



INTRODUCTION

The number of people receiving the unemployment benefit has trebled in the year to June 2009. Alongside this, community based agencies are reporting significant and ongoing increases in demand for social services. In response to the volume of new work some agencies have introduced waitlists, arranged shorter appointment times, reduced follow up work, and in a couple of cases have reduced the contents of food parcels. Such strategies are not sustainable in the long term and could undermine the ability of community based agencies to provide timely and effective services for families.

The impact of the recession has been uneven. Job losses have been acutely felt in metropolitan centres where the cost of living is high. Pressure points are in the areas of emergency food (parcels and meals), housing (such as night shelters) and budget advisory services. Financial stress has been exacerbated by mid winter power bills – a source of anxiety for mothers with babies and older people alike, and reflected in the significant growth in demand for hardship assistance.

New client groups include formerly high and middle income families trying to service mortgages on dramatically reduced incomes. Many are ineligible for Work and Income support and are approaching social service agencies for help. There are also growing numbers of older people approaching food banks for the first time - mortified at having to seek assistance.

Some social service organisations are receiving more referrals from other community agencies unable to cope with the volume of new work. Some agencies are reporting increased waiting times to access appointments for their clients with Work and Income.

TRENDS IN THE COST OF LIVING

“It’s been a particularly harsh winter, warming a home is considered a luxury.” (Christian agency manager)

- The Consumers Price Index (CPI) increased 1.9% from the June 2008 quarter to the June 2009 quarter, a smaller increase than in previous reports.
- 9 of the 11 items in the CPI increased, with the largest increases in the Food Group and from higher prices for electricity (part of the Housing and Household Utilities Group)
- The Food Price Index (FPI) increased 8.4% from July 2008 to July 2009.

- The REINZ Monthly Housing Price Index shows that in the three months to July housing prices increased 2.2%, with larger increases some metropolitan centres such as Auckland and Wellington.

The steep rise in the cost of housing in the last five years has meant many low income families are committing over 30% of their income on housing leaving insufficient money to meet other costs such as food and power.

UNEMPLOYMENT: *Unemployment has trebled in the last 12 months*

The seasonally adjusted unemployment rate increased from 5% to 6% in the June 2009 quarter (increasing by 24,000 to 138,000 people unemployed – the highest level since June 1999). Both the number of unemployed people and the unemployment rate have been increasing for the past six quarters.

Key facts:

- The number of people unemployed increased 20.6% in the June quarter.
- The increase in the unemployment rate in the June 2009 quarter was driven mostly by females. Female full time employment decreased by 16,000 in the June quarter.
- The unemployment rate for youth increased to 19% for the year to June 2009 (compared to the annual average rate for all persons of 5%.)
- The unemployment rate for Māori for the year to June was 10% (twice the all person rate).
- The unemployment rate for Pacific peoples for the year to June was 10.4% (again, twice the all persons rate).

In the June quarter, regions with an unemployment rate higher than the national average (5%) included Northland (7.8%), Auckland (5.7%), Waikato (5.4%), Bay of Plenty (5.4%) and Gisborne/Hawkes Bay (7%).

Source: Household Labour Force Survey



BENEFITS: *Job losses as a result of the recession are being reflected in rapidly rising numbers of Unemployment beneficiaries.*

Main Benefit Type	June 2008	June 2009	% Increase 2008-2009
Unemployment Benefit	17,710	50,855	187%
Domestic Purposes Benefit	96,440	104,400	8%
Sickness Benefit	46,271	54,352	17%
Invalid's Benefit	82,879	84,544	2%
Other	15,017	16,145	7%
Total	258,317	310,296	20%

Source: Benefit Fact Sheet (MSD)

HARDSHIP ASSISTANCE: *More people are seeking help to make ends meet.*

Quarter 2009	Special Benefit	Temporary Additional Support (TAS)	Total
March	14,490	39,899	54,389
June	13,715	44,301	58,016

Source: MSD

- There has been an 11% increase in the numbers of people receiving TAS in the June quarter compared to the March quarter.
- Māori are disproportionately represented in the uptake of the Special Benefit and TAS, 22% and 28% respectively as at the end of June 2009.

