



"Today amid so much darkness we need to see the light of hope and to be men and women who bring hope to others," ... "To protect creation, to protect every man and every woman, to look upon them with tenderness and love, is to open up a horizon of hope, it is to let a shaft of light break through the heavy clouds."

Pope Francis, TV3 20 March 2013

INTRODUCTION

Where are the people? We have an increase in unemployment and a decrease in the number of people on benefits. If people are not getting jobs, and they are not getting benefits, then how do they get to eat? Where do they get to live?

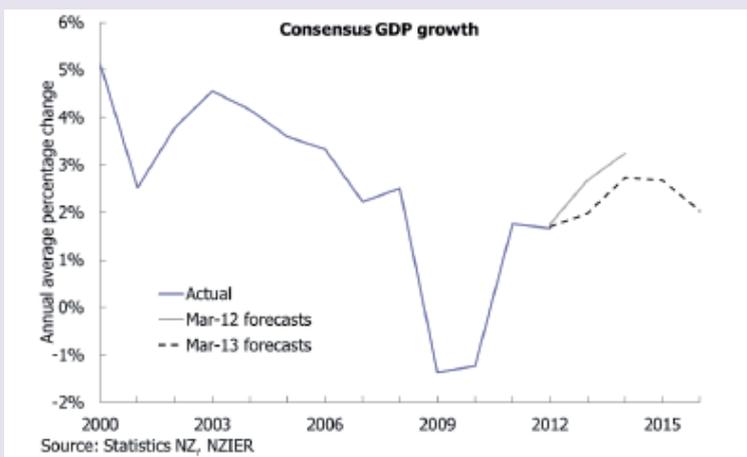
Welfare reforms in Aotearoa New Zealand are predicated on people being able to get jobs. Instead, people have left the labour force, the number of people employed has actually declined, and more people are looking for jobs.

There are some people who are really being left out. Young people and Māori are increasingly marginalised. Almost 45% of our unemployed people are aged 15-24, and over one quarter is Māori. The percentages for each keep creeping up. Female unemployment has jumped from 6.4% to 7.6% in the last year. There is a marked increase in the Pasifika unemployment rate, so why then have Pacific peoples receiving unemployment benefits declined by almost 10%?

The 15th 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 2012. Some data from January and February 2013 has been included when available. NZCCSS seeks for our poorest to do well.

*He waka eke noa
We are all in this together*

THE ECONOMISTS' PICTURE

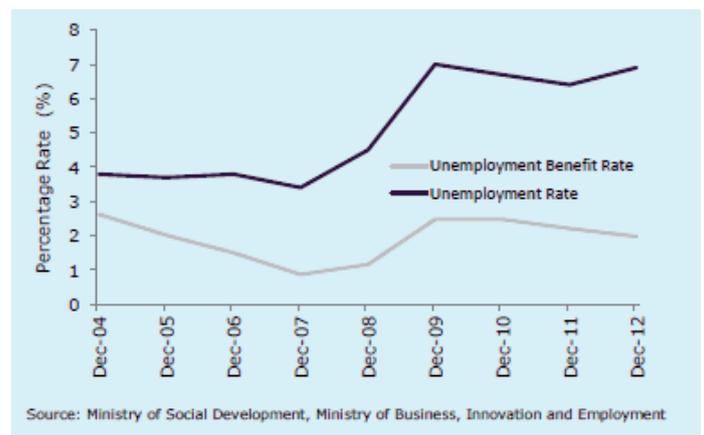


Source: NZIER Consensus Forecasts March 2013

"The New Zealand economy is recovering from one of the deepest and longest recessions in living memory", according to the New Zealand Institute of Economic Research. They add that the "recovery over the past three years has been grudgingly slow". However the Canterbury rebuild should provide some increase in economic energy. We note their 2013 forecasts are less optimistic than those compiled in 2012.

Our economic environment is precarious. The NZIER's Consensus Forecasts predict a slow recovery. However, their forecasts were written prior to drought impacting on our dairy industry, and before US president Obama ordered US\$85 billion in budget cuts which could "slow the US economy and slash jobs." Reduced US demand for goods and services has impacts well beyond the US, e.g. China is dependent on the US and Europe to buy their exports. We are dependent on China and Australia to buy our exports.

SO WHERE DID EVERYBODY GO?



Source: Ministry of Business, Innovation and Employment, Quarterly Labour Market Report February 2013.

UNEMPLOYMENT

Māori continue to be over represented in our stats. This is not new but continues to grow as it does for Pasifika

Family Works, Hawkes Bay

Unemployment is up, and welfare benefits are down. Where the people and what are they doing? Currently 6.9% of our labour force is unemployed, a 0.5 percentage point increase in the last year. A chart showing detailed unemployment statistics is contained in the Statistical Appendix at the end of this report. Those unemployed include:

Women: female unemployment is now 7.6%. We wonder if the sudden increase in female unemployment is partly due

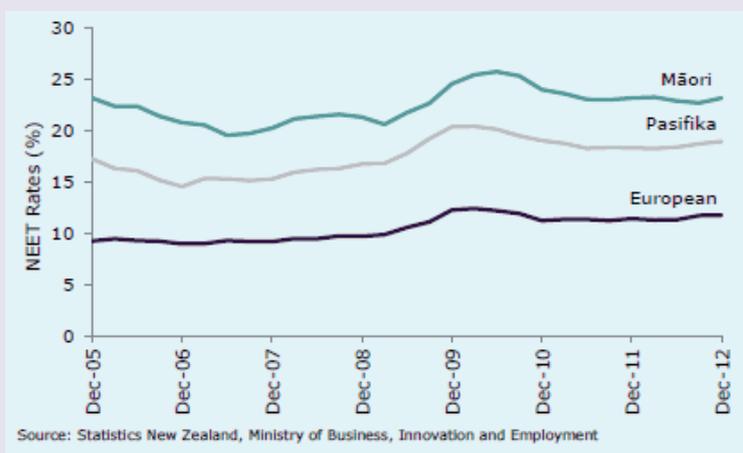


to tighter work testing for lone parents on Domestic Purposes Benefits. Since 15 October 2012, people whose youngest child is aged between five and 13 years have been required to look for part-time work of at least 15 hours a week, and accept any suitable job. People whose youngest child is 14 or older, or have no children, are expected to look for full-time work of at least 30 hours a week, and accept any suitable job.

Young people: 17.6% of people aged 15-24 are unemployed. This rate varies according to ethnicity with 15.1% of European youth unemployed, 27% of Māori youth, and 28.8% of Pasifika youth.

The **NEET** (Not in employment, education or training) rate measures youth disengagement. Currently 14.2% of people aged 15-24 are not in education, employment or training. Among 15-24 year olds, in the year to December 2012, 18.1% of Māori males and 28.2% of Māori females were NEET, compared with 10% of Pākehā males and 13.5% of Pākehā females in this age group. NEET equals the total number of youth who are not in education, employment or training, as a proportion of the total youth working age population.

NEET Rates by Ethnicity



Non-Pākehā: People who are not Pākehā (unemployment rate 5.5%) are more likely to be unemployed; i.e. Māori (14.8%); Pasifika (16%); Asian peoples (8.0%).

People who live in some regions: People in Northland (9.5%), Auckland (7.2%), Bay of Plenty (8.6%), Gisborne/ Hawkes Bay (8.6%), Manawatu/Wanganui (8.5%), Wellington (7.9%), are more likely to be unemployed than those living elsewhere.

Long term unemployed: Of those unemployed, 29% are long-term unemployed (unemployed for at least 6 months).

