



*The test of any social contract is the plight of the poorest, so we judge social policy not by its cost but by its impact on the poor, needy and marginalised.*

Sir Paul Reeves, Commemoration of the Signing of the Treaty of Waitangi, Okains Bay, 06 Feb 1988

Over twenty years ago, Sir Paul Reeves addressed an audience in Wellington. His words are so apposite, they could have been written last week.

*Many people are enduring a lot of pain at the moment and not talking about it. The poor no longer feel they control their lives. Theirs has become a struggle for existence and yet they are entitled to life in all its fullness. ...*

*I know that the Government is deeply concerned for the economic welfare of New Zealand. But whatever we do must reflect the primacy of the social element in economic life. We may have to distinguish between what we need and what we want. But I would be looking for an economic policy which encourages participation, maximises the responsible use of resources for the common benefit and promotes human wellbeing and welfare.*

Sir Paul Reeves: State Farewell Dinner Wellington,  
29 Nov 1990

## INTRODUCTION:

### Where have all the people gone?

Numbers on many benefits have fallen, unemployment has remained the same. But many social services are busier than ever. One clue is life has got more expensive than ever, and poverty causes stress. Stress causes unhappiness in families. So it is not surprising services providing counselling and social work for families are particularly busy. Somehow, it's the children who seem to reap the fallout and the effect goes something like this:

*“Social workers in schools report increased stressors on families ... Through stringent changes to criteria for entitlements from government agencies and with immediate supports harder to access, there is an indication of a connection to family relationships with violence remaining a trend alongside [problem] student behaviour”*

Presbyterian Support Northern.

We're two months out from an election. The experts say the local economy is looking a little better, but overseas things are not so good. European shares have fallen to their lowest in more than two years. We've had riots in London, a credit downgrade in the USA, and all sorts of debt crises in Europe. Our own NZIER says 'growth indicators have slumped around the world, the markets

are spooked and equity markets are in sharp decline'. They tell us this 'means credit could be harder to get, and New Zealand's export volumes and prices could decline' (NZIER, August 2011).

The tenth Vulnerability Report covers April-June 2011. It illustrates 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. This Vulnerability Report is written with welfare reform and the Green Paper for vulnerable children in the background. Child wellbeing is a political issue, and it is here we begin.

## HOW ARE OUR CHILDREN GETTING ON?

*“There's a lot of anger out there and often, when you've got to the bottom, it's very difficult to find your way up again”*

Napier Family Centre.

Seven recent reports about children give us some clues.

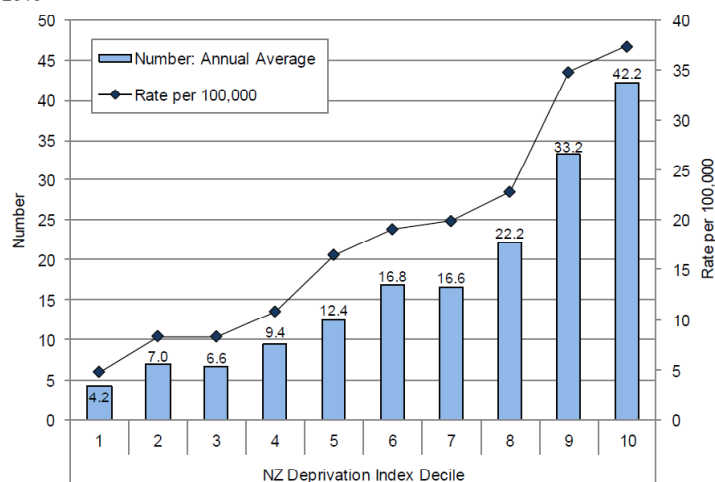
1. Perry's report on *Household Incomes in New Zealand* uses 2010 figures and tells us there were 1.07 million children and young people aged under 18 in that year. Around 22% were living in poverty. That is – one in six Pākeha children and one in three Māori children. (p.12).
2. Poverty rates for children in beneficiary families were around 70%, but around two in five poor children were in households where at least one adult was in full time employment or self-employed (p.11).
3. The higher poverty rate for Māori children reflects the high proportion of Māori children living in sole parent beneficiary households. Around 42% of current DPB recipients are Māori (Perry, 2011).
4. *1000 days to get it right for every child* shows markers of risk for children are: sole parenthood, parental conflict, and household joblessness (Infometrics, 2011, p.4).
5. *An estimate of the national costs of child poverty in NZ* puts the annual cost of child poverty between \$6 and \$16 billion annually. The cost incorporates increased earnings capacity, reduced costs and consequences of crime, reduced health costs and savings in social welfare (Pearce, J, 2011, p.1.)
6. The Ministry of Social Development's background paper



*Vulnerable Children: Numbers and Risk Factors* quotes the Christchurch Health and Development Study work showing young people in the most disadvantaged 5% of the cohort had risks of severe maladjustment over 100 times the risks of the young people in the more advantaged 50% of the cohort p. 3.

