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Corporate Plan Output: Policy Advice	

The purpose of this report is to provide background information that will assist in the assessment of the presentation by Ewen Coker of the Poor People's Embassy.

INTRODUCTION

The Poor People's Embassy has requested speaking rights at the Community Services Committee meeting in October. The Embassy wishes to present information on poverty in Christchurch and request that the Council "become proactive in finding alternatives to poverty".

The Council has undertaken extensive research on poverty that was completed earlier this year. This report provides a summary of the findings of that research. It is intended that the report will provide the Committee with background information for the presentation. It is also intended that it may assist the Committee assess appropriate responses to the presentation.

GROWING POVERTY IN NEW ZEALAND

Over the last two decades in New Zealand we have seen deterioration in the social circumstances of a growing number of people, leaving many unable to participate fully as members of their communities. Market driven government economic and social policies (including a reduction in welfare benefit levels and a move toward market rentals in state housing) have ensured that this trend has continued. There are now greater disparities in wealth than have ever been seen before in this country. By 1991-92, there were 593,000 people living below the Benefit Datum Line of \$14,050 per annum for a couple, a rise of 35% on the previous two years. This affected mainly children and their parents¹. By 1995, one in five New Zealanders were living below a poverty line of 60% of the median equivalent household disposable income, including one in three New Zealand children².

In May 1998, the Anglican Church, at its General Synod / Te Hinota Whanui, considered the erosion of welfare benefit levels had gone too far, resulting in too many New Zealanders living in considerable hardship. The Hikoi of Hope was established to call on the Nation and the government to acknowledge the growing levels of inequality in New Zealand and the human and economic costs of poverty. The Hikoi's call is for policy changes that result in income and benefit levels that move people out of poverty.

THE SOCIAL MONITORING PROGRAMME

Amid growing anecdotal evidence that government policies were having an increasingly negative impact on limited income people, the Christchurch City Council in 1995 initiated the Social Monitoring Programme research to respond to the lack of data on poverty and hardship issues in Christchurch.

¹ Easton B November 1995 *Poverty in New Zealand: 1981 - 1993* New Zealand Sociology 10 (2).

² Stephens R, Waldegrave C and Frater P 1995 "Measuring Poverty in New Zealand" *Social Policy Journal of New Zealand* 5: 88-112 (New Zealand Poverty Measurement Project).

The research programme, completed in 1999, looked at the:

- impacts of government policies on limited income people and indicators of hardship
- groups most likely to be experiencing poverty and hardship in Christchurch
- degree of hardship being experienced in different areas of the city
- main reasons why people seek assistance from social service agencies
- Christchurch City Council's role in addressing poverty and hardship

The Social Monitoring Programme defined poverty and hardship as encompassing three dimensions:

- (i) Material/financial (an inability to provide material necessities such as accommodation and food)
- (ii) Spiritual/isolatory (a poverty of spirit; isolation from other members of the community)
- (iii) Participatory (an inability to participate in community life, including a lack of choice in decision-making)

Research data was collected between 1996 and 1998 and came from six main sources:

- Target week survey, in which clients from 51 community agencies were surveyed during a selected week about health, housing, welfare, food security and income/employment issues. This survey provided standardised data across agencies on 1,079 respondents.
- Focus group interviews with staff from 29 community agencies, looking at their insights into the causes and impacts of poverty on their clients and the community.
- Survey of 16 schools in lower socio-economic areas of Christchurch, looking at staff experiences and perceptions of poverty and hardship and the impact of these on the school community.
- Survey of government and other social service organisations, looking at staff experiences of hardship issues and the gaps in service provision for limited income people in Christchurch.
- In-depth survey of 209 people, many of whom were experiencing hardship. The interviews explored a wide range of issues impacting on limited income people and explored their decision-making with regard to basic needs.
- Database of international, national and local poverty research and New Zealand social policy changes.

