

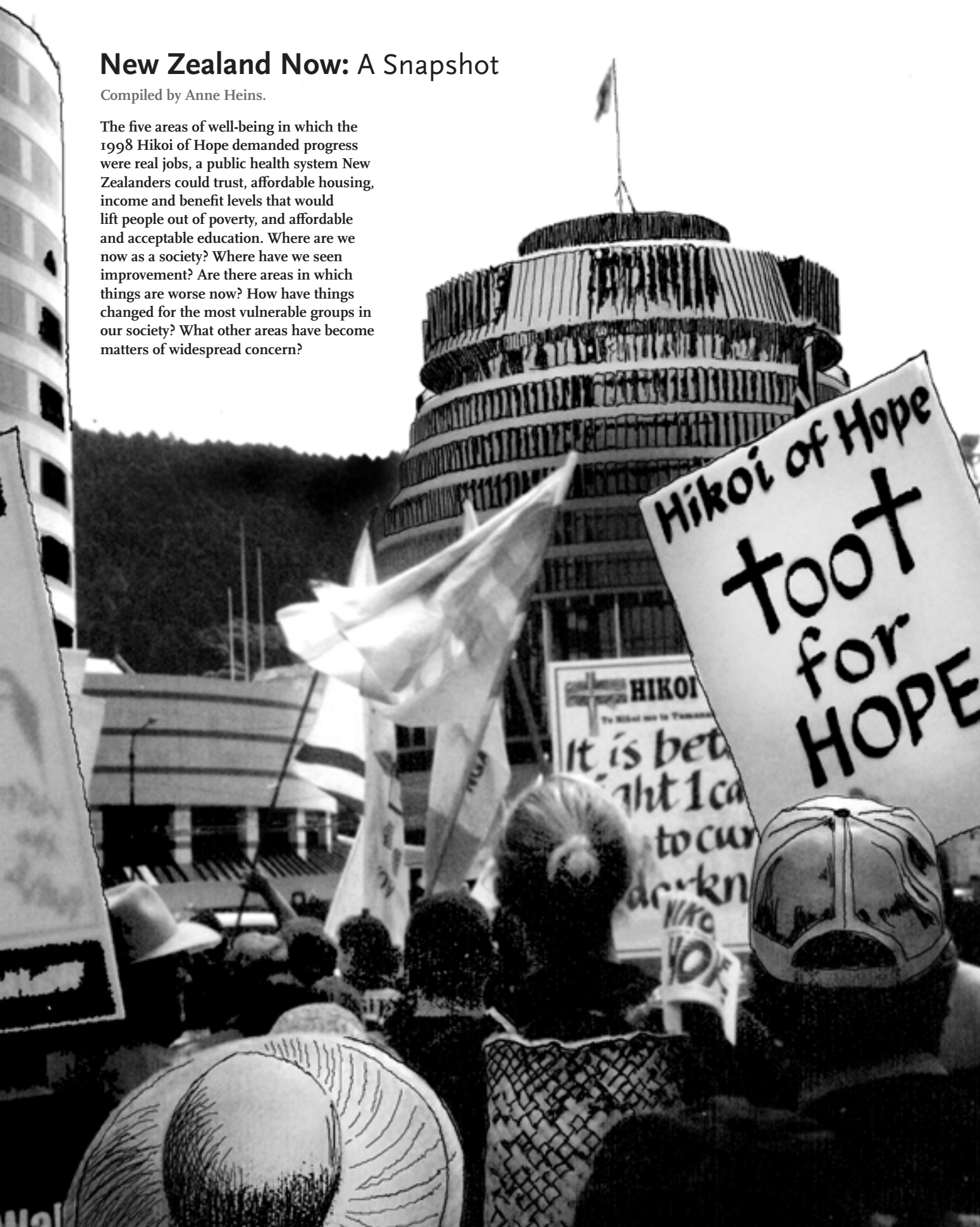
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living supplement
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New Zealand Now: A Snapshot

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The five areas of well-being in which the 1998 Hikoï of Hope demanded progress were real jobs, a public health system New Zealanders could trust, affordable housing, income and benefit levels that would lift people out of poverty, and affordable and acceptable education. Where are we now as a society? Where have we seen improvement? Are there areas in which things are worse now? How have things changed for the most vulnerable groups in our society? What other areas have become matters of widespread concern?