7. Consistent risk factors for children are: parental substance abuse, poor maternal mental health, poor parenting, poor infant attachment, recurrent child maltreatment, exposure to violence in the family and living in hardship (p.4).
8. *Te Ara Hou: the pathway forward* shows just over half of the 200,000 New Zealanders living below the poverty line are Māori and Pasifika.
9. Our children are also forgotten in the policy area. The Child Poverty Action Group's report *Left further behind: how policies fail the poorest children in New Zealand* argues "[w]hat tends to operate now in a wide range of policy areas is not child-centred, nor are children socially included. Children appear in the policy discussion in complex ways: as burdens on their parents; as adults-to-be; as victims of adult choices about relationships; and as threats to social order and stability. Children do not often appear simply as children, with their own voices, their own agency, and their right to a happy, safe childhood" ( P.6).
10. Sadly, a graphic illustration from the *Children's Social Health Monitor 2011* update says it all: richer children are far less likely to end up in hospital because of injuries from assault, neglect or maltreatment than poor children. Poverty stresses families and puts our children at risk.

Figure 30. Hospital Admissions for Injuries Arising from the Assault, Neglect or Maltreatment of Children 0–14 Years by NZ Deprivation Index Decile, New Zealand 2006–2010



Source: Numerator: National Minimum Dataset; Denominator: Statistics NZ Estimated Resident Population

Source: *Children's Social Health Monitor 2011* update, p.61

### How many children are dependent on benefits?

As at the end of June 2011 the number of benefit dependent children was 231,488. The largest single group were the 83,425 who were in DPB dependent households with Māori caregivers.

- This latter group represented 36% of total benefit dependent children and / or 46% of DPB dependent children.
- This time last year there were 232,207 benefit dependent children, or 719 more children than are benefit dependent now.

### Number of children aged less than 18 years included in working age main benefits, as at the end of June 2011

Benefit group	Ethnic group of the caregiver					Total
	Māori	NZ European	Pacific Island	Other	Unspecified	
<b>DPB related</b>	83,425	61,275	21,343	15,061	2,687	183,791
<b>IB</b>	4,536	5,938	1,594	1,666	175	13,909
<b>SB related</b>	3,477	4,028	2,286	3,345	177	13,313
<b>UB related</b>	5,402	3,671	3,568	2,654	172	15,467
<b>Other Main Benefits</b>	1,450	975	1,170	1,305	108	5,008
<b>Total</b>	98,290	75,887	29,961	24,031	3,319	231,488

Source: MSD

This table includes working age caregivers (18-64)

It 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 related is Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances

IB is Invalid's Benefit

SB related is Sickness Benefits and Sickness Benefits – Hardship

UB related is Unemployment Benefits and Unemployment Benefits – Hardship

Other Benefits include Emergency Benefits, Independent Youth Benefits, Unemployment Benefits – Training and Unemployment Benefits – Hardship – Training, Unemployment Benefits – Student – Hardship, Widow's Benefits.



## How many children are in Child Youth and Family care?

### Number of care and protection (C&P) notifications and investigations completed

Quarter	C&P Notifications Further Action Required	C&P Notifications FARs with Ethnicity Maori	Investigations Completed
Apr-Jun 2010	13,811	6,260	5,928
Jan-Mar 2011	14,107	6,681	5,785*
Apr-Jun 2011	14,376	6,427	6,255*

Source: Child Youth and Family (CYF)

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. -Investigations Completed: Investigations carried out and completed within a certain time period are not necessarily related to the notifications received within that same period. From the September Quarter 2009 this data includes full assessments carried out which includes Child & Family Assessments and Formal Investigations. -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.

- Care and protection notifications to CYF requiring further action increased by 565 or 4% between June 2010 and June 2011.
- Māori children and young people are over represented in notifications requiring further action, constituting 45% in the June 2011 quarter.

### Number of Children and Young People in Out of Home Placements as at the end of quarters

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
Apr-Jun 2010	4,515	2,334
Jan-Mar 2011	4,238	2,149
Apr-Jun 2011	4,153	2,053

Source: CYF

Notes: Home Placements include: CYF Caregiver Placements, Residential Placements, Family/Whānau Placements, CFSS/Agency Placements, Family Home Placements, Other Placement types (including, boarding, school hostel, etc) Ethnicity: 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.

- The number of children in out of home placements has fallen by 8% in the last year or 362.
- Tamariki and rangatahi comprised 49% of out of home placements in the April –June quarter in 2011.

