



INTRODUCTION

The mission of the NZ Council of Christian Social Services is to work for a just and compassionate society.

The Council is committed to giving priority to the poor and vulnerable members of our society. To this end our new Vulnerability Report will actively monitor the level of economic and social hardship experienced by a growing number of New Zealanders. Each Vulnerability Report will provide the latest information we have been able to access from government agencies and from a range of community based organisations – both our members and others. Where information from government agencies is not publicly available we have made requests under the Official Information Act.

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.

While we recognise that not all data in this report is directly attributable to the recession, 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.

The NZ Council of Christian Social Services will produce the Vulnerability Report (and background information sheets) on a quarterly basis. Pdf versions are available to download from our website:

www.justiceandcompassion.org.nz

TRENDS IN THE COST OF LIVING

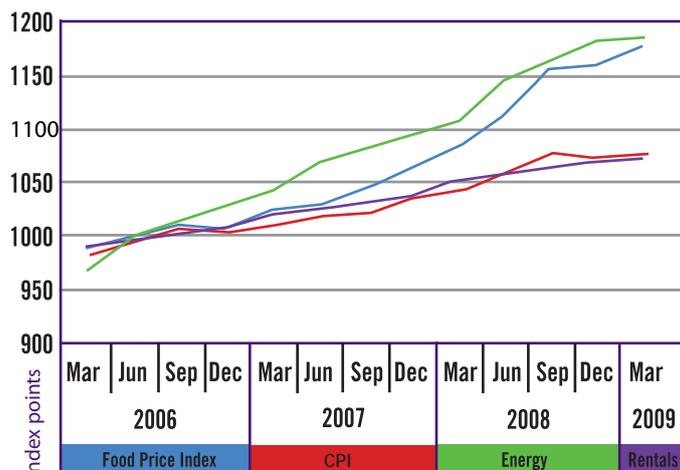
Essential living costs are rising faster than general inflation

Current Information:

- The Consumers Price Index (CPI) increased by 3% in the year to March 2009.
- The Food Price Index (FPI) increased by 6.8% in the year to May 2009.

The costs of necessities such as food, electricity and rent have been steadily increasing in the last two years. Diagram one illustrates how price increases in food, energy and to a less extent rent, have outstripped the CPI over the last three years.

Diagram 1: CPI, Food, Energy and Rent Index



Source: Statistics NZ data collated by NZCCSS

Community Impact:

- The Salvation Army has experienced a 20% increase nationally in the number of people seeking budgeting services in the twelve months to March 2009.
- Many agencies are reporting increasing demand for food parcels from families struggling to make ends meet. Examples include food banks provided by Wesley Community Action (Porirua), Auckland City Mission, Tauranga Community Foodbank, Downtown Community Ministry (Wellington) and at Salvation Army locations throughout the country.
- Budgets are very tight for many families. According to a recent Families Commission survey over half of the 569 families who participated reported cutting back how much they spend on food and one quarter were spending less on health services.

For many people on fixed and/or low incomes annual CPI adjustments have not kept pace with the increases in necessities like food, power and housing. This is compounded by the lack of CPI adjustment on some forms of assistance such as the Accommodation Supplement and has led to increased hardship for many.

HARDSHIP & HOUSING TRENDS

Unemployment is rising rapidly

- 115,000 people were unemployed as at the March 2009 quarter - an unemployment rate of 5%.
- Treasury is forecasting an unemployment rate peaking at 8% in the second half of 2010. This equates to 179,000 people unemployed by the September 2010 quarter.



- Māori, who make up 15% of the population, have double the unemployment rate (9.2%) compared with the all persons rate of 4.5% and constituted one third of people receiving the unemployment benefit in May 2009.
- Pacific people are also disproportionately affected, with an unemployment rate of 8.8%.
- For the March quarter the unemployment rate for youth (aged 15-19 years) was 17%.

Benefits Statistics March 2009

- In the last eight weeks to mid-June the number of people in receipt of an Unemployment Benefit has increased by nearly 1,100 per week and an even greater number have lost their jobs.
- The numbers of working age people receiving a main benefit increased by 33,000 or 13% in the 12 months ending March 2009 (to 289,000 people).
- Towards the end of June the number of people on benefits had risen to 302,000, with 45,624 people receiving the Unemployment Benefit at the end of May.
- The number of DPB recipients increased during this period by 6%, Invalid’s Benefit recipients by 3%, Sickness Benefit recipients by 12% and the number of Unemployment Benefit recipients has nearly doubled – increasing 95% during this period.

