



## Two years of the Vulnerability Report

*Ehara taku toa i te toa takitahi, engari he toa takitini ke.*

My strength does not come from me alone but also from others.  
(Co-operation of many can bring the best results)

*“It’s not just Māori who are on the wrong end of the statistics. There are plenty of other poor families and migrant families. It’s an intolerable reality that we have somehow learned to tolerate.”*

Tui Motu interview with Jim Moriarty about working with people at risk, May 2011

### INTRODUCTION

Too many of our indigenous people and too many of our young people are struggling. Māori unemployment is 16.1% and youth unemployment is 18.8%. Māori youth unemployment is 28.8%. Pākeha unemployment is just under 5%.

Families Commissioner Kim Workman recently wrote “Māori are particularly vulnerable in times of economic hardship” (Families Commission, introduction to *Whānau Taketake Māori*, September 2010). So are our young people. They already carry the burden of being born during the last slump in the late 1980s and early 1990s.

There are too many vulnerable people in Aotearoa New Zealand. Our social services are struggling due to over-demand and funding reductions. The services are the last resort. When they close or are reduced, our poorest people are turned away.

Technically, the recession ended in mid-2009, when the economy started to grow again. Employment also started to grow again, but some of us have benefited more than others. Those of us in the top 12% of income earners received 40% of the benefits of the October 2010 tax cuts. The top 2% got over 11% of the total (Susan St John quoted in *Northern Advocate* May 2011). Meantime, many in Canterbury brave all sorts of earthquake-laden difficulties which exacerbate the problems already present.

The Vulnerability Report is now two years old. The first Vulnerability Report came about because of the recession. It began by telling us: “New Zealand entered the recession with hundreds of thousands of children and families already in poverty and with an under resourced social services sector. It is clear that the recession is making life more difficult for many people and placing an even greater strain on helping agencies.”

The report went on to say “this data does help to identify the levels of vulnerability being experienced by New Zealanders. It

is our intention that these snapshot reports will contribute to the development of compassionate policy responses.” Despite some economic growth, two years later, the 9th Vulnerability Report catalogues how life has got worse for our most vulnerable. The NZ Council of Christian Social Services produces the Vulnerability Report on a quarterly basis. PDF versions are available to download from our website: [www.justiceandcompassion.org.nz](http://www.justiceandcompassion.org.nz).

### A BRIEF SUMMARY

*“It is deeply disappointing to see so many people in such great need. Not since the 90’s have we seen this level of reliance on our foodbank”*

Stephanie McIntyre, Director, Downtown Community Ministry

#### Economy

The NZIER describes the economy as being in a ‘holding pattern, but preconditions for a domestic recovery are strengthening.’ Reconstruction in Canterbury will ‘add to activity next year.’ The NZIER expects the economy “to recover strongly from just 0.3% growth in 2011 to 3.7% in 2012.” NZIER, *Quarterly Predictions*, June 2011. *Consensus Forecasts*, March 2011.

#### Prices

The first Vulnerability Report was written in June 2009 and contained the March statistics for that year. Between March 2009 and March 2011:

- Prices increased by 6.6%
- Food increased by 6%
- Petrol increased by 30%
- Average hourly earnings increased by 3.4% (Statistics New Zealand, *Consumer Price Index; Infoshare*)

#### Unemployment

The working-age population increased by 2.7% between March 31 2009 and March 2011 (Statistics New Zealand, *Household Labour Force Survey* definition).

- The unemployment rate increased from 5% to 6.6%
- Youth unemployment increased from 12.2% to 18.8%
- Māori unemployment increased from 10.7% to 16.1%
- Māori youth unemployment increased from 18.2% to 28.8%



## Benefits

- People receiving unemployment benefits increased by 61%
- People receiving domestic purposes benefits increased by 11%
- People receiving sickness benefits increased by 17%
- People receiving invalids benefits increased by 1%
- People receiving all of our main benefits increased by 15%

## Children

- Benefit dependent children increased by 10%
- Children in out of home placements fell by 6%
- Māori children in out of home placements fell by 4%
- Māori children consistently comprised around 50% of out of home placements

## SO WHAT'S GOING ON?

### Affording Life's Essentials: The Consumer Price Index

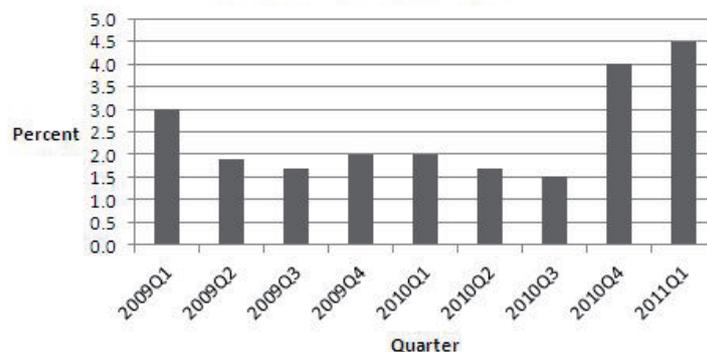
*"The cost of living is so high, people just can't keep up."*

Diane Robertson, Auckland City Mission

Number one item in Vulnerability Report issue one, was trends in the cost of living. It reported "essential living costs are rising faster than general inflation" (*Vulnerability report issue 1 June 2009*). The Consumers Price Index (CPI) had increased by 3% in the year to March 2009.

Two years later, the Consumers Price Index (CPI) increased by 4.5% in the year to March 2011 (including a 2.5% increase in GST in October 2010).

## CPI Annual Change



Source Statistics New Zealand

In the last year (to March 31 2011)

- Petrol prices increased by 17.1%
- Cigarettes and tobacco by 26.1%
- Electricity by 6.0%
- Early childhood education charges increased by 11.7% - "the largest increased in ECE charges since the services began in 1988" (Statistics New Zealand: *CPI Hot Off the Press*).

Food increased by 4.8%

- Fruit and vegetables increased by 9.5%
- Milk,cheese and eggs increased by 8.8%
- Vegetables increased by 12.1%

The Food Price Index (FPI) increased by 6.8% in the year to May 2009. It increased by 7.4% in the year to May 2011 (Statistics New Zealand *Food Price Index*, May 2011). Since around June 2010, milk, cheese and egg prices have been increasing at a faster pace than the 'overall food' category (see graph below).