### Children in CYF Care

As at June 30	2007	2008	2009	2010	2011
No. children in care	5,044	4,522	4,408	4,515	4,153

Source: CYF

Numbers in CYF care have fallen in recent years. Between June 2007 and June of this year, numbers fell by 891 or 18%. This downward trend is likely to reflect the implementation of CYF's permanency policy.

### What has this meant for addiction services, social work and family support services?

*"There is also an increased [demand] for respite care for [those supporting] children, particularly with behavioural and/or disability support needs."*

ACROSS – Te Kohitanga O Te Wairua.

- There are a number of clients who hold the idea of being able to return to counselling in the future as a tool for managing stress. This 'knowing' is increasingly affected by fears about loss of funding support from Work and Income which negatively impacts on their sense of hope (VisionWest).
- This quarter has seen us assist individuals and families with a multitude of issues, e.g. family violence, financial difficulties, parenting dysfunction, health issues e.g. severe dental decay amongst a number of children, multiplicity of agencies involved in some cases (Catholic Social Services, Wellington).
- We are turning away more families than we can deal with [for social work]. In July we took on 4 new client families and turned away 26 families. These families were referred to other agencies but other agencies are having the same capacity issues we have. We ... prioritise on the basis of the child protection concerns (Presbyterian Support East Coast).
- As [role title], I can verify the increase in the incidence of family violence in our area ... What is of more concern is the lack of co-ordination of services to respond to domestic violence (Presbyterian Support East Coast).

VisionWest reports an increase in:

- Family violence, particularly in psychological abuse;
- Clients with depression or anxiety as presenting issue with family violence revealed later on;
- Clients seeking counselling for anger issues, males as well as females of all ages, (including children);
- Clients being prescribed medication for anxiety and depression, including youth;



- Drug use and addiction;
- Grandparents raising grandchildren due to parental drug/alcohol use/misuse.

Presbyterian Support Northern also reports a significant increase in grandparents raising their grandchildren.

Services that are needed include:

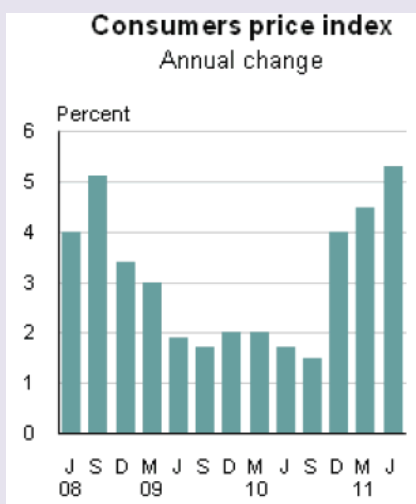
- Affordable holiday programmes (Presbyterian Support Northern)
- Services for rural families (Presbyterian Support Northern)
- Programmes and services for adolescents around anger and violence (adolescents do not tend to come for counselling; programmes with an activity base are most likely to engage young people (Presbyterian Support Northern)

## WHAT HAS HAPPENED TO THE COST OF BASICS?

*... it's now working people with income, even good income, who are struggling to make ends meet.*

Napier Family Centre.

Overall prices have increased in the last year. In fact, it is quite hard to find prices that have decreased (although the communication and clothing and footwear groups fell by 1.4% and 1.0% respectively).



Source: Statistics New Zealand

The consumer price index measures the rate of price change of goods and services purchased by households. It rose by 5.3% in the year to June - including the GST increase from 12.5% to 15% last October. This is the highest annual increase since June 1990, when there was a 7.6% annual increase including the rise in GST from 10 – 12.5% from 1 July 1989.

In the June quarter:

- Petrol increased by 4.0%
- Electricity increased by 2.7%
- Wine decreased by 1.5%
- Telecommunication services fell by 1.0%

In the year to June 2011:

- Petrol increased by 20.1%
- Electricity by 7.8%
- Vegetables by 19.7%
- Cigarettes and tobacco by 16.0%

Food increased by 7.5% overall, and fresh milk increased by 9.4%.

There are 11 broad groups in the consumer price index. In the year to June, prices rose in nine of those groups

## Rents

Rents increased everywhere in the June 2010 to June 2011 year except in Wellington. Main centre rents were as follows:

- Central Auckland was \$428, a rise of 2.4% from June 2010
- North Auckland was \$443, a rise of 5.7% from June 2010
- South Auckland was \$387, a rise of 2.9% from June 2010
- Christchurch was \$302, a rise of 6.0% from June 2010
- Dunedin was \$273, a rise of 7.9% from June 2010
- Hamilton was \$298, a rise of 2.8% from June 2010
- Wellington was \$395, a fall of 2.5% from June 2010

## Wages

While the consumer price index rose by 5.3% in the year to June, wages and salaries increased by 1.9 per cent.