Sources: Ministry of Business, Innovation and Employment *Quarterly Labour Market Report February 2013*; Ministry of Business, Innovation and Employment *Māori Labour Market Factsheet: December 2012*; Statistics New Zealand, *Household Labour Force Survey, December 2012 Quarter*; Statistics New Zealand, *Infoshare*

Changes in the last year

- Pākehā unemployment grew from 4.7% to 5.5% in the year to December 2012.
- Māori unemployment increased from 13.4% to 14.8%.
- Pasifika unemployment grew from 13.8% to 16%.
- Female unemployment jumped from 6.4% to 7.6%.
- People in self-employment reduced by 19.3%.
- Jobless people increased by 23,200 (8.9%). Jobless people are either unemployed, or actively seeking work but not immediately available for a job, or immediately available for work but not actively seeking a job.
- People aged 15-24 not in employment, education or training (NEET) increased by 0.8% percentage points.
- NEET by ethnicity for the last two December quarters is as follows:

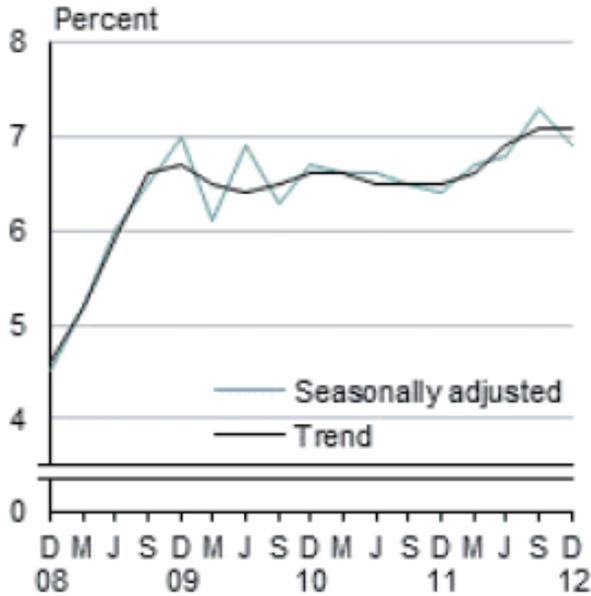
Ethnicity	Dec 2011	Dec 2012
Pākehā	11.4 %	11.7%
Māori	23.0%	23.1%
Pasifika	18.2%	18.9%

- **Unemployment** increased in all but one of the North Island regions (Waikato) and fell in most of the South Island.
- The **employment** rate (number of employed people divided by the number in the working age population) fell 1.4 percentage points.
- People left the labour force, i.e. the **participation rate** fell by 1.2 percentage points. The labour force participation rate equals the number of people who are either employed or unemployed, divided by the total number of people in the working age population.

In summary, the number of people who are unemployed has increased. The number of people who are employed has fallen. People’s involvement in the labour force has decreased suggesting people have given up looking for jobs and may be relying on a partner or other forms of income. As the next section shows, whatever they are doing, people who have not got jobs are not increasing unemployment benefit numbers because numbers receiving these have fallen by 10%.

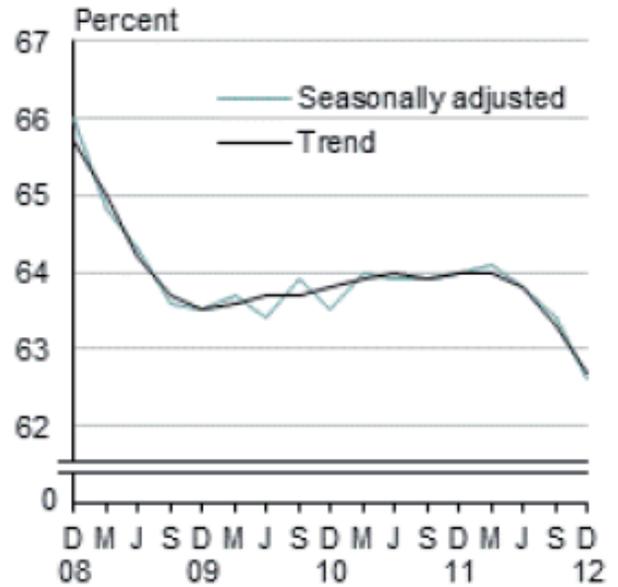


Unemployment rate Quarterly



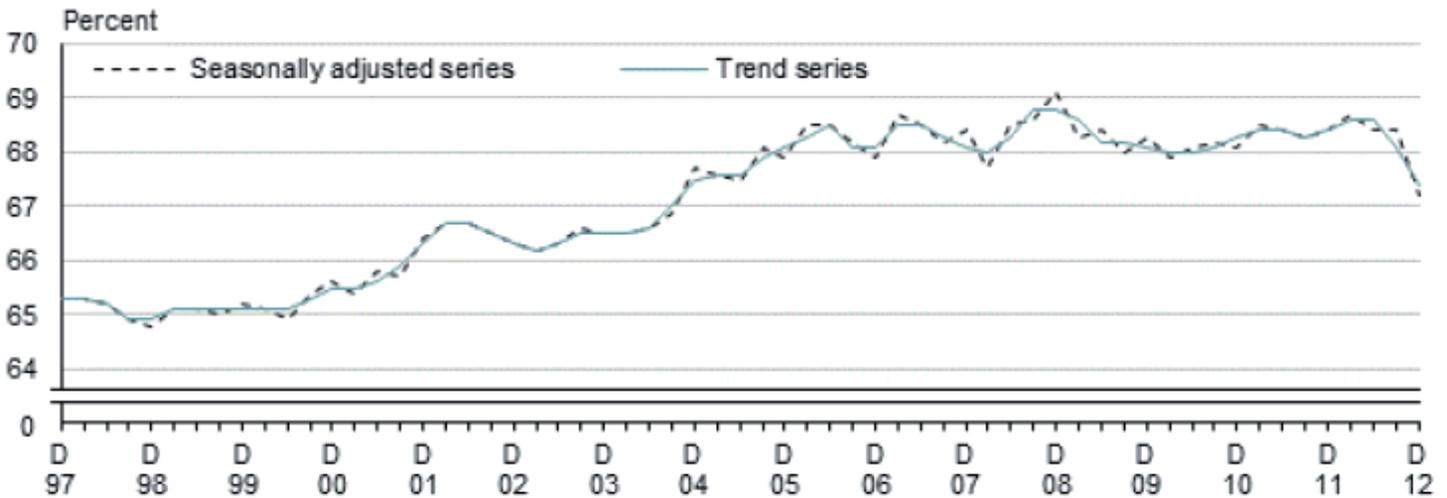
Source: Statistics New Zealand

Employment rate Quarterly



Source: Statistics New Zealand

Labour force participation rate Quarterly



Source: Statistics New Zealand

Sources: Ministry of Business, Innovation and Employment *Quarterly Labour Market Report February 2013*; Ministry of Business, Innovation and Employment *Māori Labour Market Factsheet: December 2012*; Statistics New Zealand, *Household Labour Force Survey, December 2012 Quarter*; Statistics New Zealand, *Infoshare; MSD, Benefit Fact Sheets*.



BENEFITS

We see queues of people at Work and Income every day. Much more than we have seen in the past

Family Works, Hawkes Bay

If more people are unemployed, and they are not getting unemployment benefits, maybe they are getting other benefits instead. As we will illustrate, this is not the case. A chart showing changes in benefit numbers is contained in the Statistical Appendix at the back of this report.

How have benefit numbers changed?

General – In short, the extra unemployed people do not seem to be getting benefits. Benefit recipient numbers fell in all categories over the last year except for a tiny increase in people receiving Sickness benefits.

