



Aroha tētahi ki tētahi

Let us look after each other

INTRODUCTION: *Looking after each other better*

Whether it is our citizens unemployed, our children needing love and food, our whānau in Christchurch, or our fellow members of the human family in Japan; the last few months provide a clear illustration of how our wellbeing depends upon one another. We either look after each other, or we fall.

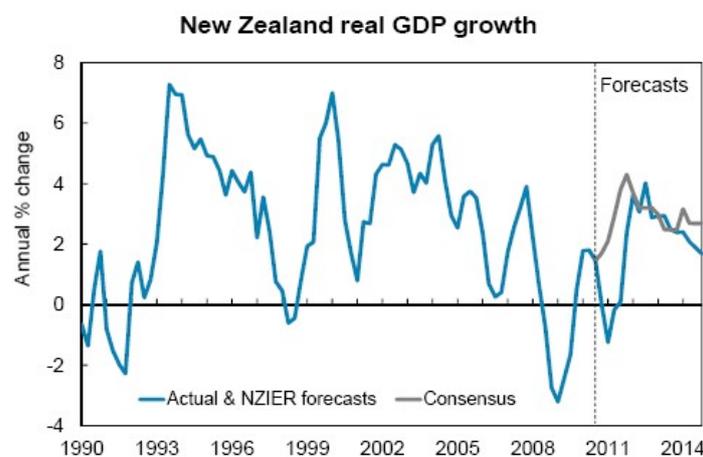
The eighth Vulnerability Report covers the last quarter of 2010 and explores the experiences and pressure points for both families and social service agencies. Data from Christian agencies who are members of the New Zealand Council of Christian Social Services (NZCCSS) is supplemented with data provided by other community based organisations and placed in the wider economic context. More recent data is included where possible.

This report documents remarkable increases in some food prices, way beyond those associated with the GST increase. Higher food prices mean people need more money for food or people reducing their diets in quantity and/or quality. The people who really suffer are our children. Even before the latest statistics, the Child Health Monitor showed increases in the number of children being admitted for to hospital for socio-economically sensitive conditions, (p.42). Now a paper by Hopgood, Asher, et.al. in the December 2010 issue of Nutrition and Dietetics shows many low-income families cannot afford even a basic nutritious diet for their children, especially if there are teenagers in the household who need far more food. Maybe it is no coincidence that NZCCSS members are increasingly reporting angry children and growing demands for family counselling services.

This report is being written amid recommended changes to welfare where the needs of our children are second to the need for benefit recipients to be in work. Even before any change to welfare, the OECD's 2009 report 'Doing Better For Children' recommended New Zealand "take a stronger focus on child poverty... especially during the early years when it easier to make a long term difference." NZCCSS organisations are working with the impact of poverty on our children.

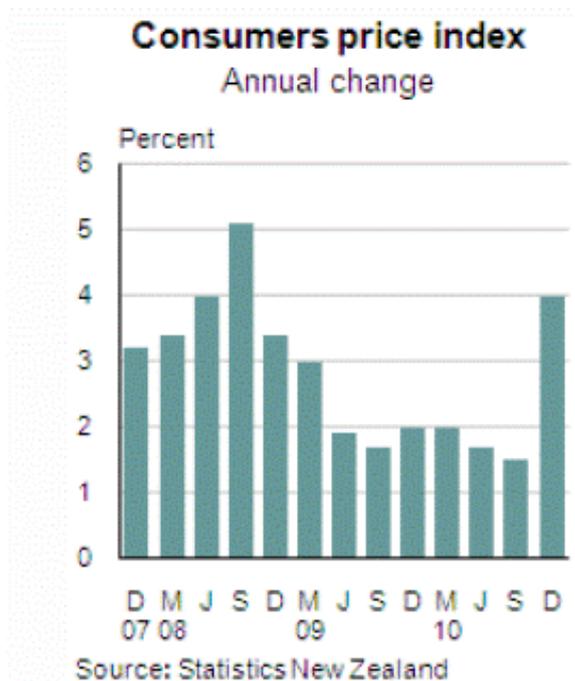
RECOVERY DEFERRED

"The recovery has been deferred." The NZIER tell us there is likely to be little economic growth in 2011 because of "underlying weakness in the economy... compounded by a synchronised spike in food and fuel prices... [and the] devastating earthquake in Canterbury." At the time of writing, inflation was still predicted to "peak at 4.6% in March 2011."