Sources: Statistics NZ Consumer Price Index, Labour Cost, Food Price Index, REINZ Monthly Housing Price Index, AA Petrol Watch, Department of Building and Housing, Market Rent Analysis July 2011



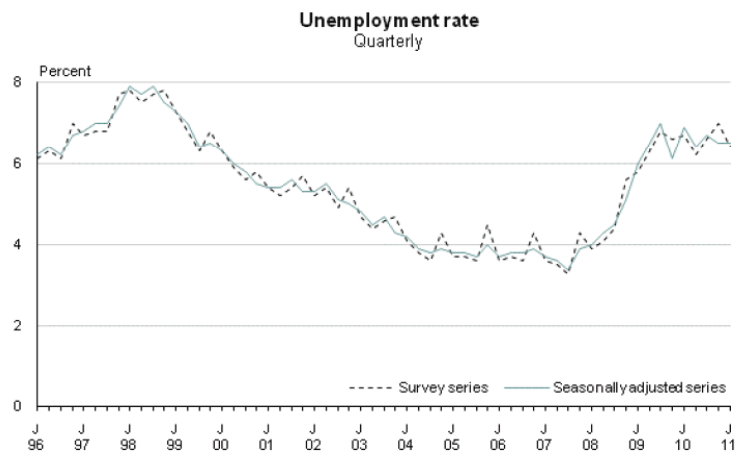
## What's happening in the community?

- The number of people asking for food parcels from the Hokitika foodbank has reached a 13 year high (Hokitika Guardian 29 June 2011).
- Napier Community Foodbank has distributed 1,720 parcels in the last year- 134 more than the previous year.
- Numbers receiving the Hamilton's Catholic Cathedral Centre Tuesday lunch have increased by 16% (175) in the last year. Most are Māori, and around 50% are long term attendees. The regulars tend to be on unemployment benefits, have mental health problems or are sick in some other way. Some have part time work; others are recently discharged from prison. The regulars tend to help out with the meal and it provides a way for them to get together with their friends.
- *[Requests for food have increased] and reflect families' inability to seek help from other family members and [an increased] level of desperation* (Presbyterian Support East Coast).
- Tauranga Community Foodbank Trust gave out 85 (4.2%) more food parcels in April to June 2010 than it had during the same period in 2011.
- *The withdrawal of Breakfast club funding/resources/donations has impacted on some of the schools who have tried to resource through other avenues, but are unsure how long they can continue to subsidise the breakfasts for children* (Presbyterian Support Northern).
- *Food parcels are up, and there is pressure on clothing* (Judith Peterson, South Centre).
- The Home of Compassion gave out 155 more meals in August 2011 than it had last August 2010.
- *"... our volunteer gardeners [foodbank users] are showing real ownership of their garden; we have started to eat some of the vegetables ... so that is an exciting milestone"* (Wesley Community Action).

## UNEMPLOYMENT: Temporary or longer term improvement?

*We have also seen an increase of men seeking assistance, many because of employment and confidence issues relating to the current economic crisis. This has provided opportunities to educate and connect them to support services, outcomes are a reduction in isolation, gaining new friends, increased knowledge of support streams and knowing there is someone they can connect to that cares about them.*

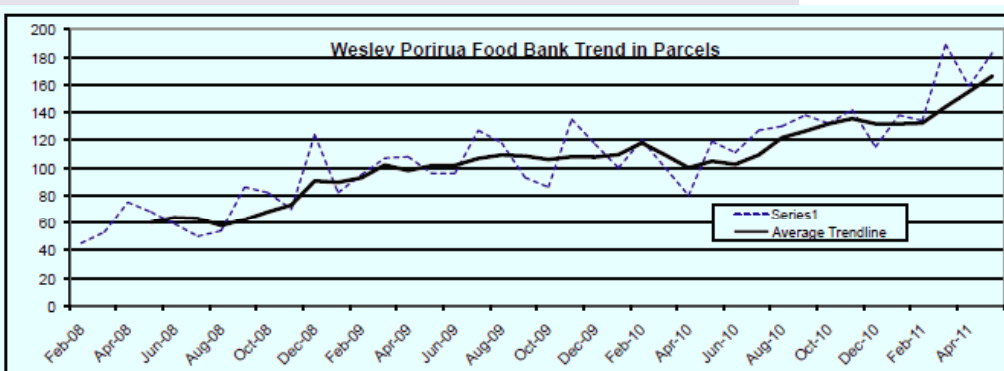
VisionWest



Source: Statistics New Zealand

## Who is unemployed?

The unemployment rate is 6.5%, which is 3.7% or 6,000 fewer than it was a year ago. This is due to a decrease in male unemployment. Female unemployment has remained the same. Unemployment rates measure the proportion of those in the labour force who are unemployed, looking for work and available for work. Information about unemployment is found in both Statistics New Zealand's Household Labour Force and the Department of Labour's 'Employment and Unemployment' publications.



