



INTRODUCTION: *Almost overwhelming...*

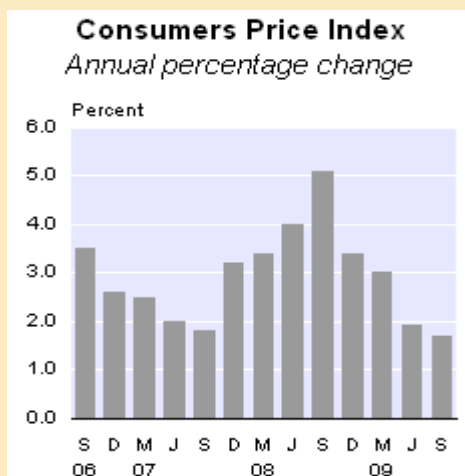
“As we work with clients to resolve the underlying problems causing poverty, our services such as budgeting, counselling, emergency accommodation and addiction services all experienced sharp rises in demand.” (Salvation Army Director of Social Services, November 2009)

The third issue of the Vulnerability Report focuses on data from government and community based organisations for the third quarter of 2009. While economists have declared that the technical recession is over this is not how it feels to the families that continue to approach social services agencies for help. For agencies that contributed information for this report, demand for services has stayed either stable (at peak levels) or continued to increase. Only a few were able to report a slight easing off in the numbers of people approaching them.

Growing unemployment statistics illustrate a lag between economic recovery and the generation of new jobs. Cost of living increases have started to slow and the latest unemployment figures suggest that earlier Treasury forecasts of 8% unemployment will not be met. Never-the-less, for those who have lost their jobs or have had their hours reduced, it remains difficult to cover the costs for basic items like food, electricity and housing. Community based agencies will continue to be busy providing essential services such as counselling, social work, food parcels and budget advice in the foreseeable future.

“We are under no illusion; the recession’s effects will be profoundly felt by the poor and vulnerable for some time.” (Salvation Army Director of Social Services November 2009)

TRENDS IN THE COST OF LIVING: *Food prices have started to ease but are rising faster than general inflation.*



Source: Statistics NZ

“With the increase in unemployment due to the recession together with other factors such as population increase, power price rises, interest, petrol, credit and food costs, the numbers being referred to the Food Bank while not unexpected, were almost overwhelming” (Chairperson’s Report 2008/09 – Community Foodbank)

- The Consumers Price Index (CPI) increased 1.7% from the September 2008 quarter to the September 2009 quarter, the smallest annual increase since March 2004.
- The Food Price Index (FPI) increased 3.3% from September 2008 to September 2009.
- The price of petrol dropped from a peak of \$2.11 per litre in June 2008 to \$1.69 per litre in mid November 2009, a drop of approximately 20%.
- The national median house price increased by 6% in October 2009 compared with October 2008.

Figures from the FPI and CPI show that overall increases have eased recently. However in the longer term context prices remain high. In the last 10 years food prices in NZ increased by 42% outstripping inflation and are 9% higher than the OECD average increase of 33% for the same period. House prices and the cost of electricity have also increased significantly since 2000.

Increases in the cost of living are being felt by families approaching social services. For example, one agency reported a 76% increase in people asking for help with paying electricity bills during September and October this year compared with the same eight week period in 2008.

Sources: Statistics NZ, REINZ, research by Professor Frank Zumbo using OECD figures on food prices, NSW University, Christchurch City Mission

UNEMPLOYMENT: *The impact of the recession on employment has yet to fully felt with unemployment numbers continuing to rise.*

“I went for a job as a car cleaner and there were 500 others who applied” (client comment to their counsellor).

There has been a huge increase in the number of people defined in the Household Labour Force Survey as long term unemployed¹ in the quarter ending September 2009 compared with the same quarter 2008. 35,500 people are described as long term unemployed in September 2009, up 161% from the 13,600 people defined long term unemployed a year ago. Young people, Māori and Pacific peoples have been harder hit than others.

¹ Long term unemployed are those unemployed for more than 26 weeks.



The seasonally adjusted unemployment rate rose from 4.3% in the September 2008 quarter to 6.5% in the September quarter this year, bringing the number of people unemployed to 150,000.