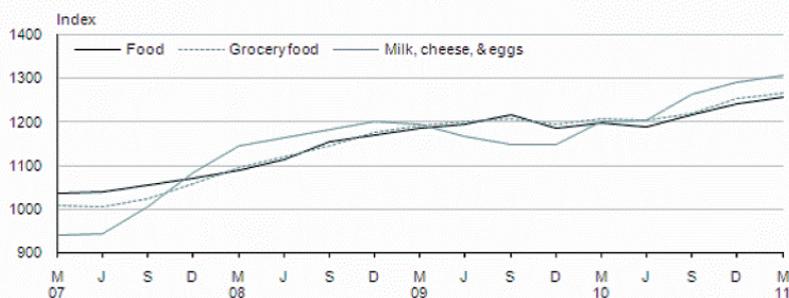
Back in 2009, increases in average hourly earnings were greater than increases in the CPI. In the last year, CPI increases have outstripped average hourly earnings increases (Statistics New Zealand, data compiled from *Infoshare*).

Not all prices have increased. Audio visual equipment prices fell by 17.7% in the year to March 2011, and fell by 18.6% one year earlier.

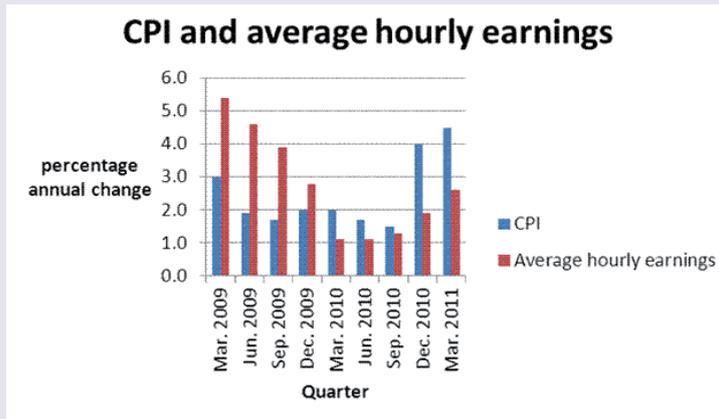
### Food group and selected indexes

Quarterly indexes

Base: June 2006 quarter (=1000)



Source: Statistics New Zealand

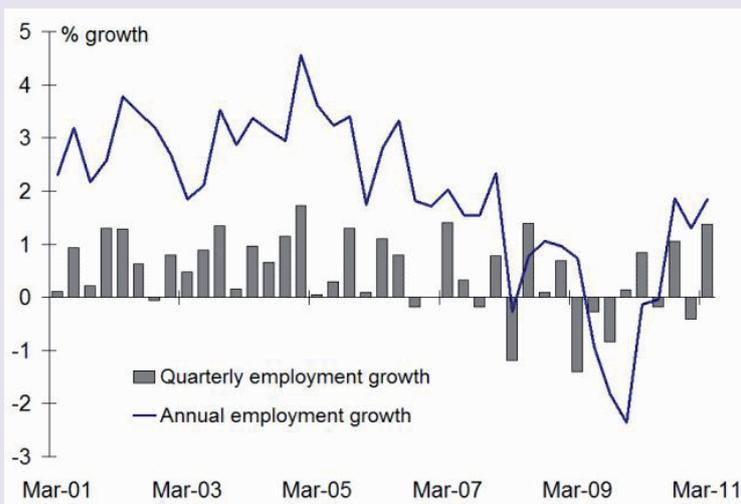


Data: Statistics New Zealand, *Infoshare*

**Our People: Employment And Unemployment**

*"More than 1,000 hopefuls queued for hours on Friday and Saturday competing for 140 Hamilton supermarket jobs."*

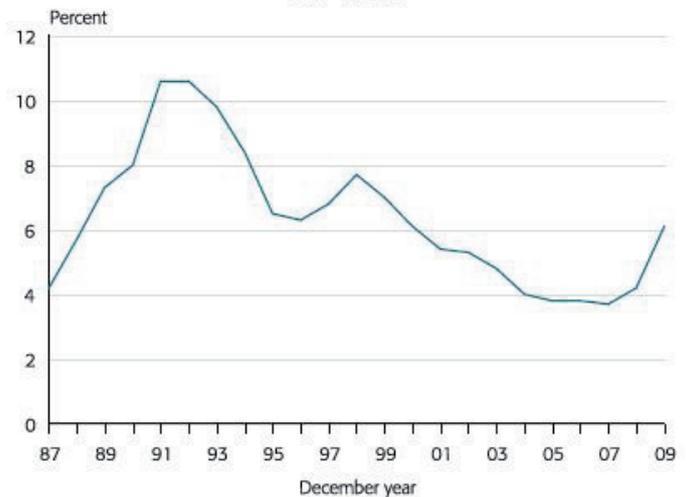
Waikato Times, 2 May 2011



Source: Department of Labour, *Employment and unemployment*; Statistics New Zealand, *Household Labour Force Survey*

The first Vulnerability Report featured the March 2009 Household Labour Force survey results. The unemployment rate (the proportion of the labour force unemployed) was 5% and there were 114,000 people were unemployed. Two years later 6.6% of the labour force (155,000 people) are unemployed.

Annual unemployment rate 1987-2009



Source: Statistics New Zealand

The labour market strengthened over the March 2011 quarter, according to the Department of Labour’s commentary *Employment and Unemployment*. They cite the increases in the participation rate (the percentage of the working age population in the labour force), and increases in employment numbers. However, there may be some underlying indications all is not well. The number of people who were self-employed and not employing others rose by 12.2% in the year to March 2011. In, fact female self-employment rose by 19,100 or 27.5%. This could mean economic precariousness rather than economic health. Back in 1990, the National Advisory Council on the Employment of Women (NACEW) noted ‘prolonged recession and unemployment can force people into self-employment’ (*Beyond the Barriers*, p. 83). Tougher approaches to unemployment benefits may also result in more people doing precarious work (see point 5 below).