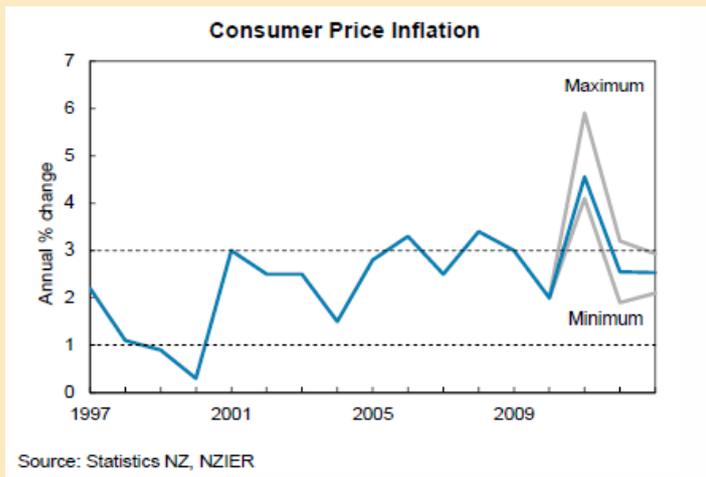


Source: Statistics NZ, Consensus Economics, NZIER

COST OF LIVING TRENDS: *"People are going without"*
(Crossroads Marlborough Charity Trust)



Source: Statistics New Zealand



The Consumer Price Index (CPI) rose by 2.3% during the last quarter of 2010, largely due to the increase in GST from 12.5% to 15%. The CPI increased 4% for the year to end of December 2010.

In the year to December 2010:

- Petrol increased by 14.2%
- Cigarettes and tobacco increased by 17%
- Milk, cheese and eggs increased by 12.6%
- Vegetables increased by 15.4 %
- Electricity increased by 5.8%

However, the price of audio-visual equipment fell by 18.6%.

Source: Statistics New Zealand

Food prices increased 5.3% in the year to February 2011. Food prices are now 5.3% higher than February 2010, 6.1% higher than February 2009, and 15.4% higher than February 2008.

Other costs

- National median house prices fell by 2.9% during the year to January 2011, but they were still 4.6% above January 2009. House prices increased by 2.3 per cent in Northland, but fell everywhere else. Auckland prices fell by less than 1 per cent. Prices fell by between 1% (Southland) and 17% (Otago) in other places.
- Average rents increased by 2.5% in the year to January 2011. Rents increased in all the main centres except Wellington. The largest increases occurred in Dunedin (7.8%). Rents

even increased in Christchurch during this period (2.4%), suggesting the September earthquake did not result in major rent increases. Anecdotal evidence suggests there may have been dramatic increases in rents following the February earthquake (New Zealand Herald 15/03/11).

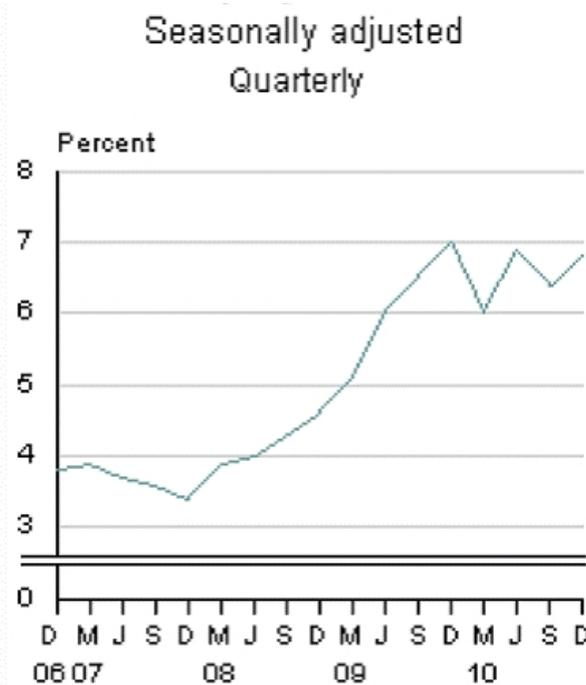
- Local authority rates and payments increased by 6.9% on an annual basis.
- Health costs increased by 4.4% (December quarter).