Key facts: *In the September quarter:*

- Māori and Pacific workers were bearing the brunt of unemployment. The Māori unemployment rate increased to 14% (up 5% in 12 months), Pacific peoples' employment rate increased to 12% (up 4% in 12 months). The European unemployment rate is 4.5%.
- The youth unemployment rate rose to nearly 17%. Youth aged between 18 and 24 years made up 37% of unemployment beneficiaries in September 2009.
- For young people aged between 15-19 years the unemployment rate was 25%, up from 16% a year ago.
- Unemployment rose in most regions, with northern regions most affected (Northland, Auckland, Waikato, Bay of Plenty and Gisborne/Hawkes Bay).

More recent data shows there has been a slight decrease (1%) in the number of people receiving the Unemployment Benefit in October (59,955) compared with September (60,600).

sources: Household Labour Force Survey, Monthly Economic Review, Beehive Press Release 5 November 2009

Insolvency Trustee Service: *Personal debt rates are soaring*

For the 2008/09 financial year ending 30 June personal insolvencies have increased by 49% on the previous 12 months, from 3802 to 5654. 37% of debtors stated that unemployment or loss of income was the major reason for their insolvency. Liquidations administered by Insolvency Trustee Service also doubled during this period.

There was a 160% increase in No Asset Procedures (NAPS) between 2007/08 and 2008/09, from 1654 to 4310. NAPs offer a one off alternative to bankruptcy for people with personal debts below \$40,000 who have no assets.

For July and August 2009 there were 572 applications for NAPs accepted by the Insolvency and Trustee Service, up 120 or 26% on the same period in 2008.

Source: Ministry of Economic Development

NZ Federation of Family Budgeting Services: *Client debt is climbing*

The NZ Federation of Family Budgeting Services is reporting a more than 25% increase in client debt for the year to 30 June 2009 compared with the same period in 2008. On average clients owe \$25,900.

After mortgages, the largest debts are bank loans, followed by money owed to finance companies and growing government department debt. Federation Budget Advisors helped 767 people take a NAP, an annual increase of 120%. There was also an 80% increase in the number of clients taken through the bankruptcy process.

Over 60% of the Federation's clients identify as Māori. Half of all clients are aged between 26 and 45 and are therefore likely to be supporting young families.

Community Impact: *Food banks and budget services*

"Now it seems there is absolutely no room for any sudden bills no matter how 'good' people are with money." (observation by a budget advisor).

- The Salvation Army has experienced a 40% increase between September 2008 and September 2009 in the supply of food parcels (and food vouchers) to the poor and needy. A total of 46,500 food parcels were provided in the last 12 months. Over the previous 12 months The Salvation Army has also experienced a 38% increase in demand for families requesting budgeting services.
- The Tauranga Community Food Bank Trust experienced a 29% increase in demand for food parcels for the four month period ending October 2009 compared with the same for month period in 2008. This is an 87% increase compared with the same four month period in 2007 when the recession began to take effect.
- Wellington City Mission is reporting increases in demand for budgeting services and food parcels, up 46% and 27% respectively in the third quarter of 2009 compared with the same quarter 2008.
- Wesley Community Action's Porirua Food Bank has had a 26% increase in the numbers of food parcels distributed to families in the period January to October 2009 compared to the same period last year. There was also a 36% increase in the numbers of adults and children receiving food assistance.
- Demand for food parcels is strong in Hamilton with their Christian Combined Food bank reporting an increase of 31% in the number of parcels distributed in October 2009 compared with October 2008. There was a 41% increase in number of adults supported by food parcels during October, and a 63% increase in the numbers of children receiving food assistance during this period.



- Catholic Family Support Services in Hamilton is reporting a 147% increase in food parcels distributed in the third quarter of 2009, compared with the second quarter and up 111% on the third quarter of 2008. Demand for budgeting services is also up by 75% in the quarter ending September, compared with the previous quarter.
- The Suzanne Aubert Compassion Centre's Soup Kitchen experienced a 16% increase in the number of breakfasts and dinners provided in the four months ending October 2009 compared with the same period in 2008. The 2009 figure is up 49% compared with the same four month period in 2007.