There are currently around 339,000 people aged 18-64 receiving a main benefit. Women are over-represented (58.1%), as are Māori (33%), and people aged 18-24 years (19.9%). Total numbers on benefits fell by 11,837 (3.4%) in the year to December 2012. Numbers fell in every category except for Sickness benefits. Here numbers grew by 497, cancelling out the 472 reduction in numbers on Invalid's benefits.

The proportion of people on benefits who are Māori has increased from 31.4% in December 2009, to 31.9% in 2010, 32.5% in 2011 and is now 33.0%.

Who is receiving what benefit?

Unemployment – Numbers receiving unemployment benefits have reduced by 6,217 or 10.4% in the last year. There are currently 53,747 people receiving this benefit. Just over two-thirds are male and 38.8% are Māori. Important changes in the last five years include: a significant increase in the proportion of recipients aged 18-24 years (22.6% in 2007 vs. 29.5% last December), and large reductions in the proportion aged 55-64 (19.6% five years ago compared to 12.4% last December). "Over the past year, the number of Pasifika on an unemployment benefit has fallen from 5,246 to 4,767, a drop of 9.1%" (Ministry of Business, Innovation and Employment, *Pasifika Labour Market Factsheet*).

DPB – Just over 109,000 people were receiving the DPB in December 2012. DPB recipients are most likely to be female (87.8%), aged 20-24 (16.9%), and caring for a child under 6 years (62%). DPB recipients have decreased by 4.5% in the

last year. Māori comprise 42.8% of recipients. Over 50% of recipients have been receiving a DPB continuously for fewer than four years.

Sickness – Numbers on Sickness benefits increased by 497 or 0.8% in the last year. Over one third (36.5%) were aged between 40 and 54 years. Just over 61,000 people were receiving sickness benefits at the end of December 2012. Again Māori were over-represented (28.1%). The most common reason for being on a Sickness benefit was a psychological or psychiatric condition (42.5%), followed by musculo-skeletal system disorders (15.3%).

Invalids' – There were 83,571 people receiving Invalids' benefits in December 2012. Almost 75% were over age 40, and 33.9% 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 (31%) or an intellectual disability (12.8%). Numbers receiving Invalids' benefits have fallen slightly (0.6% or 472) in the last year.

Sources: MSD, *Benefit fact sheets*, Ministry of Business, Innovation and Employment *Pasifika Labour Market Factsheet: December 2012*.

HARDSHIP ASSISTANCE

We have an increasing number of people accessing our services who are in employment but struggling to make ends meet. They say things have got tougher and they are not managing to meet their costs each month so constantly in a deficit. The first costs to go are food – our clients say they make do and ensure the children are fed before the adults, however we know this is not a good solution...

Pam Waugh, The Salvation Army.

People receiving hardship assistance fell by 1.9% in the last year. Numbers of people on the Special Benefit have declined by just under 20% over the year. This is due to attrition as TAS replaced the Special Benefit on 1 April 2006. There was a tiny increase in Temporary Additional Support (TAS) (0.5%). A chart showing hardship assistance trends can be found in the Statistical Appendix at the end of this report.

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 19.2%



of Special Benefit recipients in the December 2012 quarter and 27.8% of Temporary Additional Support recipients.

Special needs grants for food, electricity, water and gas have also continued to fall in the past year. Grants for food fell by 9.1% (almost 9,000), and advances for electricity, water and gas fell by 4% or just over 300. Māori comprise 43% and 46% of food and power assistance recipients respectively. A chart illustrating the changes can be found in the Statistical Appendix at the end of this report.

WHAT'S GOING ON?

We see some people who are just drifting from household to household – that is living with people until the generosity runs out...

Pam Waugh, Community Ministries, The Salvation Army

Unemployed numbers have increased. Numbers receiving unemployment, DPBs, Invalids' and other benefit have fallen. Numbers receiving hardship assistance have also fallen. Employment has fallen too. Given the employment situation, we would have expected a rise in both benefit and hardship numbers.

However, rather than a rise, we have a fall. We do know benefits and hardship grants are increasingly difficult to obtain as government has tightened its policies.

Policy Changes

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:

- 16 and 17 year olds needing benefits have been required 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.

Since October 15 2012:

- People on the Domestic Purposes Benefit and partners of people on Unemployment, Sickness, Emergency and Invalid's benefit whose youngest child is aged between five and 13 years have been expected to be available for part-time work, and accept any offers of suitable work.
- If their youngest child is aged 14 or older or they don't have any children, they are expected to be available for full-time work, and accept any suitable offers.
- If a person on a benefit has another child after 15 October 2012, once that child turns one year old, their work obligations are based on the age of their next youngest child.

What appears to have changed dramatically with Work and Income culture is the absence of getting to know the client on a relational level (they have become a number), and when they don't tick the boxes, then they are turned away

VisionWest

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

- "More than 21,400 people leaving the Unemployment Benefit with half failing to reapply."
- "... more than 5,500 Unemployment Benefits cancelled because people had obtained work."
- "More than 10,600 sole parents on the DPB with children over six years old are now earning more than \$100 a week through part-time work."
- Reassessments for those on the Sickness Benefit and has resulted in around 5,100 leaving this benefit. "The main reasons for leaving this benefit were due to the person finding work or no longer being eligible for a Sickness Benefit." (Minister of Social Development, Press Release, 26/02/2013).

What we have observed through our service is:

- *Couples where one is unemployed rely on their spouse/partner as they do not qualify for assistance*



- *Adult youths are continuing to live at home dependent on parents support*
- *Unemployed immigrants, refugee, or non-residents are being funded by the refugee council, church groups, and host families*
– VisionWest.

COMMUNITY EXPERIENCE: Some clues about what is going on come from the service providers

- *For the quarter ended 31/12/2012 we provided food parcels to 292 young people. Of this group, 13.4% were female with children – the young DPB parents who are meant to be receiving assistance through their youth providers. 24% were single females and 30.8% were single males. We are tracking this ... 15.6% of these clients were referred by government agencies*
– Pam Waugh, Community Ministries, The Salvation Army
- *High numbers of people are homeless living off the good will of others. In effect, people are shying away from having to cope with the ... systems in place at Work and Income* – VisionWest
- *We see people put straight into “job seeker” status regardless of their circumstances – often we find they need a lot of extra support e.g. housing or health issues that must be attended to before they are stable enough to be job seeking*
– Pam Waugh, Community Ministries, The Salvation Army
- *Clients reporting real pressure to take work, but this results in fluctuating income which affects their benefits, (e.g. benefits get cut off but then not reinstated). Those with poor literacy are particularly disadvantaged; more advocacy is then required for clients, which is time demanding of the service*
– Presbyterian Support Northern.
- *Those who have the opportunity of infrequent, multi-employer work face such high penalties from benefit abatements and secondary taxes that it simply makes no sense for them to accept work at all* – VisionWest
- *Our services have noticed small trickles of people coming through who have had their benefits cut because they haven't met Work and Income requirements – often this is because of communication between client and Work and Income*
– Pam Waugh, Community Ministries, The Salvation Army
- *Work and Income is very quick to cut benefits, but not so fast to reinstate them* – Presbyterian Support Northern
- *Clients struggle with processes at Work and Income around Sickness and Invalids benefits. Where medical certificates and specialists reports are required (and produced at the cost of the*

client) often they are not accepted and this is where we see benefits being cancelled or temporarily stopped – VisionWest

- *Work and Income say they work to try and prevent a benefit cut off – we have clients who have experienced a benefit cut swiftly and then we need to spend time in advocating for them to have this restored.* – Pam Waugh, Community Ministries, The Salvation Army
- *We are aware some clients who are not bothering to enrol with Work and Income – assuming they won't be entitled or it is just too hard* – Presbyterian Support Northern.