SUMMARY OF RESEARCH FINDINGS

While the research does not provide the definitive statement on poverty and hardship in Christchurch (because it made use of targeted samples), it does give a clear indication that limited income people in this city are experiencing significant quality of life problems. There are many people who are not able to provide for their general and most basic of living needs. These people are often socially isolated from family and from other support structures, are heavily reliant on outside assistance for their survival and are unlikely to be able to make adequate provision (if any) for their future. This has implications for our city in an age where government social policy calls for increased personal and family responsibility for support and well-being.

Summary findings from the two main components of the research (the target week survey and the in-depth interviews) are presented below:

- **Results show that where poverty and hardship exist, people are often experiencing multiple problems** (eg health problems, accommodation crises, a lack of education, unemployment and long-term welfare dependency). Poverty and hardship are both causes and outcomes of other difficulties, with affordability of basic necessities being at the forefront of the problem in Christchurch.
- **High accommodation costs as a proportion of limited incomes play a critical role in poverty and hardship in Christchurch.** This is probably one of the areas having the biggest direct and indirect impacts on the ability of limited income people to meet their basic needs. Confirming other New Zealand research findings³, we found that a high ratio of accommodation costs to limited income often pushes people into a state of poverty and hardship. Almost half (45% - 205) of respondents from the target week survey, for whom data was available, were paying over 50% of their income on accommodation costs. Seventy seven per cent (96) of those who reported struggling with their accommodation costs and who were paying over half of their income on accommodation costs were earning less than \$301.00 net per week. Our recent in-depth interviews show that limited income earners are still struggling with accommodation costs: 59% (124) reported having difficulties at times meeting these costs. At issue is the residual income left to meet other needs once accommodation costs have been paid. For limited income people, there are often insufficient funds to meet these needs. As with the target week survey, many in-depth interview respondents reported prioritising payment of accommodation costs over other basic necessities, often leaving them with affordability problems with essential items such as food and power/electricity. Half (46% - 97) of the in-depth interview respondents said that there are times when they do not have enough money to meet their food needs. Many (44% - 91) say they reduce their food intake (going without meals, reducing meal size, etc) because of affordability problems.
- **Mental and/or physical health problems appear to be a common factor in the lives of many of those in Christchurch who are experiencing hardship.** Sixty four per cent (134) of the in-depth interview respondents reported that they or their live-in partner had had a mental or emotional health problem in the year leading up to the survey and half (48% - 100) of all respondents said that either they or someone they were living with had a physical disability. Thirty per cent (315) of respondents from our earlier target week poverty survey reported having serious mental health problems⁴.

³ Robinson B 1998 "Housing Reform in New Zealand: A Summary and Evaluation" *Urban Policy and Research* 16 (3): 227-232; Stephens R, Waldegrave C and Frater P 1995 "Measuring Poverty in New Zealand" *Social Policy Journal of New Zealand* 5: 88-112 (New Zealand Poverty Measurement Project); Young M 1995 *Housing the Hungry: The Second Report: A Survey of Salvation Army Food Bank Recipients to Assess the Impact of the Governments Housing Reforms* New Zealand Council of Christian Social Service and the Salvation Army; Wellington Welfare Benefits Forum 1996 *A Briefing for the In-Coming Government* Wellington Community Law Centre Wellington.

⁴ This survey of clients of Christchurch social service agencies did not include a live-in partner's mental health status. It focused on serious mental health problems only.