The recession is really hurting families and households, and with unemployment set to continue rising, we are not yet really out of the woods (CE, NZ Federation of Family Budgeting Services, September 2009)

BENEFITS: *The number of people receiving a main benefit has increased by a fifth over the last year, with a huge rise in the Unemployment Benefit.*

Main Benefit Type	Sept 2008	Sept 2009	% increase 2008-09
Unemployment Benefit	23,273	60,660	161%
Domestic Purposes Benefit	98,473	107,658	9%
Sickness Benefit	48,208	56,384	17%
Invalid's Benefit	83,618	85,015	2%
Other	16,036	17,094	6.5
Total	269,608	326,811	21%

Source: Benefit Fact Sheet, MSD

3 out of 4 people receiving the Unemployment Benefit are male and a third are mature, that is aged over 40 years.

HARDSHIP ASSISTANCE: *Rising demand reflects growing hardship*

Quarter 2009	Special Benefit	Temporary Additional Support (TAS)	Total
June	13,715	44,301	58,016
Sept	12,854	50,101	62,955

Source: MSD

- Special Benefit numbers have decreased 23% the September quarter 2009 compared with the September quarter 2008. This is due to attrition as this benefit was replaced by TAS on 1 April 2006.
- Demand for Temporary Additional Support has increased 55% in the September quarter 2009 compared with the same quarter last year. This increase is significant because the eligibility criterion for meeting TAS is much stricter than its predecessor – the Special Benefit.
- Beneficiaries who identify as Māori continue to be disproportionately represented in the uptake of hardship assistance. While making up 15% of the population, Māori form 22% of Special Benefit recipients in the September 2009 quarter and 28% of Temporary Additional Support recipients.

Special Needs Grants (for Food) 2009		Benefit advances for Electricity, Gas and Water 2009	
June quarter	117,365	June quarter	10,113
Sept quarter	131,750	Sept quarter	15,541

Source: MSD

- There has been an increase of 12% in the numbers of people receiving Special Needs Grants for food in the September quarter 2009 compared to the previous quarter, and a 34% jump compared with the same quarter 2008.
- There has been an increase of 54% in the numbers of people receiving Benefit Advances for Electricity, Gas and Water in the September quarter 2009 compared to the previous quarter, and a 58% jump compared with the same quarter 2008.
- Māori are disproportionately represented in the uptake of the Special Needs Grants (for Food) making up 43% of recipients as at the end of September quarter 2009.

Housing: *Demand for housing assistance reflects growing need.*

The two main ways 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. There was a 2% increase in IRR in the September quarter 2009 compared with the



same quarter in 2008, constrained by the number of state houses available. However there was a 20.5% increase in the numbers of people receiving the AS for the same period, from 257,136 in September 2008 to 309,932 in September 2009.

Source: Department of Building and Housing

HOUSING NEW ZEALAND CORPORATION (HNZC): Current waiting list

The number of families with severe housing needs has doubled between January 2009 and October 2009

As at 31 October 2009 there were 10,341 people on the waiting list.

- 304 were A priority (severe housing need)
- 4,144 were B priority (significant housing need)
- 3,281 were C priority (moderate housing need)
- 2,612 were D priority (lower level housing need)

Between May and September 2009 the waiting list for families assessed as priority A, that is, the most in need, increased by 42%.

The waiting list for priority B families increased by 5% for the same period.

Sources: HNZC and Department of Building and Housing

Terralink: Mortgage sales still climbing

“The increase in mortgage sales in 2009 has been phenomenal. At one stage, one in five house sales was a mortgage sale” (Terralink Managing Director).

There was a 42% increase in mortgage sales in September 2009 compared with the previous month, up from 241 to 343. Approximately one fifth of sales were for owner-occupied homes (family homes). In September 2007, at the peak of the housing boom there were only 16 mortgage sales throughout the country.

Source: Terralink

Tenancy Disputes Tribunal: Rent arrears and evictions

In the year to September 2009 the Department of Building and Housing's Tenancy Disputes Tribunal received 50,528 tenancy dispute resolution applications due to rent arrears, that is, tenants being more than 21 days late in paying rent. This is a slight increase on the 48,772 applications received by the Tribunal in the year ending September 2008. A large number of these applications will have resulted in possession orders (evictions) being issued.