Challenges for services

The services themselves also face challenges with their own funds and ability to meet demand:

- *The period you want us to report on was when we were bedding in our new working hours. The clinical staff have gone from 37.5 hour to 32 hour weeks*
– Catholic Social Services branch.
- *Losing this contract (home and community services) for older people will have an impact on us but we are a sizeable organisation and it won't ultimately affect our viability. We did our best to get round the table together, but the SDHB didn't want to. We have chosen to go forward and give our best co-operation to the SDHB in order that the change of providers is accomplished as soon and as smoothly as possible*
– Presbyterian Support Otago 27/03/2013.
- *Noticing clients ringing now and saying that Insolvency (Christchurch) suggested they ring us because we are very experienced in insolvency processes. Community Law have always done that* – Presbyterian Support Northern.
- *We have maintained our budgeting services through the help of Community Response Funding and now this has come to an end, have to look seriously at what we can do to help us go forward to maintain our services. This is an area of priority for us* – Pam Waugh, The Salvation Army.
- *The absolutely horrendous long waiting list force beneficiaries to borrow money ... Money they can't afford to repay, so they just dig a bigger hole for themselves. If budgeting services had more funding, they could employ more staff and process referrals faster*
– Shirley Woodrow, Dunedin Budgeting Advisory Service

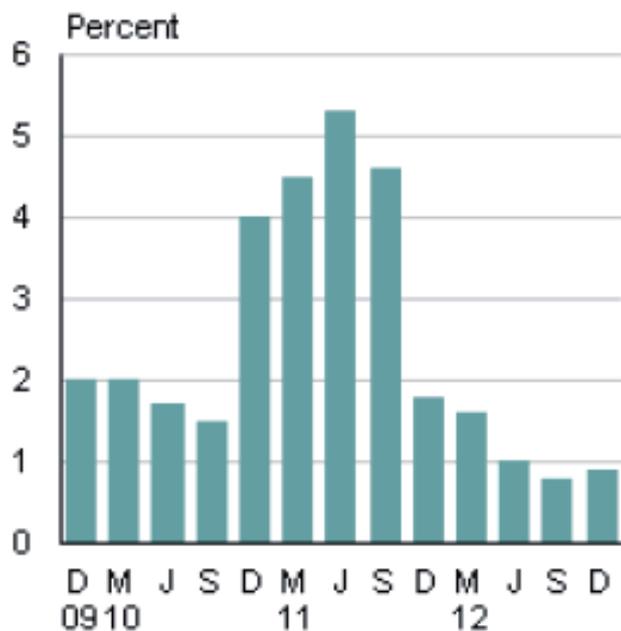


AFFORDING THINGS

There is a large increase in young people wanting food parcels

Downtown Community Ministry

Consumers price index Annual change



Source: Statistics New Zealand

The Consumer Price Index increased by 0.9% in year to December 2012. The low level of increase may reflect a low level of demand in the economy. Hidden in the small increase were some significant increases for some goods and services.

Item	% Increase
Petrol	0.9% ↑
Electricity	5.2% ↑
Cigarettes / tobacco	13% ↑
Housing rents	2.4% ↑
Local authority rates and payments	4.3% ↑
Insurance	7.0% ↑
Medical services	3.7% ↑
Beer	3.2% ↑

However, there are also some significant decreases:

Item	% Decrease
Fresh milk	9.5% ↓
Cheese	7.7% ↓
Butter	24% ↓

Source: Statistics NZ, Consumer Price Index, December 2012 Quarter

Annual wage growth in the year to December 2012 was 1.8 per cent according to the Labour Cost Index which measures changes in pay rates for a fixed set of jobs (excluding performance-related pay).

Rents for private tenancies increased by 4.6% on average during the year to January 2013, however this hides considerable regional variation (see housing section).

Those who have to rely on benefits have fallen into genuine financial hardship, with arrears and debts spiralling out of control. Having a budget and spending plan is ideal but most clients we see have an average weekly deficit of \$120 per week, this is why they seek assistance

– VisionWest

Sources: Statistics NZ Consumer Price Index; Statistics NZ, Labour Cost Index

PERSONAL DEBT

There is a mixture of people coming for food; from single, first-time clients, who have no work, to families who, having had to pay for expensive school uniforms and stationery, find they have little left to spend on food. They have been paying bills and school fees etc. with little left to spend at the supermarket.

– Christchurch City Mission

Almost one quarter (22%) of respondents to the Quality of Life Survey said they did not have enough money to meet their everyday needs for things such as accommodation, food, clothing and other necessities, (up from 13% in 2010). The Quality of Life survey measures the perceptions of over 5,000 residents living in some of New Zealand's largest urban areas (including Auckland, Wellington, Hutt, Porirua, Christchurch and Dunedin).



Personal Insolvency statistics

	Bankruptcy	No Asset Procedure	Summary Instalment
2009	2,785	2,987	303
2010	2,622	2,244	402
2011	2,535	1,992	347
2012	2,137	1,548	344

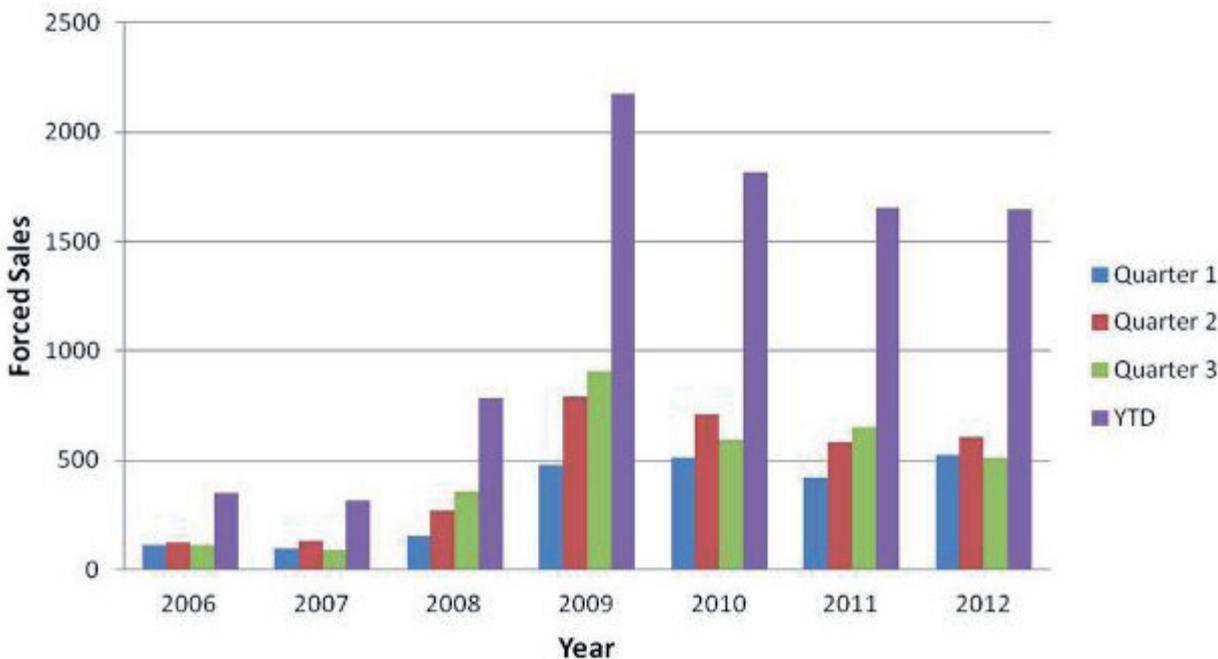
Source: Insolvency Trustee Service (Ministry of Economic Development).

Bankruptcies, No Asset Procedures, and Summary Instalments have all been falling in recent times. This may reflect people with money being less likely to over-extend them since the global recession. It could also reflect people withdrawing from Kiwisaver to deal with debt. 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.