Sources: Statistics NZ, REINZ Monthly Housing Price Index, Building and Construction Quarterly Report December 2010 - Department of Building & Housing, Department of Statistics February Food Price Index

EMPLOYMENT AND UNEMPLOYMENT:

“The unemployment rate is stabilising, but is not expected to improve until 2012”

(NZIER consensus forecasts)



Source: Statistics New Zealand

In the December 2010 quarter:

- Unemployment increased by 8,000 to reach 158,000.
- Employment decreased by 11,000 during the quarter, but increased by 27,000 over the December 2010 year.



- The seasonally adjusted unemployment rate¹ rose by 0.4 percentage points to 6.8%.
- Unemployment fell by 4,000 people or 2.5% compared to December 2010.
- The unemployment rate for Europeans is 4.6%, the same as a year ago. Māori Workers are almost three times more likely than European to be unemployed, with an unemployment rate of 15.5%.
- Around 13.5% of Pasifika workers are unemployed.
- The proportion of people working age participating in the labour force (participation rate) fell from 68.3% to 67.9% during the December year. This is the lowest participation rate since March 2008.

Māori, Pacific peoples and youth the most likely to be unemployed

Young people's unemployment is still much higher than overall unemployment. For youth aged 15-24 years, the unemployment rate for the year to December 2010 fell to 16.8% from 18.4% a year ago. This rate remains well above the current rate for all persons (6.8%).

In December 2010, the unemployment rate for Māori aged between 15-24 years was 27.4%, almost 11 percentage points higher than the "all ethnicity" rate for this age group. The unemployment rate for Pacific youth in this age bracket is similar – (27.2%).

The Department of Labour tracks the broader issue of youth disengagement via the rate of those Not in Education, Employment or Training (or NEET). As at December 2010, the NEET rate was 9.8%, down from 10.5% in 2009.

Regional differences

There are regional differences in unemployment. Unemployment fell in seven of the 12 regions in the year ending December 2010. Areas with the highest unemployment are Northland (8.9%), Auckland (7.8%), and the Bay of Plenty (7.3%). Regions experiencing increases in unemployment were Otago (from 3.9% to 5%), Southland (from 4.3% to 5.6%) and Canterbury from (5.7% to 6.0%).

Community impact: Food bank demand increases

"We have to buy in quite a bit because we get fewer donations"

(St Vincent de Paul Society food bank Henderson / Te Atatu)

- Catholic Family Support Services in Hamilton report a 37.5% (64) increase in clients in the December quarter. Twenty per cent of their clients are now totally dependent on weekly food parcels.
- Demand for The Salvation Army food parcels grew by 16% in 2010. The Salvation Army distributed over 2,700 food parcels to 2,200 families 'directly after the September earthquake. They also provided around 4,000 meals per day at welfare centres. If the earthquake response is excluded, food parcel distribution increased by 10% over the December year and households assisted increased by 4% (to 26,346). The Salvation Army food parcel distribution has increased from an average of 500 parcels per week in 2007 to 997 parcels per week in 2010' (The Salvation Army, Stalled, pp. 35-38).
- VisionWest Glen Eden food bank gave out 73 food parcels in three hours after the statutory holidays. A number of the people had been made redundant and were waiting for Work and Income funding.
- Presbyterian Support Northern noted a large number of their food bank applicants were single and around a quarter of applicants had been referred by Work and Income.
- Hamilton Combined Christian Foodbank distributed 25% (57) more food parcels in December 2010 than it had in December 2009.
- The Sisters of Compassion gave out over 7,000 meals during the December quarter. Despite the large number, this represented a significant decrease on the same period last year.
- Christchurch City Mission food bank saw 869 people and gave out in excess of 2,300 food parcels in December 2010.