**In the March 2011 year:**

- 1 The number of people unemployed increased by 13,000 (9.4%).
- 2 Unemployment increased by 3.3% according to Statistics New Zealand’s trend series (which has both the seasonal and irregular components removed).
- 3 Jobless numbers (the wider definition of unemployment) increased by 3.2%.
- 4 Those long term unemployed (i.e. for more than 26 weeks) increased by 15.5%.
- 5 Numbers receiving unemployment benefits have declined recently, but government policy changes will have some impact here.



The Future Focus policy requires people on unemployment benefits to reapply after one year. This resulted in over 5,000 cancelling their benefit in the last year (Minister of Social Development and Employment, *Press statement*, 8 June 2011).

**So Who Is Unemployed?**

**Unemployment Summary Statistics**

|  | March 2009 | March 2010 | March 2011 |
|--|------------|------------|------------|
| <b>Unemployment rate</b>                   | 5%         | 6%         | 6.6%       |
| <b>Pākeha only unemployment rate</b>       | 3.9%       | 4.4%       | 4.9%       |
| <b>Māori only unemployment rate</b>        | 10.7%      | 14.2%      | 16.1%      |
| <b>Pasifika only unemployment rate</b>     | 13.6%      | 14.4%      | 14.0%      |
| <b>Youth unemployment rate</b>             | 12.2%      | 17.2%      | 18.8%      |
| <b>Māori youth unemployment rate</b>       | 18.2%      | 25.8%      | 28.8%      |
| <b>Pasifika youth unemployment rate</b>    | 27.6%      | 26.7%      | 28.1%      |
| <b>Total number unemployed</b>             | 114,000    | 140,000    | 155,000    |
| <b>% of total unemployed who are youth</b> | 42%        | 47%        | 44%        |
| <b>% of total unemployed who are Māori</b> | 23%        | 27%        | 26%        |

Source: Statistics New Zealand Household Labour Force Survey; Department of Labour, *Employment and unemployment March 2011*

**Our young people**

- Back in 2009, the first Vulnerability Report said 17% of youth aged 15-19 were unemployed. By March 2011, this had grown to 27.5%. However, increasingly we are using ‘youth’ to mean those aged 15-24. In March 2011, 18.8% of these youth in Aotearoa New Zealand were unemployed.

Quite a change from the 12.2% unemployed in March 2009.

- Of the 155,000 people unemployed in March 2011, 67,600 or 44% were aged 15-24. Back in 2009, our young people comprised 42% of total unemployed. Young people in our country make up to close to half of all our unemployed.

**Unemployment rates, 2006-2011**



Source: Department of Labour, *Employment and Unemployment March 2011*

Our young people aged between 15 and 24 were born between 1987 and 1996. Unemployment during that period grew rapidly from just over 4% in 1987 to over 10% in 1991-2, falling back to between 6 and 7% in 1996. They were born during a period of high unemployment. We now have New Zealand research showing low childhood socio-economic status is associated with an increased risk of substance dependence and poor physical health in adulthood (Melchior, M et.al (2007) *Why Do Children from Socioeconomically Disadvantaged Families Suffer from Poor Health When They Reach Adulthood? A Life-Course Study*, Am J Epidemiol 2007; 166:966–974).

**Our indigenous population**

- Māori are tangata whenua. Māori are a young population and therefore likely to become an increasing proportion of our total population. Increasingly, our wellbeing as a nation will become aligned with Māori wellbeing.
- Māori had double the unemployment rate (10.7%) of ‘all persons’ (5.0%) in March 2009. Māori also constituted one third of people receiving unemployment benefits (33.8%).
- Māori now have over double the unemployment rate of ‘all persons’ (16.1% - up from 14.2% a year ago (All persons – 6.6%)).



- Māori comprise 15 % of the population (2006 census), but 26% of total unemployment.
- Pasifika are also disproportionately affected, with 13.6% unemployed in March 2009. By March 2011, that figure had grown to 14.2 % (slightly down on the 14.4% 2010 figure).

**Rangatahi and Pasifika youth**

- Rangatahi (18-24) are grossly over-represented in our unemployment figures. Māori youth unemployment has increased from 18.2% to 28.8% in the last two years.
- Pasifika youth unemployment is now 28.1%.
- We also talk about something called NEET for our 15-24 age group. NEET means ‘not in employment, education or training’, and is a measure of youth disengagement. Between March 2009 and March 2011, the NEET rates increased across our three main ethnicities, but were highest for our indigenous young people.

|                   | March 2009 | March 2010 | March 2011 |
|-------------------|------------|------------|------------|
| European / Pākeha | 7.0%       | 9.3%       | 8.2%       |
| Māori             | 12.5%      | 17.6%      | 17.0%      |
| Pasifika          | 11.9%      | 14.3%      | 14.5%      |

Source: Department of Labour, Fact Sheet March 2011

**People who live in Northland and some other parts of the North Island**

Our first vulnerability report did not investigate unemployment by region. Unemployment is currently highest in Northland (9.8%) and lowest in Southland (3.8%). Other areas where unemployment is higher than the national average are Auckland (7.9%), Waikato (7.3%), Gisborne / Hawkes Bay (7.9%), Bay of Plenty (7.4%), Manawatu/ Whanganui (6.9%), and Wellington (6.9%).

- Waikato, Gisborne / Hawkes Bay, Wellington and Canterbury all have rates which have increased by more than one percentage point in the last year (Department of Labour, *Employment and Unemployment March 2011*).
- High unemployment areas that also featured as high unemployment areas last year include: Northland, Auckland, Bay of Plenty, and Manawatu/Whanganui.