Another indication of indebtedness is mortgagee sales. While mortgagee sales have not reached pre-global recession levels, they have trended downwards over the last three years in a similar manner to the insolvency figures.

Year on Year Mortgage Sales by Quarter YTD (Q3)



Source: Terralink

COMMUNITY EXPERIENCE

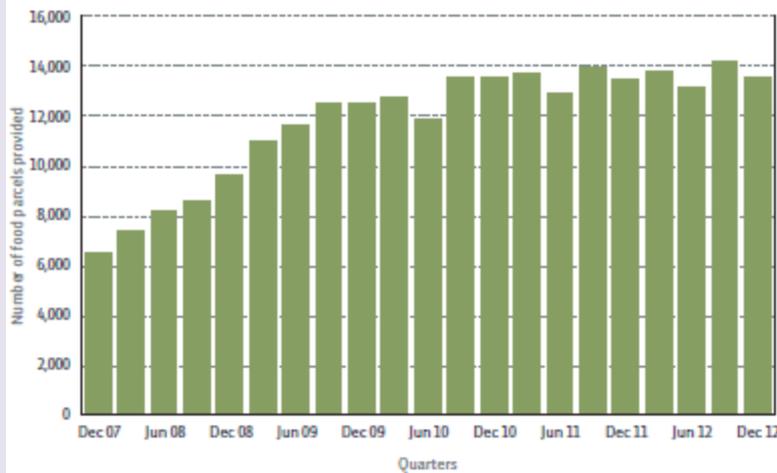
The pressure on parents to provide for their children's schooling needs as they return to the classroom is typical at this time of year

Raewyn Fox, Federation of Family Budgeting Services

- Family Budgeting Services is reporting a big rise in the number of Māori seeking help – recording an increase of 41% last year. Māori now make up 43% of the people it sees – Federation of Family Budgeting Services
- VisionWest budgeting provides 52 service hours per week. ...approximately 40-45% is direct referrals from Work and Income – VisionWest

Salvation Army Food Parcel Numbers Dec 07 – 12

Figure 16: Food parcel distribution by The Salvation Army 2007-2012⁴⁸



Source: The Salvation Army, She'll Be Right, p.48

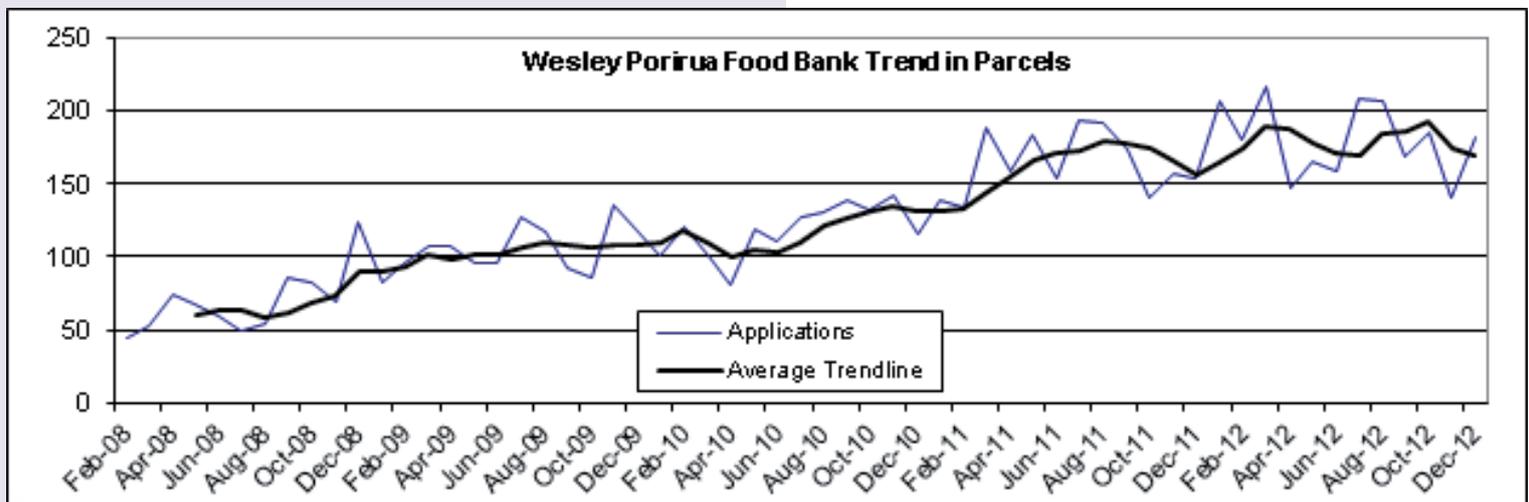


- *Even though I spent 6 years at uni getting a great set of quals (& worked 6 part-time jobs & looked after my kids) and have been in the workforce for nearly 40 years, life is not necessarily easier... About 70% of my income is absorbed in mortgages, insurance, rates, power and petrol to work etc. This leaves very little for me to live on and life is pretty much pay to pay ...*
– (Name withheld by NZCCSS)
- *Food prices are an on-going challenge – with increases in power and water. Products adjusting their size, so hidden price increases*
– Presbyterian Support Northern
- *Our stats for budgeting show we have a 5.35% increase in services provided over the past year to 21/12/12, but a 107% increase over the last three years to 31/12/12*
– Pam Waugh, The Salvation Army

AFFORDING THE EXPENSIVE HOUSE

Resources are shrinking and we need regional networks. There are people living in a former woodshed, in the back of a garage. There is no power, running water, and a canvas shelter wall. They are paying \$240 per week while they sit on the Housing New Zealand waiting list
NZCCSS Council Member

New Zealand houses are “severely unaffordable” according to the 9th Annual Demographia International Affordability Survey which covers 337 metropolitan markets in Australia, Canada, Hong Kong, Ireland, New Zealand, the United Kingdom and the United States (Demographia, 2013). The average metropolitan house cost 5.3 times the average



Source: Wesley Community Action

- *Financial struggles are increasing: more families are seeking food parcels and requesting special assistance. “Families are proud and do not like to ask .. but they have been worn out from two years of trying to make ends meet” The hardest hit areas are Dallington, Kaiapoi, new Brighton and Aranui*
– Caritas / Catholic Diocese, Christchurch