Hardship Assistance – Work and Income

Growing numbers of New Zealanders are relying on hardship assistance to make ends meet

Increasing levels of financial stress and poverty are reflected in the numbers of people applying for different forms of hardship assistance from Work and Income. Although hardship assistance is available to low income working people the vast majority of people receiving hardship assistance are beneficiaries. A disproportionate number of people reliant on hardship assistance are Māori.

Temporary Additional Support was introduced on 1 April 2006 and replaced the Special Benefit. It is paid for a maximum of 13 weeks and is a “last resort supplementary payment to help people to meet their regular essential living costs”. The Special Benefit continues to be paid to those receiving it before 1 April 2006 until they are no longer eligible. The number of people accessing hardship assistance (Temporary Additional Support or Special Benefit) is growing.

- For the March 2009 quarter 54,389 people received either Temporary Additional Support or the Special Benefit, compared to 40,748 for the same quarter last year, an increase of 33%.

Hardship Assistance			
Year as at Dec	Temporary Additional Support	Special Benefit	Total
2006	9,789	34,056	43,845
2007	20,066	21,583	41,649
2008	34,426	15,519	49,947

The number of people accessing Special Needs Grants (for food) is also increasing. In August 2008 the time period for applications to Special Needs Grants was halved from one year to six months, in effect doubling the maximum amount of assistance available annually. This accounts for some of the increase in numbers. It is also indicative of the level of need.

Special Needs Grant (For food)			
Year as at Dec	Beneficiary	Non Beneficiary	All Clients
2006	229,151	52,602	288,177
2007	207,626	55,749	270,069
2008	264,106	73,642	346,932

- In the March 2009 quarter over 114,698 people received a Special Needs Grant for Food. This compares with 75,432 people for the March 2008 quarter.

Real hardship is growing fast and hitting Maori families harder than others

Although Māori constitute 15% of the population they were disproportionately represented in all forms of hardship assistance for the March 2009 quarter. Māori constituted 29% of people receiving Temporary Additional Support, 23% of Special Benefit recipients, 45% of Special Need Grants (food) recipients, and 47% of people receiving Advance Payments of Benefit (for electricity, gas and water.)

Community Impact – helping agencies are experiencing unprecedented levels of demand

- In June the Suzanne Aubert Compassion Centre (Soup Kitchen) in Wellington reported a significant increase over the last several months in the level of demand for their community meals. For evening meals numbers are the highest recorded over the last 30 years.



- The Salvation Army has experienced a 44% increase in the number of people seeking food assistance from their community services throughout the country in the twelve months to March 2009.
- The Downtown Community Ministry foodbank is reporting empty shelves only six weeks after its last food day appeal. In April and June 2009 there was a 33% increase in people using the DCM foodbank compared to the same period in 2008.

Debt levels are spiralling for many

Of the 12 occupational groups used to record insolvency, the group most likely to be declared insolvent are beneficiaries. The number of people being declared bankrupt has been trending upwards. The number of new No Asset Procedure (NAP) applications has increased by 30% between July 2008 and April 2009. NAPs were introduced in December 2007 and offer a one off alternative to bankruptcy for those with personal debts under \$40k and with no assets.

Increased indebtedness places pressure on community based budgeting services

The NZ Federation of Family Budgeting Services which has approximately 127 budget services throughout the country is reporting increasing numbers of people experiencing financial difficulties, with the problem being particularly acute in South Auckland. Total client debt levels have been steadily increasing as have the numbers of clients per advisor. In the early 1990s most advisors had less than 10 clients on their books each year, last year the figure had increased to an average of 40 clients with many services reporting growing waiting lists.

HOUSING

Tenancy Dispute Tribunal orders thousands of evictions due to unpaid rent

During 2008 the Department of Building and Housing's Tenancy Dispute Tribunal received nearly 50,000 tenancy dispute resolution applications, three quarters of which were due to tenants being more than 21 days late in paying rent. This is a 10% increase on the previous year. A large number of these applications resulted in Possession Orders (evictions).

HNZC Application Waiting Lists – Nearly 10,000 families are waiting for a state house

As at 31 May 2009 there were 9,845 families on the waiting list for a HNZC house.