**Forecasting unemployment**

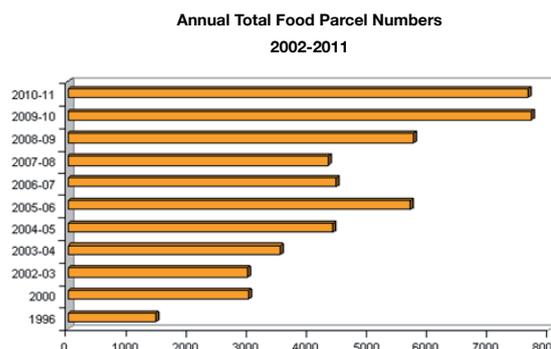
The NZIER is forecasting the unemployment rate to rise with displacement and shedding of jobs in Canterbury, and then to improve gradually to 5.5% (from 5.1% in the previous survey) in the March 2013 year due to reconstruction (NZIER, Consensus Forecasts, March 2011).

Signs unemployment may worsen include a number of recent and potential job losses, e.g. Vbase cutting 150 jobs, DesignLine International and Yarrows Ltd in liquidation, and Budget announcements the public sector is to save \$980 million.

**COMMUNITY IMPACT**

*“Clients, even those who have cars, cannot come because they have no money to put fuel in their cars to get here”*

Ian Foster, South Auckland Christian Foodbank.



Auckland City Mission, Food parcel numbers

- Auckland City Mission experienced close to a 20% increase in demand over last year, “pushing usage to an all-time high.” For the year ending this June 2011, Auckland City Missioner Diane Robertson estimates 9,000 food parcels. “That’s up from 7,700 the year before, which saw a 2,000 year-on-year increase before that as well” ... “Since the Auckland City Mission first started keeping records, food parcel issues have grown from 1,457 in 1996 to a projected 9,000 for the year ending June 2011” (Auckland City Mission press statement, June 2011).
- “We are seeing more low-income families seeking assistance as their hours are cut or they are retrenched...” Pam Waugh, The Salvation Army Head of Welfare Services.
- More grandparents are struggling to raise grandchildren, particularly in the Waikato where there has been a marked increase in unemployment (The Salvation Army).



- “In the 10 years I’ve been doing this , I haven’t seen a demand like this before” (Hamilton Advisory Trust Manager, Clare Mataira).
- “Food has increased by 35% in Whangarei in the last decade – the sharpest increase in New Zealand” - quoted by Radio New Zealand 4 April 2011. Demand for The Salvation Army budgeting service has gone up by 90%, and despite a generous community, the Whangarei Salvation Army has been rationing food parcels to one per family per month (Pete Mullenger, The Salvation Army, Whangarei).
- Foodbanks are starting to look at some creative options for dealing with the demand. Increasingly they are dealing with chronic need rather than intermittent crises. For example, Diane Robertson explains that “social agencies running them are exploring the need to change mandates so they can work toward finding systemic cures rather continuing to present as a band-aid solution” (Auckland City Mission press statement, June 2011).
- One example is Wesley Porirua foodbank’s community garden. People who use the foodbank tend the garden and the resulting produce is included in food parcels. Cooking and nutrition classes are also planned. In the first four months of this year, 614 people had applied for food parcels compared to 400 in the same period last year, and 273 in 2008. Donations of food have also reduced (Kena Duignan, Cannons Creek Community Pantry Project).
- Demand for The Salvation Army has assistance continued to rise. Excluding earthquake assistance in Christchurch, the organisation distributed 50,675 food parcels to 26,677 families and individuals in the year to March 2011. This was on top of record numbers of food parcels in the 12 months to April 2010. From the first quarter of 2008 to the first quarter of 2010, the number of food parcels provided by The Salvation Army increased 107% in the lower North Island and by 80% in Northland and Auckland. Demand for food parcels increased 37% in the South Island over the same period.
- The Downtown Community Ministry foodbank closed for a period during April because it ran out of food. The foodbank gave out 1,153 parcels in the first four months of 2011, compared with 806 in the same period last year (Stephanie McIntyre, DCM director). It is possible DCM’s large increase reflects growing unemployment in Wellington.

- "Our numbers are up quite a lot for May (22% overall). Breakfast numbers have increased by 25% and evening meals by 17%. Takeaways are up 33% with an average of 12 a night" (Suzanne Aubert Compassion Centre).
- Superannuitants needing help because of power, petrol, food and rent costs have increased around 11% in the last year, according to the Salvation Army. Many of the pensioners seeking assistance need social service help for the first time in their lives (Pam Waugh, The Salvation Army).

## PERSONAL DEBT

**Summary instalments have increased; no asset procedures have decreased.**

*"This is not about these people making poor spending choices. People on subsistence incomes often have stark choices to make when face with school or dental fees or the need to replace a washing machine. Often this involves getting saddled with debilitating debt for many years."*

The Salvation Army, Head of Welfare Services, May 2011.

| Personal Debt      | Mar-09 year | Mar-10 year  | Mar-11 year |
|--------------------|-------------|--------------|-------------|
| Bankruptcy         | 2325        | 3070 32% ↑   | 2784 9.3% ↓ |
| No Asset Procedure | 2782        | 3085 10.9% ↑ | 2102 32% ↓  |
| Summary instalment | 226         | 356 57.5% ↑  | 393 10.4% ↑ |

Source: Insolvency Trustee Service (Ministry of Economic Development)

According to the Ministry of Economic Development, bankruptcies and no asset procedures fell during the March 2011 year, after increasing between March 2009 and 2010. Summary instalments increased by 74% over the two year period. They were created under the Insolvency Act 2006 and can be an alternative to bankruptcy when a person has assets or income.



## COMMUNITY IMPACT

**There just doesn't seem to be enough to budget on.**

*"In some cases budgeting was appropriate, but in most cases ... there was no question of budgeting as there is nothing left to budget with after rent and power were paid."*

Neville Corkery, Southland Beneficiaries and  
Community Rights Centre

The recent 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:

- Families seeking help from budgeting services went up by almost 70% in the three months after government required anyone wanting a hardship grant to get budgeting assistance, according to the heads of 22 North Island budget services (TV1 news, April 7, 2011).
- The Salvation Army's Waikato Budgeting Service has been stretched to the limit and the waiting time has become "extremely difficult to manage" The Salvation Army Community Ministries Hamilton Director, Wilfred Arnold. He said that often people cannot be given help right away, because resources are too stretched. The Salvation Army is trying to train and accredit more budget advisers to meet the demand.
- More pensioners want assistance with budgeting, particularly if they are trying to meet mortgage payments, according to the Federation of Family Budgeting (quoted on Radio NZ, May 1 2011).
- For many turning up at the Auckland City Mission's food bank's doorstep, debt was the crippling factor. "There's simply not enough money to go around and food is seen as a discretionary item. Mission staff spent time with applicants analysing their income, household make-up and levels of debt, social welfare entitlements and such with the aim of helping them to become more self-sufficient" (Auckland City Mission, *Press statement*, June 2011).
- Invercargill budget advice services are twice as busy as this time last year. Jubilee Budget Advisory Service is seeing twice as many new clients as the same period last year (Manager Simon Tierney). Part of the increase is a result of Government's change in policy to require clients to receive budget assistance if they seek hardship assistance more than three times during the year.