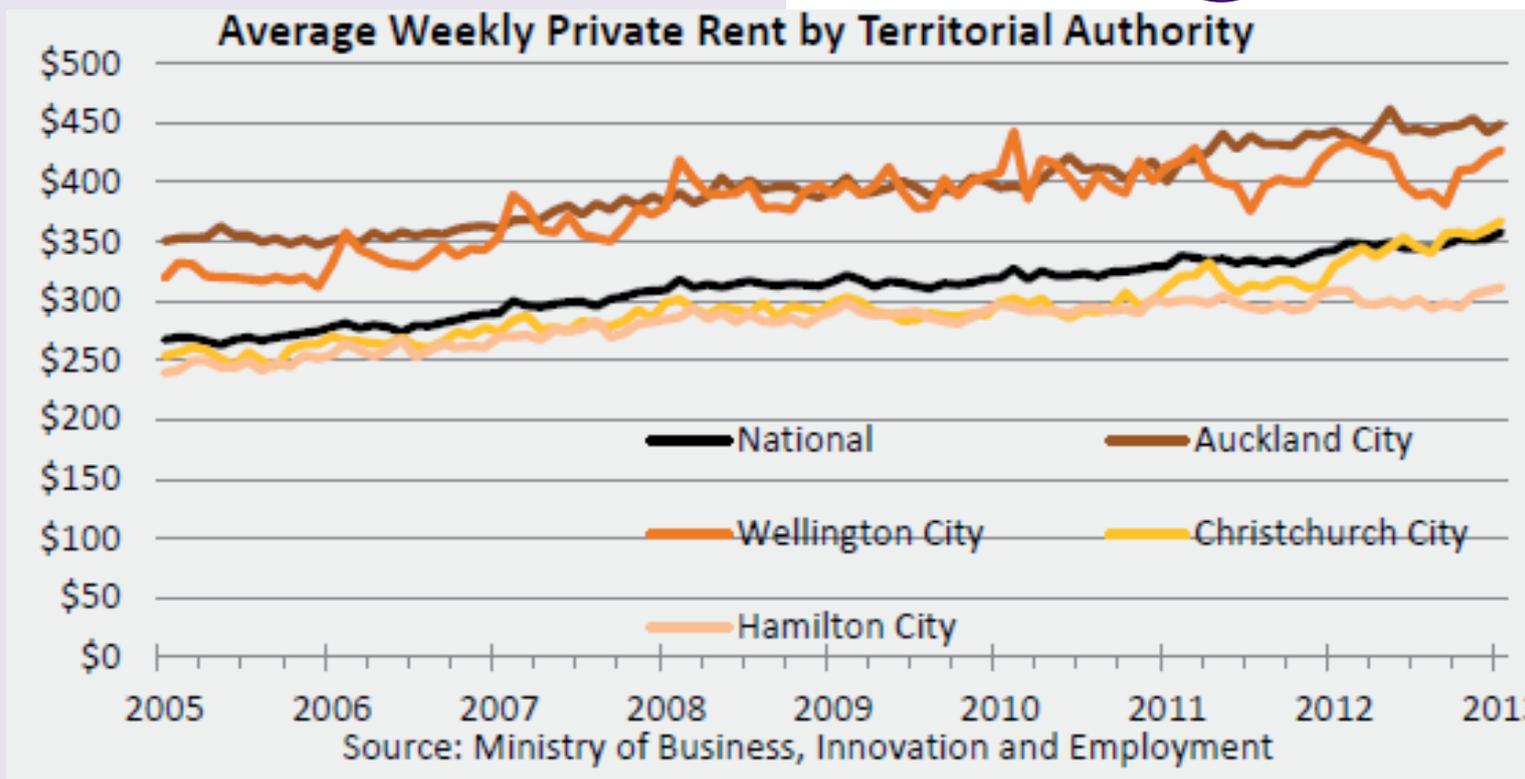
In summary, clients feel they are fighting a losing battle and avoid Work & Income as much as possible. “It’s not worth the stress.” I would like to see a public forum conducted targeting these issues, giving the beneficiaries a platform to be heard and express their realities.

– Debbie Carswell-Griffiths, Budget Advisor/Manager

income. Auckland is the least affordable market, with houses costing around 6.7 times the average income, closely followed by Christchurch at 6.6.

Rents for private tenancies increased 4.6% during the year to January 2013. Average weekly private rents are \$358. However, this hides regional variation with:

- Christchurch \$367 (11% ↑)
- North Shore \$491 (7%↑)
- Manukau \$427 (5%↑)
- Waitakere \$387 (4%↑)
- Auckland City \$449 (1%↑)
- Hamilton \$311 (1%↑)
- Wellington \$427 (unchanged)
- A three bedroom house in central Dunedin is \$346



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

Buying a house is expensive with property values increasing by 6.3% over the past year to February (*Quotable Value, Residential Price Movement, March 2013*). This hides regional variation, with Auckland properties increasing by 10.4%, Wellington (1.7%), Christchurch city (7.5%) and Dunedin (3.7%).

SOCIAL ASSISTANCE

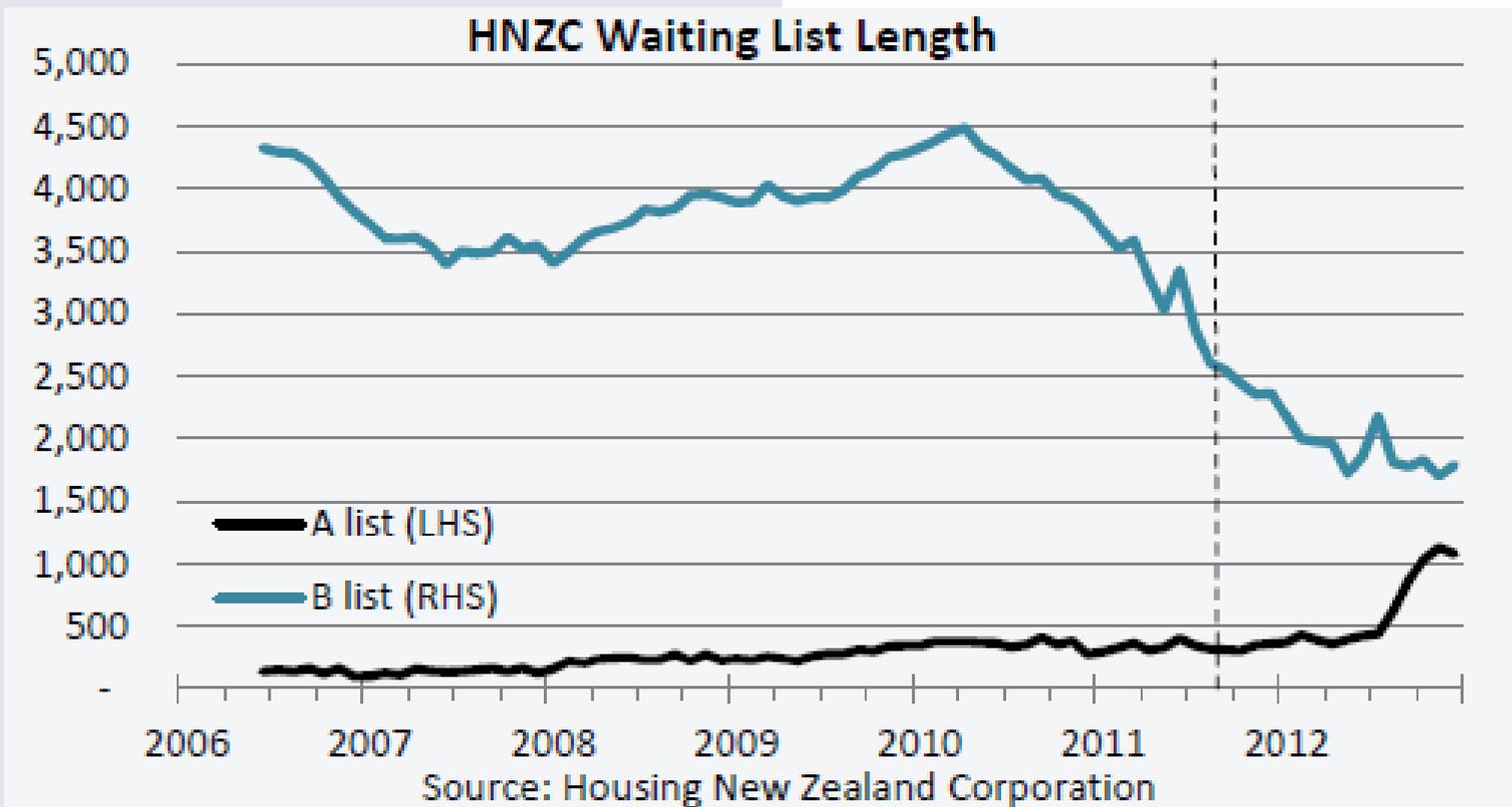
Accommodation supplements and income related rents are the main forms of housing support. Accommodation supplements assist those on low incomes or in receipt of benefits. People in Housing New Zealand homes are eligible for income related rents which are set at no more than 25% of income when income is below a set amount. There were 315,710 people receiving accommodation supplements during the December 2012 quarter. This represented a 2.0% decrease over December 2011. Numbers paying income related rents decreased from 61,712 in December 2010 to 61,001 in December 2011, and 59,363 in December 2012 – a 3% decrease in the last year (*Department of Building and Housing website: Sector Information; MSD; Housing New Zealand, Official Information Act request*).