- **One of the most insidious and destructive components of modern urban poverty in Christchurch is social isolation and alienation.** Many people do not have family or other social structures to provide assistance and support in times of need. These people are increasingly turning to community agencies to provide this support, increasing the workloads and demands on these agencies. Thirty nine per cent (82) of respondents in our latest survey said that they or their family had used a community or church agency for support in the month leading up to the survey. Many other people are going without support altogether, often due to pride and embarrassment. Many are reporting that they feel lonely or isolated living in their neighbourhoods. In our latest survey, 44% (92) of all respondents said that they felt lonely or isolated at times. For some, this is related to a real or perceived lack of choice (often stemming from financial constraints) which force them to live in houses and locations that they would otherwise prefer not to live in. Thirty nine per cent (81) of our in-depth interview respondents did not feel they had any real choice about selecting the accommodation they were in. Accessibility problems mean that many who are reliant on public transport or walking have to live near to the services they use, even if this means being in less ‘desirable’ areas or away from support networks such as family. A lack of affordability often prevented respondents from finding accommodation that was more suited to their needs (eg in terms of house size or being in a safe location - some felt that they had to stay in violent or abusive relationships because they could not afford to leave).
- **Families with children were highlighted consistently throughout the research as being more likely than many other groups to be experiencing hardship and they were often experiencing it to a greater extent than others.** For example, in our target week survey, 47% (160) of those with children were struggling with accommodation costs compared to 36% (176) of those without children. This is likely to reflect to some degree the different accommodation requirements of the two groups. Single parents reported struggling more with their accommodation than did couples with children or single people. When we combined hardship variables to look at those experiencing more than one type of hardship (eg accommodation affordability crises, health problems, going without doctor’s visits because of cost, long-term welfare receipt, financial strain and food affordability problems), we found that those with children were much more likely to be experiencing multiple hardship than were those without children: 52% (186) of those with children were experiencing multiple hardship, compared to 34% (216) of those without children.

Families in crisis were also a feature of our more recent in-depth interviews. Forty seven per cent (54) of respondents with children reported that at least one of their children had experienced emotional, psychological or major behavioural problems in the year leading up to the survey. In 54% (32) of cases, parents reported that school problems (such as bullying and learning difficulties) were troubling them and in 59% (32) of the cases, relationship problems with parent/s were also present⁵.

⁵ It is recognised that issues such as financial strain in the home will impact on a child's school and personal relationships.

- **It is important to note that our poverty research also identifies single people without dependents as being more likely than some groups to experience poverty and hardship.** At times they appear to slip through the gaps in terms of financial support and social assistance. Seventeen per cent (23) of those under 25 years old in our target week survey who were on welfare had been on it for longer than two years. Fifty four per cent (76) of young respondents were earning less than \$151.00 net per week. Two thirds (63% - 48) of these were on the Unemployment Benefit. Half (50% - 40) of all of those who took part in the survey who were in the lowest quartile of income earners once figures had been adjusted for family size were young people under 25 years old. Anecdotal evidence would suggest that young people are also facing housing crises as well as financial hardship. Those with dependents often take priority in terms of emergency accommodation assistance in the community. This often leaves single people (often young and older males) without housing when they face accommodation crises. An element of transience can be seen in these groups. Mental health problems are also common. Twenty six per cent (71) of all young people in the target week sample reported having serious mental health problems.
- **Refugees in Christchurch are often experiencing hardship problems to a greater degree than other limited income people.** We found that 62% (25) of refugees in our target week survey were on net weekly incomes of under \$301.00 per week, compared to 22% of non-refugees in the sample. They were also more likely to have been on welfare compared to the rest of the sample. Seventy-eight per cent (31) of refugees in the sample were on welfare, compared to 54% of non-refugees. Furthermore, refugees were more likely to be struggling with their accommodation costs than others: 60% (21) of refugees were struggling compared to 39% (318) of the rest of the sample.
- **Christchurch may well face significant poverty problems amongst its older population in the next two decades, particularly as our population ages.** Our research has shown that many of those in the target week sample who were meant to be in their prime income earning years or approaching retirement were experiencing multiple hardship over a number of areas: 38% (44) of 49-60 year olds and 47% (115) of 37-48 year olds were experiencing multiple hardships. Patterns emerged in the research of people who should have been in their prime income-earning years instead being on welfare and/or experiencing long periods of unemployment. These people were often in debt and were not able to cope with current crises, let alone make provisions for their retirement. Unlike previous generations of older people in New Zealand, these people are likely to enter retirement without owning a home and with little or no savings. Retirement for them may be a grim prospect indeed.
- **Barriers to employment were hindering many of our respondents.** Eighty per cent (126) of in-depth interview respondents who were not working at the time of the survey said that they experienced barriers such as age, lack of experience, life and social problems, child care difficulties and gender problems. The likelihood of finding full-time paid employment was slim according to 71% (108) of those not working.