- People wanting help in Mangere have jumped 60% since Christmas (Darryl Evans Mangere Budgeting Services).
- Around 16,500 people received budgeting help from the Salvation Army in the year to March 2011. Some services report decreases in demand which could be due to success in helping families become financially independent (Pam Waugh – The Salvation Army Head of Welfare Services).
- 'In looking at the last two years, one of the most noticeable factors is the growth in demand for budget services' (Katherine Noble NEO Presbyterian Support NZ).



## BENEFITS

Numbers on benefits continue to increase on an annual basis.

Numbers on benefits have increased year on year with the increase in unemployment. The most rapid increase is the number receiving unemployment benefits, which has increased by over 30,000 in four years.

Numbers of working-age clients receiving main benefits

| 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 |
|----------------|------------------------------------|---|--------------------------------|--------------------|----------------------------------|-------------------|
| Mar-08         | 19,034                             | 95,861                                  | 45,676                         | 81,130             | 14,053                           | 255,754           |
| Mar-09         | 37,146                             | 102,003                                 | 51,041                         | 83,961             | 14,808                           | 288,959           |
| Mar-10         | 60,211                             | 109,643                                 | 55,796                         | 84,877             | 14,287                           | 324,814           |
| Mar-11         | 59,940                             | 113,077                                 | 59,582                         | 85,055             | 13,875                           | 331,529           |
| % Change       |                                    |   |                                |                    |                                  |                   |
| 2010-11        | -0.5% ↓                            | 3.1% ↑                                  | 6.8% ↑                         | 0.2% ↑             | -2.9% ↓                          | 2.1% ↑            |
| 2009-10        | 62% ↑                              | 7.5% ↑                                  | 9.3% ↑                         | 1.2% ↑             | -3.5% ↓                          | 12.4% ↑           |
| 2009-2011      | 61.4% ↑                            | 10.9% ↑                                 | 16.7% ↑                        | 1.3% ↑             | -6.3% ↓                          | 14.7% ↑           |
| 2008-2011      | 214.9% ↑                           | 18.0% ↑                                 | 30.4% ↑                        | 4.8% ↑             | -1.3% ↓                          | 29.6% ↑           |

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.

Source: Benefit Fact Sheet, MSD

### Total Benefit Recipients

- The first vulnerability report recorded “working age people receiving benefits increased by 33,205 or 13% in the 12 months ending March 2009 (to 288,959 people).”
- Between March 2009 and 2010, this increased by 12% to 324,814 people, and by 2.1% to 331,529 people in March 2011.
- The number of working age people receiving a benefit increased by 29.6% between March 2008 and March 2011.
- Around 10% of the Department of Statistics working age population are on benefits as at March 2011. The comparable figure in March 2008 was 7.8%.
- MSD has a different measure of working age population. Using their definition (the 18-64 age group), the proportion of the working age population on benefits increased from just under 10% to just over 12% during the March 2008 – March 2011 period.



### Individual Benefits

- The March 2009 Vulnerability Report told us the number of DPB recipients had increased by 6% since March 2008. Invalid's Benefit recipients had increased by 3%; Sickness Benefit recipients by 12%; and the number of Unemployment Benefit recipients has nearly doubled – increasing by 95%.
- By March 2011, that 'nearly doubling' of those on the unemployment benefit had turned in to a 215% increase between March 2008 and 2011 (from the fairly low base of 19,034). The number on sickness benefits had grown by 30.4% and the number on Domestic Purposes Benefits grew by 18%.
- If we remove the low 2008 figure, unemployment benefit numbers increased by 61.4% between 2009 and 2011.

### So who are the people on benefits as at March 2011? (2009 figures are in brackets)

- 32.5% are Māori (31.6%).
- Nearly 20% (18.3%) are aged 18-24 (17.3%).
- Around 21% are caring for a dependent child under 6.
- 42% of our DPB recipients are Māori (41.5%).
- 19.9% of DPB recipients are aged 18-24 (19.6%).
- 21.9% of our invalids' beneficiaries are Māori (21.4%).
- 13% of our invalids' beneficiaries and have an intellectual disability.

- 30% of our invalids' beneficiaries, and 42% of our sickness beneficiaries have psychiatric conditions.
- 27% of those on sickness benefits are Māori.
- 15% of our sickness beneficiaries have musculo-skeletal disorders.
- From May 2011, people on sickness benefits assessed as being able to work 15-29 hours per week have an obligation to look for and accept any suitable part time work. They are required to provide medical certificates after four weeks on a benefit and then every 13 weeks to prove eligibility (Minister of Social Development, Press Statement 2/5/11).
- 36% of unemployment benefit recipients are Māori (33.8% 2009).
- 31% of unemployment benefit recipients are aged 18-24 (31% 2009).

### HARDSHIP ASSISTANCE

*"Increases in food and fuel prices, combined with high unemployment and stagnant wages, have put even the most basic daily expenses beyond the reach of many families."*

The Salvation Army Hamilton

Tougher times are reflected in demand for hardship assistance via the Special Benefit and TAS which increased by 53% between the March 2008 and March 2011 quarters. Special Benefit numbers are declining because this type of benefit was replaced with TAS on 1 April 2006.