¹ The number of unemployed people expressed as a percentage of the labour force (HLFS).



PERSONAL DEBT: *Personal insolvencies have decreased, but summary instalment orders have increased*

According to the Ministry of Economic Development, bankruptcies and no asset procedures fell during 2010. The number of personal insolvencies during December was down 9% on the same month last year, and 16.7% lower than in December 2008. However, summary instalments increased by 33% during the December year. Summary Instalment Orders were created under the Insolvency Act 2006 and can be an alternative to bankruptcy when a person has assets or income. Total debts need to be under \$40,000.

	Bankruptcy	No Asset Procedure	Summary
2009	2,785	2,987	303
2010	2,622	2,244	402
% change	6%	25%	33%

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

COMMUNITY IMPACT: *Budget Services: WANTED – more budget advisors!*

Policy changes with work and income which require a person to see budgeting advisors after three claims for the Hardship Grants have been a large contributing factor to the increase in demand for Budgeting Services. Reductions from ACC have also resulted in an increased demand on budgeting advice / advocacy.
(VisionWest Community Trust)

The new government policy whereby beneficiaries accessing hardship assistance more than three times during the year have to show they have worked to improve their budgeting and financial management skills appears to have resulted in increased demands on budgeting services.

For example, Marlborough and Whanganui budgeting service are both training new volunteer budget advisors. People often sought budgeting advice because they could not afford food.

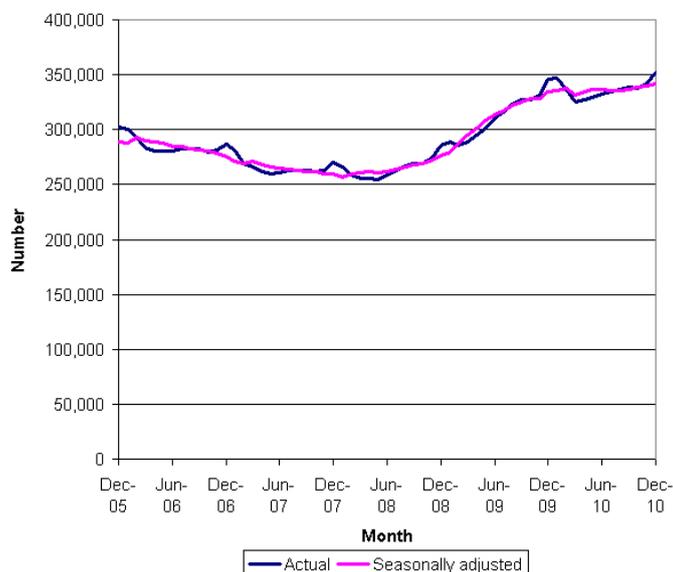
- VisionWest’s new budgeting clients almost doubled over the October-December 2010 period. The increase in 40-65 year olds seeking budgeting advice was due to job loss, industry cut backs, and self-employed losing contracts. Their budgeting waiting list is three to four weeks long.

- Catholic Family Support Services in Hamilton has limited the number of new clients due to staff shortage. They saw 38 new clients during the period.
- Napier Family Centre reported families seeking financial help in December were 12% higher than the record high reached the previous December. Pākeha Constituted 50% of clients, and around 42% were Māori.

BENEFITS: *Numbers on the unemployment benefit have increased by 120% in the last two years.*

When we are looking at our welfare system, we need to focus on the long-term wellbeing of New Zealand families – even those who need welfare support. It requires sensible, inclusive discussion that focuses on providing appropriate support to families, building skills and creating employment.
(Trevor McGlinchey, EO NZCCSS)

Numbers on all the main benefits increased during the December year, and have been increasing almost continuously since around December 2007, as is illustrated in the graph below.