Employment

Employment

Employment statistics have shown some significant improvements over the past decade. Unemployment has steadily declined, virtually halving since 1998. The unemployment rate for December 2007 of 3.4% is the lowest since the Household Labour Force Survey began in 1986. Long term unemployment, the percentage of totally unemployed persons who have been unemployed for over half a year, has also almost halved.

Indicator	Then	Now	
Total unemployment rate (%)	7.2 (Mar '98 quarter)	3.7 (Mar '07 quarter)	☺
Maori unemployment (%)	18.1 (Mar '98 quarter)	8.6 (Mar '07 quarter)	☺
Pacific peoples unemployment (%)	16.5 (Mar '98 quarter)	8.0 (Mar '07 quarter)	☺
European/Pakeha unemployment (%)	5.5 (Mar '98 quarter)	2.9 (Mar '07 quarter)	☺
Other ethnic group unemployment (%)	12.5 (Mar '98 quarter)	7.2% (Mar '07 quarter)	☺
Total filled jobs	1,401,100 (Sept '98)	1,731,400 (Sept '07)	☺

The nature of the labour market has continued to change, with an increase in alternative labour arrangements such as part-time and casual contracts. While there are some potential advantages in such arrangements for both the employee and employer, they certainly provide far less financial security. This can have a significant impact on wellbeing. In addition, growing employment is not necessarily unequivocally positive, and statistics can obscure more nuanced considerations such as the effect of more parents being in work on childcare and family time.



Health

Health

Many basic indicators of population health have improved over the last decade. Life expectancy has risen across ethnic groups for both males and females. However, Maori and Pacific Islanders life expectancy is still around 8 and 6 years lower respectively than that of the rest of the population. Life expectancy is heavily influenced by deprivation, with a male in one of the least deprived areas of New Zealand expected to live 9 years longer than a male living in one of most deprived areas. Infant mortality has also dropped.

Indicator	Then	Now	
Life expectancy (men)	74	78	☺
Life expectancy (women)	79	82	☺
Infant mortality per 1000 live births	5.5	4.9	☺
Obesity rate (%)	19.97	21 (2005)	☹
Total expenditure on health, % GDP	7.8	9	☺
Total expenditure on health, Per capita US\$ PPP	1450	2330 (2005)	☺
Suicide rate (per 100,000)	16.6	13.1	☹

Government health funding has increased significantly over the last decade. Much of the extra funding does not necessarily translate into improved health services. Surgical waiting lists are still a major issue, with a large number of people waiting for over six months for surgery. Universal government subsidies under the Primary Health Organisations model has reduced patients' fees, which in turn is encouraging people to go the doctor more often. Greater access to primary health care enables problems to be picked up early, leading to better population health and fewer serious complications down the track. However, the system is struggling to keep up as more demand for primary health care services, coupled with an aging population and high retirement rate of GPs put more demand on primary health professionals. Currently, the primary health system is so stretched that some people are waiting for up to two weeks to get a non-urgent appointment with their GP.



Crime

Crime

Recent years have shown an increasing preoccupation with crime and violence in our society. Whether such an increase in concern is warranted is debatable. The incidence of violence crime has risen, albeit from a very small base, but overall reported crime in New Zealand has dropped. Despite the overall decline in crime rates, the prison population and imprisonment rate has risen significantly even over the past five years, a reflection of the increasingly punitive stance of our justice system. The imprisonment rate has risen considerably from 146 per 100,000 population in 1998 to around 190 in 2007, a 20% increase.

Indicator	Then	Now	
Prison population	5464 (1997)	7734 (2007)	☹
Imprisonment rate (per 100,000)	146	190	☹
Total recorded offences	461,677	424,134 (2006)	☺
Violent offences	40,442	50,731 (2006)	☹



Housing

Indicator	Then	Now	
Median house price	163,000	340,000	☹️
Median weekly residential rent (\$2007)	201 (1996)	205 (2006)	😊
Housing related debt (billions)	54	156	☹️
Home ownership rate (%)	69 (1996)	67 (2006)	☹️
Interest rate (based on variable first mortgage housing rate)	10.50 (Jan 1998)	10.57 (Jan 2008)	😊
Rent to income ratio (%)	28 (1996)	20 (2006)	😊

Housing

Housing costs are central to the financial wellbeing of families in New Zealand. High housing costs, especially for those on lower incomes, can quickly lead to severe financial difficulties as disposable income becomes insufficient to cover basic needs like food, clothing, transport, education and health services.