Māori continue to be over represented in the numbers of people receiving the Accommodation Supplement (28%), Special Benefit (20.3%) or Temporary Additional Support (27.7%).

| March Quarter | Special Benefit) | % Māori | Temporary Additional Support (TAS) | % Māori | Total  |         |
|---------------|------------------|---------|------------------------------------|---------|--------|---------|
| 2008          | 19,371           |         | 21,377                             |         | 40,748 |         |
| 2009          | 14,490           | 22.4%   | 39,899                             | 87% ↑   | 54,389 | 33.5% ↑ |
| 2010          | 11,447           | 21.5%   | 49,435                             | 24% ↑   | 60,882 | 11.9% ↑ |
| 2011          | 9,133            | 20.3%   | 53,172                             | 7.5% ↑  | 62,305 | 2.3% ↑  |
| 2008-2011     |                  |         |                                    |         |        | 53% ↑   |

Source: MSD



As mentioned earlier, Work and Income now require clients to show they have worked on their budgeting skills if they seek hardship assistance more than three times during the year. Given the record demand reported by the foodbanks and budgeting services, the policy change probably explains the reduction in grants for food and electricity etc.

Despite marked increases between March 2008 and March 2010, Special Needs Grants (for Food) decreased by around 8.5% between March 2010 and 2011. Benefit advances for electricity and gas reduced by 28.9% between March quarter of 2010 March 2011.

Māori continued to be over-represented among those receiving grants for essentials – between 42% and 47% throughout the period.

Source: MSD

- Last year’s June Vulnerability Report recorded a different picture: “the median house sale price of \$360,500 was the highest March figure in twenty years and had increased 7% in 12 months.”
- Average weekly market rent increased in all the main centres except Wellington during the May 2011 year:
  - Central Auckland \$442 6.9% ↑
  - North Auckland \$446 4.9% ↑
  - South Auckland \$399 6.4% ↑
  - Christchurch \$313 8.7% ↑
  - Dunedin \$271 4.6% ↑
  - Hamilton \$303 4.8% ↑
  - Wellington \$400 4.3% ↓
 (last year’s June Vulnerability report reported a “significant increase” in Wellington rents)

Sources: REINZ Monthly Housing Price Index, Department of Building and Housing Market rent analysis

| March Quarter | Special Needs Grant (for food) | % Māori | Benefit Advances for Electricity, Gas and Water | % Māori |
|---------------|--------------------------------|---------|---|---------|
| 2008          | 75,432                         | 44.0%   | 6,170   | 46.2%   |
| 2009          | 114,698                        | 43.1%   | 7,887   | 46.1%   |
| 2010          | 147,303                        | 43.2%   | 10,305  | 45.5%   |
| 2011          | 134,742                        | 42.7%   | 7,322   | 46.6%   |

Source: MSD

## HOUSING AND HOUSING ASSISTANCE

- Building Consents for new dwellings authorised, including apartments fell by nearly one third between April 2010 and April 2011. This is the lowest level since this series began in 1982 (Statistics New Zealand: Building consents issued April 2011).
- National median house prices remained static in the year to May 2011 at \$350,000 - the same as May 2010 (REINZ).
- Median house prices in Auckland rose by 2% to \$464,000 from \$455,000 in May 2010; fell by 2.6% to \$375,000 from \$385,000 in Wellington, and rose by 1.4% to \$308,000 in Canterbury in the year to May 2011.
- Values are now 1.6% lower than the same time last year, and 5.7% below the market peak of late 2007 (Quotable Value: Latest Property Statistics, June 2011). House prices decreased significantly in Whangarei (-5.5%), Gisborne (-5.2%) Wanganui (-5.0%) and Palmerston North (-4.2%) in the 2010-2011 year.



HOUSING ASSISTANCE

| March Quarter | Accommodation Supplement                 | %Māori | Income Related Rents No. Recipients   | Total Govt Housing Assistance (AS +IRR) |
|---------------|--|--------|---------------------------------------|---|
| 2008          | 241,876                                  |        | 59,647                                | \$342m                                  |
| 2009          | 274,620 (13.5% ↑)                        | 27.1%  | 60,522 (1.5% ↑)                       | \$376m (9.9% ↑)                         |
| 2010          | 309,261 (12.6% ↑)                        | 27.7%  | 61,200 (1.1% ↑)                       | \$422m (12.2% ↑)                        |
| 2011          | 310,328 (0.3% ↑)<br>(28.3% ↑ since 2008) | 28%    | 61,718 (0.08% ↑)<br>(3.5% since 2008) | \$439m (4.0% ↑)<br>(28.4% ↑ since 2008) |

The two main ways that the Government assists low income families into affordable housing is through the Accommodation Supplement (AS) and through Income Related Rents (IRR) for low income state housing tenants. At the end of March 2011 there were 310,328 AS recipients and 61,718 IRR tenants.

- The total value of housing assistance increased by 28% between the March 2008 and March 2011 quarters.
- There has also been a 28% increase in AS recipients during the same period (possibly reflecting the increased cost of housing during this period and/or reduced real incomes.)
- There has been a more modest 3.5% increase in IRR recipients comparing the March 2011 quarter with the same quarter in 2008, constrained by the finite number of state houses available.

Source: Department of Building and Housing, Road to Recovery Salvation Army State of the Nation Report 2009

Housing New Zealand Corporation

Housing New Zealand homes are tightly targeted. The first Vulnerability Report recorded there were 9,945 families on the HNZC waiting list in May 2009. As at 30 April 2010, there were 10,749 people on the list.