Source: Wesley Community Action

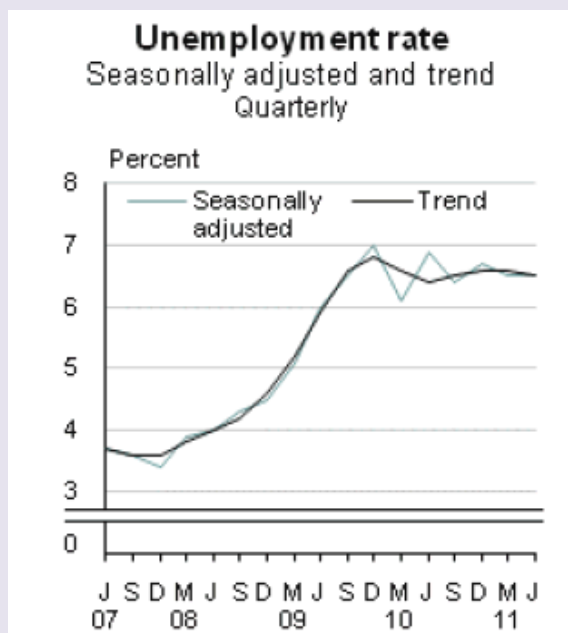


People likely to be unemployed at the end of June 2011 were:

- Youth (aged 15-24) 17.4% unemployed
- Māori youth (24.8%)
- Pasifika youth (27.4%)
- Māori (13.7%)
- Pasifika (13.1%)
- Middle Eastern/ Latin American/ African (12.1%)
- Only 4.7% of Europeans overall were unemployed
- People in Northland (7.3%), Gisborne/ Hawkes Bay (7.2%) and Auckland (7.3%)

### What do we know about unemployment trends?

If we look at Statistics New Zealand’s trend series for unemployment (i.e. the seasonal and irregular components are removed), unemployment has flattened out since the December 2009 quarter.



Source: Statistics New Zealand

- It is good to see that unemployment has fallen for the groups we tend to follow. We hope this will be sustained over time. Youth unemployment fell by 3.6% or 2,500 over the year.
- Māori youth unemployment fell from 30.3% to 24.8%.
- Pasifika youth unemployment fell from 30.6% to 27.4%.
- Youth not in employment, education or training (NEET) reduced from 10.7% to 9.8% over the year.
- Māori unemployment overall fell from 16.4% to 13.7%
- Pasifika unemployment overall fell from 14.1% to 13.1%
- Unemployment fell in the north and in the very south (see below)

### Unemployment by region

Region	June 2010	June 2011
Auckland	8.7%	7.3%
Northland	9.1%	7.3%
Gisborne / Hawkes Bay	8.5%	7.2%
Bay of Plenty	7.8%	6.9%
Southland	4.4%	3.4%

Unemployment remained the same in some regions

Region	June 2010 quarter	June 2011 quarter
Manawatu-Whanganui	6.9%	6.9%
Wellington	5.5%	5.5%

Unemployment increased in other regions

Region	June 2010 quarter	June 2011 quarter
Waikato	6%	6.5%
Taranaki	4.9%	5.3%
Tas/Nel/Mar/West C	3.2%	4.4%
Canterbury	4.8%	5.7%*
Otago	4.7%	5.3%

\*Employment in Canterbury fell by 5,200 for males and 7,100 for females in the year to June 2011.

Source: Statistics New Zealand, 'Household Labour Force Survey'; Department of Labour, 'Employment and Unemployment'



## HOW HAVE PERSONAL DEBT LEVELS CHANGED?

*Working people who can't make ends meet are increasingly seeking budgeting advice  
Napier Family Centre.*

### Personal Insolvency (June Years)

June year	Summary instalments	No asset procedure	Bankruptcy	Total
2009	257	2,833	2,521	5,354
2010	346	3,026	3,054	6,080
2011 (01-11 change)	368 (6% ↑)	2,514 (↓17%)	2,718 (11%↓)	5,232 (14%↓)

Total personal insolvencies fell by 14% in the past year. These comprise summary instalments, no asset procedures and bankruptcies.

Source: Ministry of Economic Development insolvency and Trustee Service

## What's happening in the community?

- Northern councils are blaming tough economic times for rates arrears that have left them more than \$30 million out of pocket. The Far North District Council (FNDC) is owed almost \$25 million in overdue rates bills, the Kaipara District Council (KDC) is owed \$2.79 million, and the Whangarei District Council (WDC) is owed \$3.24 million. Unemployment, limited cash flow and a sluggish property market had all impinged on the ability of ratepayers to pay their rates (Northern Advocate (8/08/ 2011)).
- Daily we speak with clients with out of control debt. Many are shocked when they see on paper how much they've borrowed and how much more they really need to pay back (Kingdom Resources).*
- The Hub Community Group offers an opportunity for adults to come together and talk about what they are facing in a group setting and make new friends who may have similar experiences and have found a solution. We share a meal together and the children are cared for by children's workers who provide appropriate activities for the children. For some solo parents this can be the only break they get from their children (VisionWest).*
- I tell them it's about prioritising their money – a roof over your head, power, food and phone – but many of them don't have enough even for that (Napier Family Centre).*
- Budgeting and social work have increased nationally (Pam Waugh, The Salvation Army).