Source: MSD



Main Benefit Type	Dec 2008	Dec 2009	% Change 2008-09	Dec 2010	% Change 2009-10	% Change 2008-10
Unemployment	30,508	56,328	117%	67,084	1%	120%
DPB	100,282	109,289	9%	112,865	3%	12.5%
Sickness	50,896	59,158	16%	59,988	1%	17.9%
Invalid's	83,501	85,038	2%	85,105	0%	2%
Other	20,989	25,663	22%	27,665	8%	32%
Total	286,176	345,476	21%	352,707	2%	23.2%

Source: Benefit Fact Sheet, MSD

General - There are currently around 350,000 people aged 18-64 receiving a main benefit. This is about 13% of the working age population². The Ministry of Social Development explain that "the proportion of the working-age population who were receiving a main benefit at the end of December decreased between 2000 and 2007, but has increased over the last three years. The main driver for this pattern has been change in use of Unemployment Benefits, reflecting changes in economic conditions" (MSD, Benefit Fact sheets).

Unemployment- Approximately 1,000 more people were receiving the Unemployment Benefit in the year to December than 12 months earlier, an increase of 1%. Of the people receiving the Unemployment Benefit around 70% are male and 70% have been on the benefit for less than 12 months. Compared to five years ago, unemployment benefit recipients are more likely to be male (70% cf 64% in December 2005), 18-24 (32.2% cf 27.5%) or 40-54% (25.2% cf 20.5%), and Pasifika (9.8% cf 7.9%). The proportion of recipients aged 55-64 has fallen from 14.2% in 2005 to 10.4% in 2010.

DPB- Almost 113,000 people were receiving the DPB in December 2010. Most of these (88%) were female, and the largest single group were 25-39 years old. DPB recipients have increased by 3% in the last year, and 12.5% since 2008. The largest group of DPB recipients had been receiving the benefit for between 1 and 4 years.

Sickness -Just under 60,000 people were receiving sickness benefits in December. The most common reason for being on a Sickness Benefit was a psychological or psychiatric condition (42%). Increases in Sickness Benefit numbers are attributed to "an ageing population and increasing movement of people with incapacities into the community" (MSD Benefit fact sheet). Sickness beneficiaries have almost doubled in the last ten years (79% increase), and invalid's beneficiaries have increased by around 50%.

Since 2005 - benefit recipients have become increasingly male (43.1%), Pasifika (8%), aged 18-24 (21%) or 40-54 years (30.1%). However, if there was such a person as a 'typical' beneficiary, she would be female, Pākeha, 25-39, in receipt of a domestic purposes benefit, caring for two or more dependent children with at least one of those children under 6 years of age. She would have been receiving the benefit for between one and four years.

Māori - comprise approximately 15% of the population but 32% of main benefit recipients. Māori represent 42% of DPB recipients, 36% of unemployment benefit recipients, and 27% of sickness benefit recipients.

² The working age population (i.e. people aged 15-64) is estimated as 2,717,340 as at 10/12/10 (Department of Statistics).



HARDSHIP ASSISTANCE: *It is harder to access support when it is really needed*

A mum walked in last week and said?, “Could you look after my kids for two weeks, while I work on the streets to pay the bills?”

(Auckland NZCCSS member)

	Special Benefit	Temporary Additional Support (TAS)	Total
Dec 2009	12,210	50,743	62,953
Sep 2010	10,300	54,725	65,025
Dec 2010	9,655	53,410	63,065
Quarterly change	6% ↓	2% ↓	3% ↓
Annual change	21% ↓	5% ↑	0.2% ↑

Source: MSD

The numbers of people receiving hardship assistance has stayed relatively stable during 2010, and decreased by 3% over the December quarter. This may reflect the Future Focus policy which requires people to show they have worked to improve their budgeting skills if they access hardship assistance more than three times in one year. The impact of tightened of hardship policies was noted by a number of organisations.

Numbers of people receiving the Special Benefit has declined by approximately one-fifth. This is due to attrition as TAS replaced the Special Benefit on 1 April 2006.

People who identify as Māori continue to be disproportionately represented in the uptake of hardship assistance. While making up 15% of the population, Māori form 21% of Special Benefit recipients in the December 2010 quarter and 28% of Temporary Additional Support recipients.