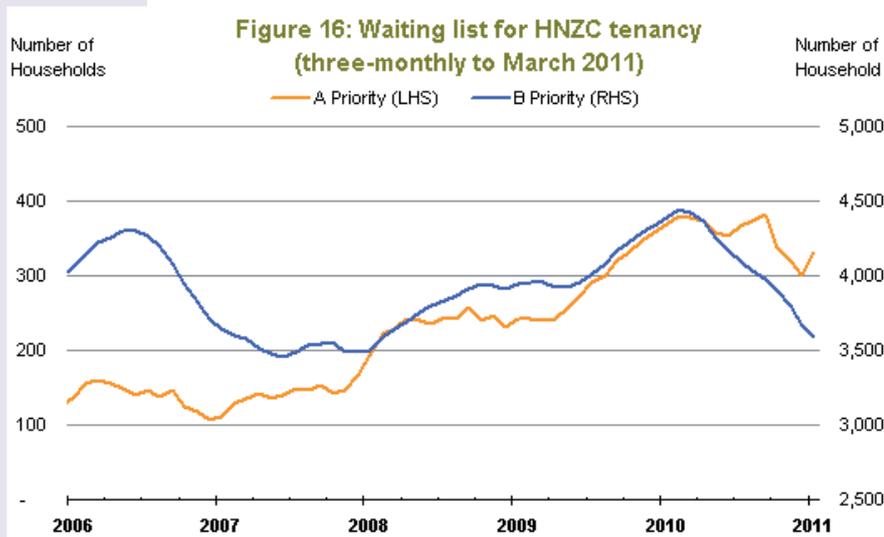
“Between March 2009 and March 2010 there was been a 12.5% increase in the waiting list for those in the highest need (Priority A and B combined). The largest increase was for those with a severe housing need – up 47% in the 12 months to March 2010” (June 2010 Vulnerability Report).

This year the picture is different. Numbers on the waiting list fell in every category. There were 8,867 on the waiting list at the end of March 2011. Of these:

- 366 were A Priority (severe housing need)
- 3,588 were B Priority (significant housing need)
- 2,595 were C Priority (moderate housing need)
- 2,318 were D Priority (lower level housing need)

Waiting times however, increased between March 2010 and March 2011. Priority A families were on the waiting list for an average of 30 days (29 -2010). Priority B families, a much larger group, have to wait on average 120 days (nearly 100 days – 2010).

Sources: HNZC and Department of Building and Housing



Source: Housing New Zealand Corporation



A major reason for the decline in numbers on the waiting list could be changes to HNZN policies. Government is now looking at more cost effective ways of managing the demand for housing. People seeking houses now attend an options and advice service to learn about alternatives to Housing New Zealand homes, e.g. the private rental market, home ownership and government assistance to help them sustain their current housing situation (Phil Heatley, Housing Minister, May 2010). They also have to provide a vast amount of information to determine their priority, e.g. proof of current living situation, residency status of you and those living with you, weekly household income, housing expenses, assets – money in the bank and investments, housing needs, and rent they can afford to pay.

A future impact on HNZN housing numbers could be reviewable rents. Government has stated it wishes to focus on tenants in need, and is implementing reviewable tenancies for all new state housing tenants from 1 July 2011. The Minister explains “the concept of the state providing a guaranteed state home for life, regardless of improvements in the personal circumstances of tenants, is no longer sustainable or desirable” (Phil Heatley, December 2010).

## COMMUNITY IMPACT

*“There is overcrowding with two or more families sharing one home in an attempt to manage living costs.”*

Hamilton Advisory Trust Manager, Clare Mataira

- Homeless men in Hamilton are regularly being turned away from the city’s night shelter. Hamilton Christian Night Shelter trust needs \$1million for a better building with more beds. They estimate at least 10 people sleep rough in Hamilton every night. The problem is worse in winter and has become an increasing problem since the city’s low budget accommodation “all but disappeared in the late 1990s” (Peter Humphreys, Hamilton Christian Night Shelter).
- Hamilton Christian Night Shelter has assisted 1,793 men, who stayed a total of 20,071 nights, and 695 women who stayed a total of 12,575 nights over the last five years.
- “Year on year the demand remains high. Emergency housing is not meeting the level of demand, neither is it meeting the variety of need there is, e.g. places for mums with older children. The government agencies do not know what to do either. The Boarding House Inquiry is important. Caravan parks seem to be filling the need because there is nothing else. Some boarding houses are profit driven, have minimal cleaning and services and inappropriate placements” (David Zussman, Trust Executive, Monte Cecilia Housing Trust, Mangere).

## WHAT ABOUT OUR CHILDREN?

**Children in benefit-dependent households increased by almost 10% between March 2009 and March 2011.**

- As at the end of March 2011 the number of benefit dependent children was 232,264. This was a 9.7% increase on March 2009 (211,736).
- Beneficiary families with dependent children have a hardship rate of around 5 times that for working families with children (51% and 11% respectively) (MSD, 2008 *Living Standards Survey- Background and Key Findings*).
- Sole parent families are 4 times more likely to experience hardship than two parent families (MSD, 2008 *Living Standards Survey - Background and Key Findings*).
- 183,919 children (79% of children in benefit dependent homes) have caregivers receiving the DPB. Of these, 45% have Māori caregivers.
- Māori are over represented across all benefit types constituting 41% of all caregivers receiving a benefit as at the end of March 2011 (MSD).



| Benefit group       | Number of benefit dependent children (ethnicity is ethnicity of caregiver) |  |  | Change March 2009 – March 2011 |
|---------------------|--|--|--|--------------------------------|
|                     | March 2009   | March 2010                                 | March 2011                                 |                                |
| DPB related         | 168,019  | 178,292 (45% Māori – biggest single group) | 183,919 (45 % Māori -biggest single group) | 9.5% ↑                         |
| Inv Benefit         | 15,418   | 14,709 (33% Māori)                         | 14,014 (32% Māori )                        | 9% ↓                           |
| SB related          | 12,438   | 13,162 (26% Māori)                         | 13,708 (27% Māori; 25% Other )             | 10.2% ↑                        |
| UB related          | 10,337   | 16,314 (32% Māori – biggest single group)  | 15,715 (35% Māori biggest single group)    | 52.0% ↑                        |
| Other Main Benefits | 5,524  | 5,150 (29% Other)                          | 4,908 (27% Māori)                          | 11.2% ↓                        |
| <b>Total</b>        | <b>211,736</b>   | <b>227,627 (42% Māori)</b>                 | <b>232,264 (42% Māori)</b>                 | <b>9.7% ↑</b>                  |

Source: MSD

Notes:

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

This is a count of children, not benefits. Clients with more than one child aged less than 18 years will be counted

more than once

DPB is Domestic Purposes Benefit

DPB related includes DPB-Caring for Sick or Infirm, DPB-Sole Parent, DPB-Woman Alone

and Emergency Maintenance Allowance

IB is Invalid's Benefit

SB related is Sickness Benefit and Sickness Benefit Hardship UB related is Unemployment Benefit and Unemployment Benefit Hardship

