

NZCCSS is concerned about the growing numbers of Māori admissions to youth justice residences which reflects the over-representation of adult Māori in prison. Three likely reasons for this are:

1. Inequality and the criminal justice system treating Māori less favourably than Pākehā.
2. Too many Māori experiencing the things which go with crime, e.g. poor health, family breakdown, and low rates of economic and social participation.
3. The relatively young Māori population means more Māori are in the typical 'offending age range' (see work by the Robson Hanan Trust on its *Rethinking Crime and Punishment* website).

NZCCSS is also concerned at the increase in Pasifika young people admitted to youth justice residences. This figure has increased by almost 30 or 43% in the last five years.

CHILDREN AND FAMILIES IN THE COMMUNITY

- *When you consider the amount of children that will be involved in the families who are needing support for food, it is extremely hard to see how we are going to see NZ as a nation tackle this problem. It will be good to see Government get to grips with the recommendations in the Children's Commissioner's Expert Advisory Group on solutions for Child Poverty and start to implement policy that is directly aimed at working on this problem. – The Salvation Army.*
- *There has been an increase in people accessing the ViosionWest Uniform Bank. Clients come to us [from Work and Income] for [school] uniforms because they haven't any advance entitlement left. Work and Income have asked the clients why they haven't budgeted for their child's school uniform, when in fact the client is surviving from week to week and every cent is spent on rent, often debt, and living costs. Sometimes we have to send them back to Work and Income with a letter saying they have been to us and we do not have what they require. We are reliant on the community to provide us with good used uniforms. – Vision West*
- *People experiencing mental health challenges are having to be much more robust and fight much harder to get funding support for counselling, i.e. disability allowance. Clients often have to go to great lengths to prove their need when they are sorely short on resources to do so. – VisionWest*
- *New migrants are struggling raising children in the traditional way which is at odds with NZ parenting culture or laws, for*



example physical discipline. – Presbyterian Support Northern.

- *As benefits have become financially tighter clients receiving disability allowance for counselling often have to choose between making counselling payment or using the money for food.*
– VisionWest.
- *Some of our teams have reorganised themselves to include “Needs Assessors”. ... it has worked very well in helping to understand a family’s needs in more depth and more quickly than just presenting food and leaving with a food parcel till next time. From the initial assessment, more external or internal referrals are made in a quicker time frame and this is proving valuable.*
– The Salvation Army.
- *We have had a large increase in clients referring for relationship support (including family violence) as financial pressure and stress impacts in the home. ... We are valuing the government response through the PHO funded ProCare system which many adult clients are utilising through their GPs.* – VisionWest.
- *Many families have English as a second language and don’t understand terminology, jargon, acronyms, this seems a small issue, but is creating barriers to understanding rights and accessing services.* – Presbyterian Support Northern.

Finally, from the children / young people’s responses to the Expert Advisory Group on Child Poverty, expressing concern about the responsibilities which fall on children when their parents have to work:

Some children spoke of having to take on more responsibility within their families in order for their parents to work. This resulted in them sometimes feeling overwhelmed and unable to focus on their education.

“Eldest having to play PARENTAL – due to parents at work.”

“School drop outs to provide for family, unable to further education due to responsibilities, work.”

Feedback to Experts Advisory Group
Office of the Children’s Commissioner, 2012,
Our views matter, p.7

Vulnerability Reports are available on our website www.justiceandcompassion.org.nz. If you are involved in a social service agency and would like to contribute to future issues please contact: NZCCSS on 04 473 2627 or email us at admin@nzccss.org.nz.

Disclaimer:

While every effort has been made by NZCCSS to accurately collect and interpret statistics and data provided in this report it is recommended that readers check original data sources where possible.