	Special Needs Grant (for Food)	Benefit Advances (for Electricity, Gas and Water)
Dec 2009	136,596	11,585
Sep 2010	149,658	13,978
Dec 2010	162,541	10,933
Quarterly change	9% ↑	22% ↓
Annual change	19% ↑	6% ↓

Source: MSD

- The increasing food prices showed up in Work and Income special needs grants for food which increased by 9% during the December quarter, and by 19% in the year to December.
- Demand for Benefit Advances for Electricity, Gas and Water decreased by 6% between December 2009 and 2010.
- Māori are disproportionately represented in the uptake of the Special Needs Grants (for Food) making up 44% of recipients in the December quarter 2010.

HOUSING: *Difficulties accessing housing accompany increased unemployment*

There were 330,104 people receiving accommodation supplements during the December 2010 quarter. This represented an increase of 6,626 or 2% over the September quarter. In comparison to December 2009, accommodation supplement recipients increased by 2.4%. The proportion of income related rent tenants receiving an unemployment benefit has increased from 6.1% in June 2008 to 8.6% in December 2010. This change follows a long period of decline, consistent with declines in unemployment.

Source: MSD; Department of Building and Housing: Sector Information



Housing New Zealand Corporation (HNZC) waiting list

As at 30 January 2011, there were 9,033 people on the waiting list.

- 296 were A priority (severe housing need) , down from 347 in January 2010
- 3,661 were B priority (significant housing need) down from 4,333 in January 2010
- 2,744 were C priority (moderate housing need) down from in 3,072 January 2010
- 2,332 were D priority (lower level housing need) down from 2,546 in January 2010

The 'A' and 'B' priorities have been trending downward in 2010, probably as a result of fewer new applicants. The decrease in new applicants is likely to be due to increases in waiting times which have been trending upwards since early in 2008. This may be due to 'discouraged housing seekers' – people who believe they are unlikely to be housed, so they give up trying to get on the list. Auckland is estimated to be at least 8,500-9,000 dwellings short. Christchurch is likely to have 10,000 houses demolished because of earthquakes and another 100,000 houses are likely to need repairs.

Sources: MSD, HNZC and Department of Building and Housing, The Salvation Army (2011) "Stalled: A state of the nation report from The Salvation Army", Dominion Post March 8 2011

Building consents

Only 994 new dwellings were authorised in December 2010, the lowest number issued in a December month since this series began in 1965 (Statistics New Zealand). Recent accurate information on mortgage sales is difficult to obtain while Terralink updates its website. It is therefore not included in this report.

Rent increases

Average February 2011 rents rose 4.3% over the year. Rents increased 18.3% between February 2005 and February 2008, and 6.6% between February 2008 and February 2011. Average rents increased in all the main regions, except Wellington where rents fell.

February average market weekly rents in

Central Auckland - \$415, a rise of 3.6% from February 2010
 North Auckland - \$438, a rise of 5.4% from February 2010
 South Auckland - \$393, a rise of 2.6% from February 2010
 Christchurch - \$315, a rise of 6.1% from February 2010
 Dunedin - \$300, a rise of 6.0% from February 2010
 Hamilton - \$300, a rise of 2.0% from February 2010
 Wellington - \$416, a fall of 3.0% from January 2010

Source: Department of Building and Housing: Sector Information

COMMUNITY IMPACT – Emergency housing

- Referrals for emergency housing doubled over October – December 2010 compared to the same period in 2009. Community housing waiting lists are months ahead and the situation in Auckland is 'critical' (VisionWest).
- Existing housing in Whangarei is not supporting families with disabilities which translates into high stress and abuse. In Auckland, overcrowding and the needs of women wanting to move away from violent relationships are significant issues. Same in south Auckland with the additional problem of 15 year old males being unable to be with their mothers in women's refuges, sometimes resulting in teenage boys being separated from their families. Tauranga is also short of housing (Family Works Northern).
- More men are using the night shelter (33%) and for longer, compared to November and December in 2010. Meantime, the numbers of women using the shelter have decreased by 8% (Hamilton Christian Night shelter).