## BENEFITS:

*Schools report they are noticing that policy changes within Work and Income are having a direct impact on the children and families attending their schools. More children are either not attending school or coming to school hungry / angry / unsettled and displaying disruptive behaviours ...*

Presbyterian Support Northern.

### Benefit trends 2010-2011

Main Benefit Type	June 2010	June 2011	% change 2010-2011
Unemployment Benefit	62,085	56,264	9%↓
Domestic Purposes Benefit	111,689	113,429	2%↑
Sickness Benefit	58,465	58,009	1%↓
Invalid's Benefit	85,382	84,836	0.6%↓
Other	15,303	15,279	0%
<b>Total</b>	<b>332,924</b>	<b>327,817</b>	<b>2%↓</b>

Source: Benefit Fact Sheet, MSD

Numbers on benefits have fallen in by 2% in the last year. The decrease applies to every area except for domestic purposes benefits where numbers have increased by 2%. The biggest decrease applied to unemployment benefits where numbers were reduced by 9%. The reduction probably reflects both increased employment, and the impact of the Government's Future Focus policy whereby people on unemployment benefits are required to reapply after one year. Failure to reapply on time can mean the benefit is cancelled. Similar policies apply to other benefits. The Invalids' benefit involves no work test, but eligibility is stringently tested. People on sickness benefits will now require extra medical reassessments and have a compulsory review after 12 months (sometimes including a second opinion). "From May 2011 Sickness Beneficiaries who have been assessed as being able to work part-time (15 to 29 hours a week) will have an obligation to look for suitable part-time work" (MSD Fact Sheets).

The new benefit policies are likely to be showing up in changes in benefit recipient numbers for the last four years. Benefit numbers increased in both 2009 and 2010 following the worldwide recession. The fall in numbers in the last year is unlikely to be completely accounted for by economic improvements. It is true employment has increased slightly, as has demand for goods and services; however labour force involvement has fallen, and the recovery in demand has been "gradual and from a low base" (NZIER, 3/9/2011). Given this situation, it is possible much of the decrease in benefit numbers over the last year is due to Future Focus policies.



Changes in numbers on benefits (%) from the previous year

End of quarter	Unemployment Benefits <sup>2</sup>	Domestic Purposes Benefits <sup>3</sup>	Sickness Benefits <sup>4</sup>	Invalid's Benefits	Other main benefits <sup>5</sup>	All main benefits
Jun-08	-24% ↓	0%	-4% ↓	7% ↑	-6% ↓	-1% ↓
Jun-09	187% ↑	8% ↑	17% ↑	2% ↑	8% ↑	20% ↑
Jun-10	22% ↑	7% ↑	8% ↑	1% ↑	-5% ↓	7% ↑
Jun-11	-9% ↓	2% ↑	-1% ↓	-1% ↓	0%	-2% ↓

Source: MSD

Notes:

- 1 This report defines working-age clients as aged 18 - 64 years, to reflect the minimum age of entitlement of most benefits and the age of eligibility for New Zealand Superannuation.
- 2 Comprises Unemployment Benefits and Unemployment Benefits – Hardship.
- 3 Comprises Domestic Purposes Benefits – Sole Parent, Domestic Purposes Benefits – Care of Sick or Infirm, Domestic Purposes Benefits – Women Alone, and Emergency Maintenance Allowances.
- 4 Comprises Sickness Benefits and Sickness Benefits - Hardship.
- 5 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.

*The 1,956 people requesting food parcels included 800 single parents, 512 with a spouse or partner, 464 living alone, 180 with no family, 773 on the DPB, 697 on sickness or invalid's benefits, 234 with no income, 204 with jobs, 30 on superannuation, 12 on unemployment benefits and 6 students*  
Napier Community Foodbank.