Other Benefits include Emergency Benefit, Independent Youth Benefit, Unemployment Benefit Training,

Unemployment Benefit Hardship Training, Unemployment Hardship Students and Widow's Benefit

## COMMUNITY IMPACT

"Capacity is an issue." - ACROSS

- “We seem to have a few more referrals from the Police for young people work. Family and parenting issues are quite prevalent – parents are finding that cell phone/face book interaction between young people can be difficult to cope with” (Barbara Gilray, Catholic Social Services).
- “Capacity is an issue – with less funding to provide services we tend to borrow from other parts of the services ... e.g. counselling will drop. This does not necessarily mean a drop off in demand; we ...have to make decisions about which programmes to drop off in spite of whether they have good outcomes (e.g. a post natal depression therapy programme) because we can't free up staff to run the programme” (ACROSS Te Kotahitanga O Te Wairua)
- “Similarly, we are seeing more referrals for children for counselling but do not have capacity to provide intensive home based support and/ or counselling – at the same time where we may also offer families respite care in those cases (if it in the best interests of children) we are unable to do that due to a shortage of funding to pay for foster care” (ACROSS Te Kotahitanga O Te Wairua).



- Presbyterian Support Otago doubled the number of budget advice / social work groups between February and March. Around 80% of their clients are families with children. They have noticed an increase in clients who are doing part time / casual work and could be described as ‘lower middle class.’ It is possible the Canterbury earthquake has an impact here.

Child, Youth and Family (CYF)

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

| Quarter      | C&P Notifications | C&P Notifications with Ethnicity Māori | C&P Notifications FARs | C&P Notifications FARs with Ethnicity Māori | Investigations Completed |
|--------------|-------------------|--|------------------------|---|--------------------------|
| Jan–Mar 2009 | 29,649            | 13,194 (44.5%)                         | 12,461                 | 6,022( 48.3%)                               | 10,544                   |
| Jan-Mar 2010 | 33,696            | 14,718 (43.6 %)                        | 13,897                 | 6,427 (46.2%)                               | 5,896                    |
| Jan-Mar 2011 | NA                | NA                                     | NA                     | NA  | NA                       |

Source: 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 will include 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.

Unfortunately, comparable care and protection notifications for the January- March quarter 2011 were unavailable at the time of writing.

- Māori children and rangatahi are over represented in notifications, consistently constituting 44% in the March 2009 and 2010 quarters.
- A disproportionate number of notifications that required further action in the March 2009 and 2010 quarters were also for Māori children and rangatahi (around 47%).
- Notifications requiring further action increased by 6.7% between the 2009 and 2010 March 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 |
|-----------------|---|--|
| Jan- March 2008 | 4,860   | 2,366 (48.6% of total placements)  |
| Jan- March 2009 | 4,489   | 2,231 (49.6%)  |
| Jan-Mar 2010    | 4,590   | 2,362 (51.5%)  |
| Jan-Mar 2011    | 4,238   | 2,149 (51%)  |

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 latest figures to the end of the March 2011 quarter show that 4,238 children and young people were in Out-of-Home-Placements. This downward trend is likely to reflect the implementation of CYF’s permanency policy.
- Māori children and rangatahi are over represented in out of home placements making up around half of all placements.

CANTERBURY

***"The earthquake has made this period very unusual."***  
(Christchurch City Mission)

Canterbury’s earthquakes have had a major impact on social services. It is not possible to document anything like a complete picture of assistance provide in Canterbury. Much will go unseen and unrecorded. The impact of the June 13 earthquake is not included this report. Some of the information we have about assistance after the February earthquake is as follows:

- The Neighbourhood Trust in St Albans gave out up to 200 food packages a week following earthquakes. Many ethnicities of people use the foodbank, e.g. Korean families, and there have been more people with specific food needs. Liberty Church in Auckland donated about 100 gift boxes, filled with

chocolate, which the trust gave out over Easter. The Trust also provided free lunches every Wednesday and Thursday after the earthquake.

- An April The Salvation Army report said food parcel distribution was down to around 200 a day, compared to 800 in the days following the quake. Their Emergency Services were serving up to 970 meals a day until early April. The Salvation Army gave vouchers rather than food parcels or other items to stimulate the fragile local economy. It has distributed more than 1,250 Care Cards and provided around 300 Care Breaks to individuals and families to help them get some respite away from Christchurch (The Salvation Army 15 April media report).
- Presbyterian Support South Canterbury provided counselling and social support to over 450 people in the first two weeks after the February earthquake (Presbyterian Support South Canterbury).
- Demand for Christchurch City Mission social services increased by 150%, and food bank demand increased 100% since February 22 according to its manager, Michael Gorman. In a newspaper item, Michael described the resilience of the mission clients, e.g. “I was walking home (on Feb 22) trying to get to my family after the quake and I came to this street corner where there were people behaving really well,” he said. “I mean, it was all chaotic, but at this particular corner they seemed to have it together, and I saw this guy directing everybody and I looked up and it was one of our night shelter clients. “He was doing brilliantly.”



- Demand for food parcels in south Canterbury has increased by up to 70% between February and May. The Salvation Army, Anglican Care, and Presbyterian Support all report large increases (Timaru Herald 27/05/11).
- Christchurch GPs report a 20% increase in people suffering distress. At the city's charitable hospital, more than 40 counsellors are working for free seeing 25 patients per day seven days per week (Sunday Star Times 12/06/11).
- Christchurch Methodist Mission worked with over 800 referrals for social support following the February earthquake. They also worked with over 600 referrals from the central government 0800 help line.
- Some of the extra demand on services around the country could be from earthquake- affected Cantabrians having moved elsewhere.

Vulnerability Reports are available on our website  
[www.justiceandcompassion.org.nz](http://www.justiceandcompassion.org.nz)

The next Vulnerability Report will be released in September 2011. If you are involved in a social service agency and would like to contribute to future issues please contact:

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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.