CHILDREN AND POVERTY:

Numbers of benefit dependent children as at the end of December 2010 by ethnicity of caregiver

Benefit group	Ethnic group of the Caregiver					Total
	Māori	NZ European	Other	Pacific Island	Unspecified	
DPB related	81,965	61,373	14,730	21,126	2,725	181,919
Invalid's Benefit	4,514	1,124	1,670	1,605	165	14,124
SB related	3,691	4,185	3,321	2,221	161	13,579
UB related	6,076	4,308	2,993	4,070	245	17,692
Other Main Benefits	1,982	1,430	1,919	1,484	114	6,929
Total	98,228	77,466	24,633	30,506	3,410	234,243

Source: MSD

Notes:

The table includes working age caregivers only (18 to 64 years).

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.

- As at the end of December 2010 over 234,000 children aged under 18 years were being supported by a caregiver receiving a main benefit.
- The number of benefit dependent children has increased from 230,642 in December 2009 to 234,243 in December 2010, an increase of 1.6%.
- Māori caregivers are disproportionately represented, as they care for 42% of all benefit dependent children and 45% of children with a caregiver receiving the DPB.

Child, Youth and Family (CYF)

Quarter 2009	Care & Protection Notification	Investigations Completed
July-September	30,564	6,700
Oct-December	31,651	6,110
Quarter 2010	Care & Protection Notification	Investigations Completed
Jan-March	33,696	5,896
April-June	29,010	5,928
July-September	25,294	6,556
Oct-December	23,123	6,265*

Source: CYF

*Notes:*

Notifications do not represent actual numbers of clients as some clients can have multiple notifications during the period. CYF clients may have multiple ethnicities. Clients and their families are not always consistent in the primary ethnicity they select. An ethnicity is not always recorded. Investigations carried out and completed within a certain time period are not necessarily related to the notifications received within that same period.

**Extracted from operational data on 2/3/11.*

The number of care and protection notifications to CYF for the quarter ending December has declined by 9% compared with the previous quarter, and by 27% on the same quarter in 2009. Children and young people who identify their primary ethnicity as Māori are disproportionately represented in care and protection notifications, making up 44% of all notifications in the December 2010 quarter.

The number of investigations completed in the quarter ending December 2010 has declined by 4% compared with the previous quarter, but has increased by 2.5% on the same quarter 2009.

COMMUNITY IMPACT: *Individuals and couples seeking counselling have increased 14% on the record numbers in 2009/10* (Napier Family Centre)

And it is not surprising. Angry children are more often featuring in community reports. Presbyterian Support Northern and a variety of others paint a picture of poverty, stress, parenting and relationship difficulties, and angry children. Typical comments include:

“The continuing economic distress many families are still under has increased the worry for parents and children alike. This anxiety often results in family violence and some inappropriate parenting methods”

Vulnerability Reports are available on our website
www.justiceandcompassion.org.nz

The next Vulnerability Report will be released in June 2011. If you are involved in a social service agency and would like to contribute to future issues please contact:
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“It has become more difficult for families to access support when it is really needed with Work and Income cutting down on many of the benefits previously given.”

“Single mums face financial stress and angry children.”

“Children with behaviour issues and parents who have been physically abusive to children.”

“Children who are extremely angry; children unable to relate beyond themselves, increased child violence and bullying.”

In 2008/9 we had over 270 referrals across the range of services we provide, in the last 12 months that number increased to over 380. This included an increase in counselling referrals (especially for families and children), counselling overall represented 45% of all referrals, home based support made up 45% and foster care just over 10% of referrals (ACROSS).

Reports from agencies providing assistance to families are entirely consistent with a recent Wellington Women's Refuge Press Statement:

Domestic violence accounts for: 39% of all homicides; 42% of all kidnappings and abductions; 44% of all grievous assaults; 64% of all serious assaults; and 34% minor assaults identified as family violence (Police NZ Statistics from Family Violence Clearinghouse). Wellington Women's Refuge supported 590 women and children as clients in 2009 and had an increase in safe house demand of 37.5% (March 9 2011).

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.