Community Impact: Emergency housing and emergency meals

“It is not unusual to find 2 or even 3 families sharing one house or living in garages. An increasing number of families are living out of cars” (Emergency Housing Trust Executive)

The importance of families being able to live in affordable and good quality housing cannot be underestimated. A shortage in the supply of affordable houses means that overcrowding is common. Inadequate housing and overcrowding affects family relationships and is closely linked to poor health and education outcomes.

- The Monte Cecilia Housing Trust in Mangere which provides emergency housing is reporting high demand and seeing an increase in overcrowding. Housing enquiries for the four months ending September 2009 increased by 13% compared to 2008
- The Salvation Army has been faced with increasing demand for emergency housing, transition housing and supportive accommodation. From September 2008 to September 2009 there has been a 12% increase in bed-nights provided by their Addictions and Supportive Accommodation services. In addition to this The Salvation Army provided low cost rental housing to 261 mainly elderly in independent living units. The waiting list for these units is growing longer each year.
- The Hamilton Christian Night Shelter experienced an 18% increase in bed-nights for the third quarter 2009 compared with the third quarter of 2008. People using the night shelter are tending to staying longer which may be linked to the lack of social housing available.
- ‘Meals for the Hungry’ at the Catholic Cathedral Centre in Hamilton distributed meals with 750 people in the quarter ending September 2009; they note ‘so far this month [first two weeks of November] we have had the biggest numbers ever in our 16 years of supplying these weekly meals’.
- The Christchurch City Mission's Night Shelter for men has experienced a 44% decrease in demand during September and October 2009 compared with the same two months in 2008², however there has been a 24% increase in demand for the meals from the Mission's Supper Club comparing the same period.

²*It is unclear why the night-shelter experienced this level of decline. The agency commented that the people using the night-shelter “are not affected by the recession as their whole lives have always been lived in poverty”.*



- Demand for emergency meals from the Methodist Mission Northern’s Lifewise Centre in Auckland has decreased slightly (by 2%) for October 2009, compared with October 2008. However demand for food parcels provided by the Mission’s food bank in West Auckland has increased by 80% in the year to October 2009 compared with the same period in 2008.

According to the latest Social Report (2009) housing affordability has deteriorated. In 2004 about one-fifth of all households were spending more than 21% of their income on housing, by 2008 this had risen to nearly one-third (29%). Between 2007 and 2008 the number of low income households² spending more than 30% of their income on housing rose from 33% to 39%. Increasing demand for government housing assistance, housing advocacy and emergency housing from community agencies suggests that high housing costs are still causing hardship for many families.

CHILDREN AND POVERTY: *Child poverty grows as benefit numbers rise*

- As at the end of September 2009, 227,825 children aged under 18 years were being supported by a caregiver receiving a main benefit.
- Numbers of benefit dependent children are rising. In June 2008 there were 199,108, increasing to 211,736 at the end of March this year, rising to 219,627 by June 2009.
- Māori children are disproportionately represented, constituting 41% of all benefit dependent children and 45% of children with a caregiver receiving the DPB.

- The proportion of children in low income households³ fell from 29% in 2001 to 16% in 2007 but increased to 20% in 2008 (Social Report 2009).

Rising unemployment means that increasing numbers of children are living in benefit dependent homes. Benefit dependent households are much more likely to be living in poverty because main benefit levels are very low. One result is poor health. For example NZ children suffer from relatively high rates of respiratory disease, skin infections and other illness linked to poverty:

“Poverty is a key reason for the high rates of pneumonia admissions and deaths...Many families cannot afford good food, suitable housing, and GP fees, particularly afterhours and weekend costs” (Professor Innes Asher)

Community Impact: *Addiction services, social work and family support services*

In a recession, stress levels in families go up and they impact on parental relationships. Stress due to family finance worries is also filtering down to schoolchildren... We have taken on an extra social worker temporarily for two days a week ... to help us with the demand” (Social Service Manager)

² Low income households defined as the lowest 20% (quintile) of households of the household income distribution adjusted for family size (equivalised)

³ Defined as the percentage of people living in household with low incomes (threshold set at 60% of household median income after housing costs – adjusted for family composition).