- **Some people are missing out on targeted supplementary assistance;** assistance that is often touted by the government as a key to alleviating or preventing hardship. Targeting has been used as a justification by the government for reducing benefit levels. For example, 48% (278) of target week respondents who were beneficiaries said that they did not receive the Accommodation Supplement, while most probably should have been receiving it. Further, where the Accommodation Supplement was being received, it did not appear to be mitigating against the negative impact of high accommodation costs. Forty nine per cent (148) of those receiving the Supplement said they were struggling with their accommodation costs. Those reliant on limited income paid employment are often missing out on receiving entitlements designed to alleviate hardship.
- **Poverty and hardship are occurring throughout Christchurch,** often in ‘hot spots’ which occur in all ward areas, not just in areas traditionally associated with poverty and hardship. However, there is still a clustering of effect with a concentration of people experiencing multiple forms of hardship in some areas:
 - inner city east
 - southern belt (Sydenham and Addington)
 - eastern suburbs (Aranui, Wainoni and Avondale)
 - Bishopdale and Casebrook, Bryndwr and Aorangi
 - St Albans
 - Hornby and Hei Hei

REPORTS AVAILABLE

Three Social Monitoring Programme poverty reports are available:

- Jamieson, K, January 1998 - Poverty and Hardship in Christchurch: Findings from Target Week Survey Data, Christchurch City Council, Christchurch.
- Jamieson, K, March 1998 - Poverty and Hardship in Christchurch: A Reference Guide, Christchurch City Council, Christchurch.
- Jamieson, K, January 1999 - Poverty and Hardship in Christchurch: Findings from In Depth Interview Data, Christchurch City Council, Christchurch.

MONITORING OF TRENDS IN COMMUNITY WELL-BEING

The Christchurch City Council is continuing to monitor trends in social well-being in Christchurch. We are involved in a joint project with New Zealand’s six largest local authorities to develop a social indicators programme that will look at quality of life in the country’s largest cities. This will include the development of a list of indicators, standardised across the six local authorities, and a model for joint data collection and reporting. This data will be supplemented with information on local issues related to the outcomes of the Council’s Community Development and Social Well-being Policy.

The Council also contributes to the Canterbury Dialogues *Indicate*, a project designed to look at regional quality of life issues highlighted as important by Canterbury residents.

COUNCIL ACTIVITY IN ALLEVIATING POVERTY

The Christchurch City Council is actively involved in helping to address poverty and hardship issues in Christchurch. It is committed to doing so through its Community Development and Social Well Being Policy. The Council is currently resourcing a number of projects, many in partnership with other agencies:

- \$1.1 million Social Initiatives Projects (eg. refugee and new migrants one-stop shop, Hebron Young Parents Programme, Social Workers in Schools, anger management programmes, drug education programmes, etc)
- Building low-cost housing for limited income people
- Resourcing/funding many social service organisations in the city (eg. Anglican Care, Canterbury Energy Action Group, etc)
- Mayor's Welfare Fund
- Subsidised holiday and after school programmes for limited income families
- Paying rental on Community House (housing community agencies that support people on limited incomes)
- Significant involvement in employment and economic development through funding of the Canterbury Development Corporation
- Advocacy role

Recommendation: That the Committee receive this report.

Chairman's

Recommendation: That the information be received and that the Council acknowledge there is an unacceptable level of poverty in the City and it continue to work with other agencies to alleviate poverty where necessary.