**HOUSING: Government is reducing its housing assistance**

*One of the main areas of vulnerability in our services is among women and children fleeing family violence. We currently turn away several women and their children every week from our Women's Hostel due to lack of beds/capacity, and to our knowledge they have nowhere sustainable and supported to go.*

The Salvation Army, Palmerston North

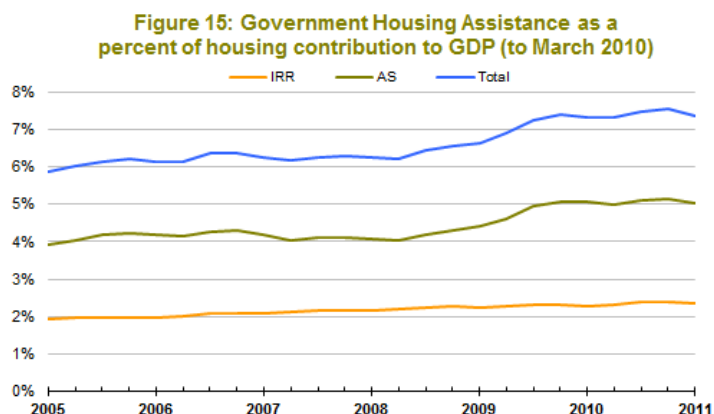
Government assists low income families into affordable housing via the Accommodation Supplement (AS) and through Income Related Rents (IRR) for low income state housing tenants.

Housing Assistance

June Quarter	Accommodation Supplement No. recipients	Income Related Rents No. recipients	Total Govt Housing Assistance (AS + IRR)
2008	245,510	60,073	\$344m
2009	293,388	60,739	\$392m
2010	317,059	61,633	\$425m
2011	308,551 (March)	61,397 (March)	\$436.6 m (June)

Source: Department of Building and Housing.

- Total expenditure on housing assistance was \$437 million at the end of June. Numbers of people receiving this assistance for June were not available at the time of writing; however March 2011 figures are shown, but are not comparable with the earlier figures due to possible seasonal variation.
- Housing assistance as a percentage of total housing contribution to GDP has started to fall as illustrated in the graph below. It was 7.4% in the March 2011 quarter, down from 7.6% in December.



*Housing New Zealand Corporation “changes would drive more vulnerable tenants on to the streets”*  
John McCarthy, General Manager Lifewise Auckland.

Government housing support policies have changed since the June 2011 Vulnerability Report. Government has announced it wishes to “increase the role of the third sector in developing and supplying affordable and particularly social housing.” The corporation’s new purpose is to “house those in greatest need, for their duration of need, and to earn an appropriate return





for the Crown” (Housing New Zealand Corporation, Statement of Intent 2011-14, p.2). Renting a state house has just got harder.

- Reviewable tenancies were introduced for new state tenants on 1 July 2011, so people no longer deemed in need of a state house will be ‘supported toward achieving private rental or home ownership’ (Minister of Housing, *Press Statement 14/06/2011*). This is illustrated in the new waiting list policy.
- As of 1 July 2011, HNZC ceased adding people to the C and D waiting lists (‘moderate’ and ‘low’ need). People on the list prior to 1 July 2011 will remain on the waiting list until “they accept an available state house not required by any priority applicant or exit the waiting list (Housing New Zealand Waiting List web page).
- There were 3,754 people on the waiting list in June 2011. Of these:
  - 402 were A Priority (severe housing need) up from 366 in March. Average waiting list time was 19 days – down from 30 in March.
  - 3,352 were B Priority (significant housing need) down from 3,588 in March. Average time on the waiting list was 96, up from 120 in March 2011.
  - 757 were C - on the waiting list to 30 June 2011.
  - 2,375 were D - on the waiting list to 30 June 2011.

Source: HNZC and Department of Building and Housing

- Government has provided \$40m in the budget to help develop a social housing sector.
- Other Housing New Zealand Corporation changes include:
  - “No longer having a role to assist individuals with their wider social needs.”
  - Tenant calls to tenancy managers will be diverted to a call centre.
  - Most tenancy managers will operate from their cars.
  - Staff cut by about 100.” (NZ Herald 6/9/2011)

***“The great risk for organisations like us and others working in the area of homelessness and emergency accommodation is that we are going to see more people in Housing NZ poorly supported, which will put more tenancies at risk, result in more evictions and more people coming out of Housing NZ accommodation and potentially more homelessness,”***

John McCarthy Lifewise Auckland.

## What about buying a house?

Building consents have fallen in the last year. “For the year ended June 2011, compared with the previous year, the total value of consents issued for residential buildings was \$4,932 million,

down \$805 million (14 %).”

Source: *Building Consents, June 2011*

July house prices were 0.4% below the same time last year, but 5.2% below the market peak of 2007. The average national house sale price is \$414,261. Largest annual house price increases were Queenstown 1.5%↑, and Auckland 1.9%↑.

Falls occurred nearly everywhere else, especially Whangarei 2.7%↓, Hamilton 3.4%↓, New Plymouth 2.6%↓, Invercargill 4.0%↓, Rotorua 2.9%↓, Wellington 2.7%↓, and Dunedin 2.9%↓. The largest fall was in Whanganui – 6.8%↓.