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. Priority C and

D applicants have not been added since 30 June 2011. 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). As at 28 February 2013 there were 4,381 people on the waiting list. Of these:

- 1,175 were Priority Eligible – A
- 1,934 were Priority Eligible – B
- 745 were C (assessed before 30 June 2011)
- 527 were D (assessed before 30 June 2011)

Last year there were 4,842 people on the waiting list. The 10% fall in the list no doubt reflects increasing difficulties getting on the waiting list in the first place. Pre-assessments for suitability are done via a call centre. People who make it through this process then have a ‘full needs assessment’ where they are required to bring along a host of information which may include passports or birth certificates, Work and Income payment certificates, proof of any family assistance from Inland Revenue, proof of current rent or board payments, information relating to expenses such as power, food and phone, bank statements, copies of loan or hire purchase agreements, records of any court fines, credit card accounts, Tenancy Tribunal Orders, doctors certificates or health reports if there are health-related reasons for moving from their current home, and any letters of support from advocates or community representatives.



It is also increasingly difficult to stay in a HNZC house. As at 1 July 2011, 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 (December 2011, Briefing to the Incoming Minister, p.17).

Sources: Ministry of Business, Innovation and Employment, Key Housing Indicators, February 2013, Key Social Housing Indicators February 2013, HNZC website, Application Process, Waiting List; MSD.

COMMUNITY EXPERIENCE

Some groups are more discriminated against than others, especially Māori, Pasifika, single parents and young people

Caritas

- Housing New Zealand isn't building anymore, council isn't building anymore, but the need is increasing. Where does that lead? – Mike Leon, Wellington Night Shelter Manager
- The number of clients living at the “sharp end” – sleeping rough on the streets or in the night shelter – doubled early last year to more than 50 and has remained high ever since – Downtown Community Ministry (Wellington)
- Many men are forced to live in cars, garages and on the streets because 90 per cent of protection orders are placed on them, barring them from their homes – Stephan John, WISE (Stuff 1

March 2013, Concerns raised on emergency housing).

- VisionWest is building 18 houses this year. They are involved in housing forums. The effects of supported housing on people who need support is transformational – Lisa Woolley, VisionWest.
- There are many empty Housing New Zealand houses in Wiri and at least half have been empty for 3 months or more. There is also a lack of maintenance – NZCCSS Board member.
- We notice a lot of empty housing Housing New Zealand homes in Flaxmere and Hastings. We know families are moving in together to save money – Family Works Hawkes Bay.
- We provide transitional housing – that is the clients are there to work on issues while gaining stability ready to back into community. However, it takes longer to access housing and with the HNZ guidelines making it more difficult to access their housing, often the clients are going into private rental accommodation. Of the housing available, we have a 99% occupancy. Although we try to do planned admissions to the housing, the majority of clients come in emergency – they have had to move from their housing because of rent arrears, domestic violence, family breakdown etc. All the families will have multiple and complex needs and stay for a period of up to 3 or 4 months while they work on issues that are affecting their stability – Pam Waugh, The Salvation Army



CANTERBURY: A quarter (26%) has had to move house permanently or temporarily. The everyday lives of 16% of residents have been strongly impacted by needing to move

CERA, Survey of Christchurch Wellbeing 2012

- The earthquakes dealt a “double blow”, with anxiety caused by dealing with insurance, repairs and recovery agencies proving more debilitating than the earthquakes. ... Many people felt buildings were deemed more important than people
– Stuff 3 March 2013 “Neglected Cantabs say people, not buildings priority”.
- A Salvation Army shelter providing accommodation for 82 men has been at 100% occupancy since the earthquakes
– Stuff , 28 February 2013, Low income people ‘have nowhere to go’
- Older people who would usually at this time look to move to more appropriate housing, either because a spouse has died or gone into care, or because their own ability to manage in a larger home has diminished, are finding themselves ‘stuck’ while they wait for EQC and/or insurers to agree and make a financial settlement – Alison Jephson , Director, Anglican Living.

- Family members who would otherwise be the informal carers of older people, have moved away, often to Australia, after the earthquakes, leaving a void for social interaction as well as practical assistance in the home and physical care
– Alison Jephson, Director, Anglican Living.

CHILDREN AND POVERTY

More and more children are coming through with significant anxiety related concerns, as parents experience anxiety it is often modelled to the child. Financial, work, relational stress all inhibit a parent’s ability to model confidence and peace to the child

VisionWest

“Over 21% of New Zealand children continue to live in benefit-dependent households and over 17% of New Zealand children live in ‘workless households’. This figure has changed very little over the past five years, and it is these children who remain most at risk of material hardship as a consequence of the employment status of their parents and current welfare policy settings,”
–The Salvation Army, (2013), *She’ll Be Right*, p14-15.

Number of benefit dependent children aged as at the end of December 2012 by ethnicity of caregiver

Benefit group	Ethnic group of caregiver					Total
	Maori	NZ European	Other	Pacific Island	Unspecified	
DPB related	81,261	57,254	14,762	20,340	2,319	175,936
IB	4,205	5,353	1,595	1,446	169	12,768
SB related	3,620	3,655	3,102	2,248	169	12,794
UB related	5,264	2,912	2,313	2,945	132	13,566
Other Main Benefits	2,582	1,634	1,984	1,695	119	8,014
Total	96,436	70,808	23,756	28,674	2,908	223,078

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.

Main Benefits exclude NZ Superannuation, Veteran’s Pension, Non-Beneficiary assistance, Orphan’s Benefit and Unsupported Child’s Benefit

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, YP, YPP, Unemployment Benefit Training, Unemployment Benefit Hardship Training, Unemployment Hardship Students and Widow’s Benefit, YP is Youth Payment, YPP is Young Parent Payment

- At the end of December 2012, over 223,000 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, to 223,078 in December 2012. This is around a 5% reduction in two years.
- Just over 43% of benefit dependent children have Māori caregivers (a slight increase on last year), and 36.4% of benefit dependent children have Māori caregivers receiving the DPB (also a slight increase on last year).



Change in Number of benefit dependent children between Dec 2011 and Dec 2012 by ethnicity of caregiver

Benefit group	Ethnic group of the caregiver					Total
	Maori	NZ European	Pacific Island	Other	Unspecified	
DPB related	-3.1%	-5.4%	-4.1%	2.8%	-11.0%	-4.0%
IB	-4.5%	-5.5%	-6.2%	4.6%	-6.1%	-5.1%
SB related	1.2%	-5.8%	-1.7%	6.3%	15.8%	-3.0%
UB related	-8.8%	-18.0%	-16.5%	12.7%	-14.3%	-13.1%
Other Main Benefits	24.7%	12.1%	18.4%	-0.6%	5.3%	13.8%
Total	-3.2%	-5.6%	-4.4%	4.0%	-9.1%	-4.1%

The increase in the ‘other main benefits’ figure may be due to inclusion children of recipients of the new Young Parent Payment.

Care and Protection

Services frequently mention stresses on relationships, and the impact on families. They comment that DHB/ PHO funding is available for dealing with mild – moderate mental health issues for individual, but often the significant stress is caused by the relationship. This does not have similar funds attached and leaves a significant gap for families’ struggling with separation or reconciliation concerns.