During the period January 2008 to March 2009, families with a total of 18,000 to 20,000 children were waiting for a HNZC house. Although Māori make up 15% of the population, a third of the children on the waiting list identified as Māori.

In March 2009, 258 families assessed by HNZC as having 'a severe and persistent housing need' were on the waiting list, an increase of 25% on the same period in 2008. This is the highest risk category.

A much larger number of people are categorised by HNZC as having a 'significant housing need'. In March 2009, 4,033 families were assessed by HNZC as being in this category and were on the waiting list for a HNZC house. This compares with 3,605 families on the waiting list in March 2008, an increase of 12%.

Community Impact – demand for emergency housing surges and homelessness growing

- Downtown Community Ministry is reporting record numbers of people seeking emergency accommodation at the Wellington Night Shelter. The occupancy rate for May 2009 was double the rate for the same time last year and the June trend is looking to exceed these numbers.
- The Salvation Army reported a 37% increase in demand for accommodation in the first quarter of 2009 compared with the same quarter of 2008.

Demand from families for Monte Cecilia Housing Trust emergency accommodation in Mangere has remained high and there is increasing demand for housing advocacy with private landlords and HNZC. The Trust's housing social worker is seeing more families experiencing income related problems – low income families whose employment hours have been reduced or who are facing redundancy. These are families who cannot cover the cost of private rental but are unable to get help from HNZC because they are not assessed as a high priority.

Lifewise in Auckland have noticed an increasing number of street people sleeping rough in the CBD. Numbers usually vary between 80-120 people but recently there have been 10-20 new faces, many of whom are younger and some of whom are young women. Lifewise is also seeing a significant increase in the numbers of homeless people it provides support services to through its Lifewise Centre, up from an average of 60 people per month to approximately 100 clients in May 2009.



CHILDREN AND FAMILIES

Over 200,000 children are living in hardship and numbers are likely to grow

The latest figures for the year ending March 2009 show that 211,736 children are living in benefit dependent households. This is in addition to the 302,000 working age adults dependent on main benefits at the end of May.

Data from the MSD Household Incomes in NZ report (1982-2007) shows that children in beneficiary households are much more likely to experience poverty and hardship. In 2007 8% of children who lived in a household with at least one adult in full time work lived in poverty. For households with no adults in full time work, the poverty rate rose to 58%. This affected 21% of NZ children. More recent data is not yet available.

The wellbeing of children closely correlates with parental employment. As the number of people on benefits increases we anticipate growing child poverty in New Zealand.

Family Violence

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.

- The National Collective of Independent Women's Refuges is reporting a significant and ongoing increase for its services. Between October and December 2007 and the same period in 2008 there was a 15% increase in the number of women entering their community based services. For the same periods there was a 22% increase in the number of children who received community based advocacy and support.
- Between January and March 2008 and the same period in 2009 the number of children benefiting from community based family violence support increased by 27%.

Community Agency Trends:

- Presbyterian Support Otago, which delivered nearly 1100 counselling sessions in the first quarter of 2009 has reported seeing more clients with high levels of stress, depression and anxiety.
- In the Manawatu region, Across Te Kotahitanga O Te Wairua is experiencing on-going increases in new clients for its family and crisis counselling services and a similar trend in its family support services.

Child Youth and Family – notifications continue to increase

Financial stress can take a toll on family relationships and for this reason we will be monitoring the trends in Child Youth and Family (CYF) data.

Notifications to CYF have been steadily increasing in the last five years. In the 2008 calendar year CYF received 100,189 notifications regarding concerns for children and young people, up 25% on the 79,741 notification in the previous year and more than double the 46,442 notifications in 2004.

Notification rates per quarter also show a steady increase as illustrated here. The *It's Not Ok* campaign is likely to have contributed to increased notification rate.

Quarter	Care & Protection	Investigations Completed
Jan - March 2008	23,321	7,678
April – June 2008	23,968	8,656
July – Sept 2008	26,248	10,142
Oct – Dec 2008	26,652	9,684
Jan – March 2009	29,649	10,544

*The numbers of notifications do not represent the number of children, and some children may have multiple notifications.

Vulnerability Reports are available on our website www.justiceandcompassion.org.nz. Also check out the Vulnerability Report Background Information Sheet.

The next Vulnerability Report will be released in September. If you are involved in a helping agency and would like to contribute to future issues of the Vulnerability Report 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.