Source: *Quotable Value*

## Community Comment

- *‘In the first quarter of 2011, Wellington’s Downtown Community Ministry worked with 19 people who were sleeping rough, or living in cars or garages. This increased by 42% in the second quarter to 27 people. With DCM’s support a number of people have moved into accommodation during the quarter - sometimes for the first time in a very long time. This highlights again the urgent need for more affordable accommodation in the city’* (Stephanie McIntyre, Director DCM).
- *The shortage of housing stock means that we cannot meet emergency housing needs in our community. There were 34+ referrals in the last month we had to refer on elsewhere. There is a real lack of appropriate and affordable housing in West Auckland and many families are struggling. We have heard of many situations where there is over-crowding and families living in garages, with increased health risks especially in winter* (VisonWest).
- *Clients requiring urgent accommodation due to family violence find it difficult to be placed within women’s refuges when they have a male young person aged 15 or older as part of the family* (Presbyterian Support Northern).
- *Inner city housing has disappeared [in Christchurch]* (Presbyterian Support Upper South Island).
- *It is very hard to access affordable appropriate housing for low-income single people. There are limited for options other than flatting, which is not suitable for all people* (VisionWest).
- *We have noticed an increase in the stress levels of clients... Some... are finding it particularly difficult to retain their present accommodation and are under threat of eviction or mortgagee sales* (Presbyterian Support Northern).



## HARDSHIP ASSISTANCE: Significant Reduction

*“I find I’m now referring people to counselling or family support services because financial hardship creates a lot of stress”*

Napier Family Centre.

### Hardship Assistance by Year

June Quarter	Special Benefit	Temporary Additional Support (TAS)	Total
2008	18,048	24,466	42,514
2009	13,715	44,301	58,016 (36%↑)
2010	10,889	53,021	63,910 (10%↑)
2011	8,589	52,439	61,028 (4.5%↓)

Source: MSD

### Advances and Special Needs Grants by Year

June Quarter	Special Needs Grants (for Food)	Benefit Advances for Electricity, Gas and Water
2008	71,189	6,597
2009	117,365 (65%↑)	10,113 (53%↑)
2010	133,153 (13%↑)	9,909 (2%↓)
2011	106,767 (20%↓)	7,369 (26%↓)

Source: MSD

People applying for hardship grants in three or more occasions over a year, have to:

- Apply at a Service Centre;
- Demonstrate how they have worked to increase their income, reduce their costs, or improve their financial management, and;
- If they do not meet these requirements, they may be declined further payments.

Source: MSD Factsheet

This Vulnerability Report began by asking where all the people have gone. We noted unemployment had fallen by 6,000 people and therefore could not work out why the social services seem to be busier than ever. Perhaps the hardship statistics provide an important clue. Unemployment has fallen, but the fall is not large given the size of the labour force. There are large falls in the numbers of hardship grants provided, just as benefit numbers have all fallen apart from DPBs.

Perhaps it is the tightened government assistance policies, combined with price increases for basic items that are resulting in

demands on social services. The really sad outcome is it looks like our children are suffering the most when the families are stressed.

- *“This year we have had an increase of referrals from Work and Income due to policy change around Hardship and Advance Payment entitlements. This has meant a significant increase to client sessions and a waiting time of up to two weeks for client appointments. In addition to benefit changes, we have seen clients that have been made redundant or had hours cut back in their jobs. This has contributed to a considerable rate of voluntary and or forced insolvency. There is high competition for part or full time employment in our local area, which can be very distressing for those seeking work”* (Vision West Auckland).
- *Advocacy with Work and Income has been increasing due to the difficulties clients have found around the new system of not having their own case manager. Vision West stepped in to address the gap by providing support and educating clients on what services are available to them and how they can access these. This is beneficial for clients who feel overwhelmed with stress and are unable to move forward without support* (VisonWest).
- *70% of our clients are women parenting alone, 50% of our clients are Māori, 70% are on benefits* (Presbyterian Support East Coast).

*“It’s not just our houses, businesses and roads that have been broken; it’s our families and communities too. If we talk about people feeling isolated, frightened, worried about the safety of their children, about not being able to cope financially, uncertain about what tomorrow will bring after another sleepless night, you might think I’m talking about what most of us have experienced since the earthquakes began. But I’m actually describing what it feels like to live with the effects of family violence. Combine the effects of these two enormous traumas together and you double the impact, double the damage, double the disaster”* Christchurch Women’s Refuge CEO, Nicola Woodward.

### We would all benefit from applying Paul Reeves vision.

NZCCSS thanks all those who took the time to contribute to this report. Vulnerability Reports are available on our website [www.justiceandcompassion.org.nz](http://www.justiceandcompassion.org.nz). The next Vulnerability Report will be released in December 2011. If you are involved in a social service agency and would like to contribute to future issues please contact:  
 Philippa Fletcher  
 Ph. 04 473 2627  
[philippa.fletcher@nzccss.org.nz](mailto:philippa.fletcher@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.