Quarter	C&P Notifications	C&P Notifications FARs	C&P Notifications FARs with Ethnicity Māori
Oct-Dec 2009	31,651	13,966	6,476 (46.4%)
Oct-Dec 2010	37,766	14,374	6,466 (45.0%)
Oct-Dec 2011	38,933	14,930	6,571 (44.0%)
Oct-Dec 2012	39,308	16,060	7,574 (47.2%)

Notes:

C&P notifications: The numbers in the tables do not represent the number of distinct clients.

Some clients may 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. The quarterly data for care and protection notifications from July 2011 includes Police Family Violence referrals

Source: CYF

There were 16,060 care and protection notifications where further action was required in the last quarter of 2012. Māori comprised 47.2% of these notifications.

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 2011	3,963	1,998	50.4%
Oct-Dec 2012	3,783	1,996	52.8%

Notes:

Ethnicity: Please note that 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. Clients and their family are not always consistent in the primary ethnicity that they select. An ethnicity is not always recorded.

Source: CYF

There were 3,783 children in out of home placements at the end of the October-December 2012 quarter. Around 53% of all children in out of home placements give their primary ethnicity as Māori.

COMMUNITY EXPERIENCE

- Families present with very complex issues that are multi-dimensional and across generations. Grandparents are often as poorly off as young families Our Social Workers in Schools continues to work well. Having well qualified and experienced staff also benefits our service delivery and results.
 - Family Works Hawkes Bay
- A key issue is the changes to the Family Court. Lack of representation for children by the lawyer for child means children are at risk of being caught in parent battles and lack of mediation or counselling funded may result in less amicable parenting agreements to the detriment of all – VisonWest
- Behaviour issues for children and adults have continued and in some cases increased. Most common are anxiety, post-traumatic



stress, sleeping problems; and among children wetting and soiling
– Caritas (Christchurch).

- *We have a constant demand for food. We are part of a collective providing food to families and schools. We are in 21 schools and every day there is a proportion of children coming to school hungry. Schools are very adept at providing food*
– Family Works Hawkes Bay.
- *Some children are being sent home from school with contagious infections, and health professional fear low-income families are shying away from medical treatment because they cannot even afford food. The problem appears to have hit the city's Māori and Pacific Island communities hardest*
– Christchurch Press, 15/02/2013 *Poverty strikes at home, children first victims*
- *In some instances advances should be considered, not disputed, such as assisting with school uniforms, stationery, and course related costs. Numerous children, at the beginning of each school year, start later because of the struggle to acquire what is compulsory* – Vision West.
- *Rise in evidence of mental illness – evident in those who have lost jobs and can't find new ones. Noticeable rise in clients on medication* – Presbyterian Support Northern
- *Relationship issues are most severe with more stress on families and the relentless uncertainty. Job losses, financial strain and relocation have negatively impacted on many family relationships*
– Caritas (Christchurch)
- *The majority (97%) of greater Christchurch residents have experienced stress in the past 12 months that has had a negative effect on them. Of these, 26% said they experienced stress always or most of the time (23%). Māori comprised 36% of this latter group* – Canterbury Earthquake Recovery Authority, *Wellbeing Survey 2012*
- *One third (32%) of greater Christchurch residents have been dealing with frightened, upset or unsettled children as a result of the earthquakes. For two in ten (18%) this has had a moderate or major impact on their everyday lives. Almost one third of this last group have been living in temporary housing* – Canterbury Earthquake Recovery Authority, *Wellbeing Survey 2012*
- *We understand there are about 1,700 16-18 year old young parents receiving benefits (2012 Cabinet Paper "Decisions on the Youth Package"). Possibly 30% of them are living in so much hardship they need assistance of the Salvation Army*
– Greg Coyle, The Salvation Army

In conclusion, NZCCSS seeks a society which embraces all its people. The apparent discrepancy between numbers of people unemployed, and/or seeking support from social agencies vis à vis reduced support from Government, is a worrying trend. As a society, we can value each other and support each other via entitlement to quality education, jobs which pay a liveable wage, and benefit support when required. At the moment, our government statistical information and information from NZCCSS members show we are not supporting each other.

This is the last Vulnerability Report from me (Philippa Fletcher). I am very grateful to all those who have helped, and to NZCCSS for the opportunity it has given me.

All of us at NZCCSS thank the generous contributors to this report. We know they are busy, and we wish them well with their work. We also thank Tessa Hansen-Cane for her production skills, and patience while we change our minds about the design.

We began with the Pope's call to offer hope. We end with a similar call from New Zealand's new Anglican Archbishop-elect.

We are people who are committed to building communities which are healthy. Life-giving, just communities where everyone has a place, where every individual has the ability to live full and meaningful lives

Philip Richardson, Bishop of Taranaki,
Anglican Archbishop-elect

Vulnerability Reports are available on our website www.justiceandcompassion.org.nz. The next Vulnerability Report is due around June 2013. If you are involved in a social service agency and would like to contribute to future issues please contact:

NZCCSS ph. 04 473 2627 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.



STATISTICAL APPENDIX

Employment and Unemployment

	Dec-10	Dec-11	Dec-12	Annual change 10/11	Annual change 11/12
Unemployment rate (HLFS) %	6.7	6.4	6.9		
Male unemployment rate %	6.4	6.4	6.3		
Female unemployment rate %	7.1	6.4	7.6		
Māori unemployment rate %	13.4	13.4	14.8		
Pasifika unemployment rate %	13.6	13.8	16		
Pākehā unemployment rate %	5.1	4.7	5.5		
Total unemployed	158000	153000	163000	-3.2%↓	6.5%↑
Māori	38600	38900	42600	0.8%↑	9.5%↑
% of total unemployed who are Māori	24.4%	25.4%	26.1%		
Unemployed 15-24	68000	66000	73000	-2.9%↓	10.6%↑
% of total unemployed who are 15-24	43.0%	43.1%	44.8%		
Unemployment benefits	67084	59964	53747	-10.6%↓	-10.4%↓

Sources: Statistics New Zealand, Household Labour Force Survey, December 2012 Quarter; Benefit Fact Sheets, MSD

Benefits

Main Benefit Type	Dec-11	% change Dec 10-11	Dec 2012	% change Dec 11-12
Unemployment	59,964	-10.6% ↓	53747	-10.4% ↓
Domestic Purposes	114,230	1.2% ↑	109118	-4.5% ↓
Sickness	60,748	1.3% ↑	61245	0.8% ↑
Invalid's	84,043	-1.2% ↓	83571	-0.6% ↓
Other	31,947	15.5% ↑	31414	-1.7% ↓
Total	350,932	-0.5% ↓	339095	-3.4% ↓
Number Māori	114,116	1.4% ↑	112,029	-1.9% ↓
Total % Māori	32.5%		33%	

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, Youth Payments, Young Parent Payments, Unemployment Benefits – Training and Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Widow's Benefits, and (until April 2004) Transitional Retirement Benefits. Youth Payments and Young Parent Payments replaced Independent Youth Benefits from August 2012.



Hardship

	Special Benefit	Temporary Additional Support	Total (TAS + SB)
December 2010	9,655	53,410	63,065
Annual change 09-10	21%↓	5%↑	0.2%↑
December 2011	7,800	54,826	62,626
Annual change Dec 10-11	19.2% ↓	2.7%↑	0.7% ↓
December 2012	6,356	55,088	61,444
Annual change Dec 11-12	-18.5%↓	0.5%↑	-1.9%↓

Source: MSD

Food and Power

	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%↑	6%↓
Dec quarter 2011	97,716	8,264
Annual change	39.9% ↓	24.4% ↓
Dec quarter 2012	88,847	7,937
Annual change	9.1%↓	4.0%↓

Source: MSD