Special Needs Grants (for Food)		Benefit advances for Electricity, Gas and Water	
March Quarter 2009	114,698	March Quarter 2009	7,887
June Quarter 2009	117,365	June Quarter 2009	10,113

Source: MSD

- There has been an increase of 53% in the numbers of people receiving Benefit Advances for Electricity, Gas and Water in the June quarter 2009 compared to the June quarter 2008.
- Māori are disproportionately represented in the uptake of the Special Needs Grants (for Food) and Benefit Advances 42.5% and 43.5% respectively as at the end of June 2009.

The government has increased its appropriation for hardship assistance by approximately \$62.5m from 2008/09 to 2009/10.

In July 57,912 people received an emergency grant to help with food or other essential costs. There has been a 75% increase in the cost of Special Needs Grants (for food) since the maximum limits were doubled twelve months ago.

CHILDREN AND POVERTY: *Child poverty rates were already on the increase prior to the huge increase in unemployment.* Number of Benefit dependent children as at 30 June, 2008-2009, DPB and All Benefits:

Year	DPB	All Main Benefits
2008	159,936	199,108
2009	171,419	219,627

Source: MSD



- Numbers of benefit dependent children have increased by 10% between June 2008 and June 2009 and are projected to grow.
- The poverty rate¹ for benefit dependent children has risen from 60% in 2007 to 67% in 2008 (Perry, Household Incomes in NZ, June 2009).
- The number of children below the poverty line is likely to increase as more families become dependent on a main benefit.
- The increase in child poverty levels between 2007 and 2008 (after falls between 2001 and 2007) occurred because housing costs rose sharply from 2007-2008, especially for low income households, overwhelming the final gains of the Working for Families package (Ibid).

Community Impact – food banks and budget services

“Clients have been queuing outside the Mission from 7.30am each morning for food.” (Christchurch City Mission)

Many (but not all) food banks are experiencing significant and sustained increases in demand for food parcels. Examples* include:

- The Auckland City Mission has experienced a 52% increase in the demand for food parcels in the first six months of 2009
- The Christchurch City Mission is handing out 40 food parcels a day, compared with 25 this time last year, a 37% increase.
- Wesley Community Action’s Porirua Foodbank has seen a surge in demand for food parcels between June and July 2009, with 218 people (and nearly 300 children) needing food, an increase of 62% on the previous month.

More people are approaching community based budgeting services. Examples include:

- A 25% increase in demand for Salvation Army budget services in the second quarter of 2009 compared with the same quarter of 2008.
- A 55% increase in new clients to the Napier Family Centre budgeting service in the twelve months to June 2009.

“It’s no longer just low income and beneficiaries [approaching the foodbank], but also middle income people out of jobs, who are struggling with mortgages” (Tauranga Foodbank Trust)

**See the Vulnerability Report Background Information Sheet No.2 for further examples.*

¹ Using a 60% fixed line measure after housing costs.

Community Impact – addiction services, social work and family support services

- There has been an 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 112 in July 2008 to 396 in July 2009.
- Wellington based Catholic Social Services staff have had a 44% increase in families needing social work and budgeting services in the second quarter of 2009, compared with the same quarter last year.
- The Napier Family Centre is implementing a wait list for the first time for their Family Support Services due to increasing demand. “We know other social services agencies have had similar pressures on resources”
- Auckland City Mission is reporting an increase in demand for all of its services. For the year ending June 30 2009, they provided a free medical service to 558 patients, provided homelessness services to 186 new people and had over 34,000 drop in visits in which people were provided with hospitality, emergency food and clothing.
- An increasing number of families in the Manawatu region are receiving family and crisis counselling from ACROSS Te Kotahitanga O Te Wairua, with demand increasing 26% in the quarter ending June 2009 compared with the previous quarter. The numbers of children needing home based respite care almost doubled during this period.
- Social workers with Catholic Family Support Services in Hamilton are dealing with significant increases in the number of new clients seeking help, up 56% on the first quarter of 2009.