Benefit group	Ethnic group of the Caregiver					Total
	Māori	NZ European	Other	Pacific Island	Unspecified	
DPB related	78,529	60,087	13,951	20,357	2,695	175,619
Invalid’s Benefit	5,016	6,650	1,821	1,660	188	15,335
SB related	3,619	4,140	3,240	2,298	178	13,475
UB related	5,730	4,486	2,727	3,921	338	17,202
Other	1,797	1,075	1,672	1,498	152	6,194
Total	94,691	76,438	23,411	29,734	3,551	227,825

Source:MSD



- An increasing number of new families in the Manawatu region are receiving family and crisis counselling from ACROSS Te Kotahitanga O Te Wairua, with demand increasing 50% in the quarter ending September 2009 compared with the same quarter in 2008. The numbers of children needing home based respite care has stayed stable, however the number of care nights more than doubled.
- Admissions for The Salvation Army’s intensive 8-week rehabilitation programmes for alcohol and drug addiction climbed 21% for the year.
- There has been a large increase in demand from women with alcohol and drug dependency issues for support services provided by Walsh House, a Christchurch City Mission drop-in centre. The number of contacts women had with the centre rose from 207 in September and October 2008 to 334 contacts for the same two months in 2009, an increase of 60%.
- Catholic Family Support Services in Hamilton is reporting a 91% increase in social work in the third quarter of 2009 compared to the same quarter last year. Their colleagues from Wellington Catholic Social Services are also busy. Demand for social work services increased 22% in the third quarter of 2009 compared with the same period last year but there largest increase was for counselling services, up 180%.
- Presbyterian Support Otago has experienced a 7% increase in clients seeking help in the third quarter of 2009 compared with the same quarter 2008. The largest increase has been in demand for social work support – up 9%.

Child Youth and Family (CYF)

Quarter 2008	Care & Protection Notifications	Investigations completed
Jan-March	23,321	7,678
April-June	23,968	8,656
July-September	26,248	10,142
Oct-December	26,652	9,684
Quarter 2009	Care & Protection Notifications	Investigations completed
Jan-March	29,649	10,544
April-June	28,248	11,185
July-September	30,564	6,640

Source: CYF

The number of care and protection notifications⁴ to CYF for the quarter ending September has increased by 8% compared with the previous quarter, and has increased 16% on the same quarter 2008.

The number of investigations⁵ completed in the quarter ending September 2009 has declined by 35% compared with the previous quarter, and has declined 34% on the same quarter 2008.

A disproportionately high number of notifications were for children or young people who identified their main ethnicity as Māori (approximately 44%).

In the quarter ending September 2009, there were 4,626 children and young people in Out of Home Placements⁶, down 2% on the previous quarter, and down 3% on the same quarter 2008.

Māori children and young people are disproportionately represented in Out of Home Placements and made up half of all placements in the quarter ending September 2009.

National Collective of Independent Women’s Refuges (NCIWR)

Women’s Refuge offers a number of services to women and children affected by family violence including 24 hour crisis lines, residential safe houses and community based advocacy and support for women and children who remain in their own homes. Demand for services from Women’s Refuge is high with the CEO recently commenting:

“Right now, we have refuges throughout this country that are full to capacity. Our crisis lines still average a call every eleven minutes and our services to children increased by 16% last year.”⁷

⁴ Notifications do not represent actual numbers of clients as some clients can have multiple notifications during the period.

⁵ 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 and Family Assessments and Formal Investigations.

⁶ Out of home placements types include CYF Caregiver Placements, Residential Placements, Family/Whanau Placements, CFSS/Agency Placements, Family Home Placements and other placement types (including boarding, school hostel etc).

⁷ Women’s Refuge Praises White Ribbon Day Role Models National Collective of Independent Women’s Refuges Press Release, 24 November 2009



Shine* and family violence prevention

Shine* (formerly Preventing Violence in the Home) is a national organisation offering a free helpline, training and consultancy throughout New Zealand and is now the largest single family violence prevention service in New Zealand. Shine* receives notification of all police call outs (referrals) within Auckland City for family violence related incidents whether or not they result in arrest.

Referrals to Shine* from the Auckland City Police increased 10% (to 1377) in the quarter ending September 2009 compared with 1252 referrals received in the same quarter 2008.

Vulnerability Reports are available on our website:

www.justiceandcompassion.org.nz

The next Vulnerability Report will be released in March 2010. If you are involved in a social service agency and would like to contribute to future issues please contact:

Anne Kelly, Ph 04 473 2627 anne.kelly@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.