“Families that have usually managed well now require help. In the last quarter of this year [to June] 7000 families sought assistance from us, 5000 of those families we had not seen before.” (Major Campbell Roberts, Salvation Army)

Housing New Zealand Corporation (HNZC) current waiting list:

As at 31 July 2009 there were 10,017 people on the waiting list. Of this:

- 281 were A priority (severe housing need)
- 3,932 were B priority (significant housing need)



At any one time between 18,000- 20,000 children are waiting for a HNZN house.

Mortgagee sales increasing

There has been a significant increase in mortgagee sales - 289 sales in June 2009 compared with 98 in June 2008. In May this year only 19% of sales were for a family home with the remainder being investment properties, however this doubled to 39% for June 2009. Between May 2009 and June 2009 there were increases in forced sales in Northland, Hawkes Bay, Manawatu and Wellington .

Source: Terralink

Personal debt

There has been slight easing in the number of people filing for bankruptcy or applying for No Asset Procedures (NAPs), down from 591 in June to 461 in July 2009. This compares to the peak for 629 applications in October 2008.

Source: Insolvency and Trustee Service, Ministry of Economic Development

Community Impact – emergency meals and housing

Frontline workers at Christian agencies are spending increasing amounts of time trying to access appropriate and affordable accommodation for families. A social worker with Wesley Community Action estimates that 70% of the families she works with have inadequate housing and 60% of these people have issues with their HNZN houses.

- Record numbers of people are seeking food and accommodation in Wellington. The Suzanne Aubert Compassion Centre’s Soup Kitchen provided an extra 1831 meals in the quarter to June this year compared with the same quarter last year, an increase of 31%. The Centre’s manager has noted new faces, including a number of young people.
- The Wellington Night shelter provided nearly 800 bed-nights in July this year, double the number of bed-nights provided for the same month in 2008. The night shelter’s manager has reported a shortage of low cost quality housing as the main driver, compounded by recessionary impacts on low income workers and those made redundant.

- The July statistics for the Christchurch City Mission night shelter show a 13% increase in bed-nights compared to July 2008 and a 20% increase in suppers provided to non residents.
- There has also been an increase in the number of meals provided to the homeless in the Auckland CBD through the Lifewise Centre, up one fifth in July 2009 compared to July 2008.
- In the year ending June 2009 Downtown Community Ministry’s Project Margin assisted 88 people with housing related issues. A lack of appropriate accommodation has meant that of the 20 new Project Margin clients in the second quarter of 2009, only six were offered permanent tenancies.

Child Youth and Family (CYF)

The number of care and protection notifications² to CYF, and the number of investigations³ completed have stayed relatively steady over the first two quarters of 2009 despite the deepening recession. A disproportionately high number of notifications were for children or young people who identified their main ethnicity as Maori (approximately 44%).

Quarter	Care & Protection Notifications	Investigations Completed
Jan- March 2009	29,649	10,544
April-June 2009	28,248	11,185

Source: CYF

National Collective of Independent Women’s Refuges (NCIWR)

Quarterly data from all the member refuges to the NCIWR show a slight decrease in bed-nights and advocacy and support services for women and children the second quarter for 2009 compared to the second quarter of 2008.

² Notifications do not represent actual numbers of clients as some clients can have multiple notifications during the period.

³ Investigations carried out and completed within a certain time period are not necessarily related to the notifications received within that same period.



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.

- There has not been a noticeable increase in referrals to Shine* from the Police in the last year. However, referrals were higher in the January- March 2009 quarter than for the two quarters preceding and one quarter following it. Auckland City has a high incidence of family violence compared with other districts.
- There was a small decrease in the numbers of victims referred to *Shine who had dependent children from January 2008 to June 2009 dropping from 46% with dependent children to 42% with dependent children.
- Referrals to *Shine's Men's Stopping Violence programme come primarily from the Criminal Court, Family Court and Probation service. Numbers of referrals to the men's programme peaked for the year in the January – March 2009 quarter. Court referrals are a result of charges for family violence related incidents being responded to in the court.

Vulnerability Reports are available on our website:

www.justiceandcompassion.org.nz. Also check out the 2nd Background Information Sheet.

The next Vulnerability Report will be released in December. 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 is to accurately collect and interpret statistics and data provided in this report it is recommended that readers check original data sources where possible.