The median residential house price has soared to almost double the nominal price a decade ago, which has pushed many ordinary Kiwis out of the housing market (home ownership rate has fallen 2% over this period to 67%). The resulting ballooning of mortgage debt has seen housing related debt almost triple since 1998. If current predictions of a fall in housing values prove true, housing affordability will increase. However this will put some families with high mortgages in the dire situation of having a mortgage worth more than the value of their home (negative equity).

Residential rents have not risen as sharply over the last decade, and the median percentage of household income allocated to rent actually dropped from 28% in 1996 to 20% in 2006. However, inflation of rental costs is gathering pace, with a recent study by Massey University showing that average rents have risen by over 7% in the past year. The most pivotal housing policy shift has been the reinstatement in 2000 of income-related rents for state housing tenants. Implementation of market rents for state house tenants in 1991 meant that state house rents more than doubled between 1991 and 1999. The re-introduction of income-related rents means that rental costs for low-income state-house tenants reflect no more than 25 percent of their income. Given that in 1996, over half of state house tenants spent more than 50% of their income on rent, this policy has made a real positive difference to many low-income New Zealanders. Nonetheless, of the poorest 20% of households renting privately, a third were spending more than 30% of their income on housing in 2004.



Education

Indicator	Then	Now	
New Zealanders with no qualification (%)	29	26	😊
New Zealanders aged 15 and over with a tertiary qualification (%)	43	49 (2006)	😊
Year 1 students who attended early childhood education (%)	91 (2000)	95 (2007)	😊
School leavers with little or no formal attainment (%)	18 (1998)	11 (2007)	😊

Education

Overall, educational achievement has improved since 1998, with a drop in young people leaving school with no qualification, and an increase of New Zealanders with a tertiary qualification. Nevertheless, educational access and achievement is still very uneven across deprivation deciles.

Educational inequalities are particularly evident in early childhood education (ECE). Recent growth in the availability of ECE opportunities has been concentrated in the for-profit sector, while the numbers of community and not-for-profit centres (such as play centres, kindergartens and kohanga reo) has actually declined since 2001. The fact that the availability of ECE places in poor suburbs is nearly half the national average illustrates how unequally access to ECE is distributed.

Because of the change to the NCEA system of qualification, educational achievement is hard to compare over the last ten years. There is an alarmingly wide achievement gap between students in decile 1 schools (the poorest 10% of schools) and students of decile 10 schools, although this gap seems to be slowly closing. Recent figures show that Level 1 NCEA pass rates for decile 1 and decile 10 schools were 42% and 83%, respectively. Furthermore, students in deciles 1-3 are three times more likely to leave school without any qualification than students from deciles 8-10. Other considerations affecting children's learning include stand-down rates, which among the poorest 20% of schools are 3.6 times those of the wealthiest 20% of schools.



Poverty

Indicator	Then	Now	
Median weekly earnings (\$2007)	634	710	☺
Inflation (%)	1.3 (year to Mar 1998)	3.2 (year to Dec 2007)	☹
Adult minimum wage (\$2007)	8.55	12.00	☺

The exponential rise in consumer debt over the last decade is of great concern, both because of vulnerability to high interest rates, and because it reveals increasing materialism and unsustainable consumption.

Indicator	Then	Now	
Total Household Consumer Debt (\$ billions)	5.8	12.5	☹
Hire purchase, credit card and store card debt (\$ billions)	4.4	9.3 (2006)	☹
Household debt servicing (% nominal disposable income)	9.3	14.5	☹



Environment

Indicator	Then	Now	
Gross CO2 equivalent emissions (kilotonnes)	27,012	34,049 (2006)	☹
National ecological footprint (million global hectares)	19.9	22.9 (2004)	☹
Solid waste sent to landfills (million tonnes)	3,180	3,156	☺
Access to kerbside recycling programmes (%)	20 (1996)	73 (2006)	☺

Poverty

Despite significant work in this area, there is still no agreed poverty line in New Zealand, which makes estimation of poverty incidence over time complex and contentious.

Benefit levels are adjusted to inflation, having risen at the beginning of April to reflect increases in the consumer price index. Crucially, there has been no real rise in benefit levels over the last decade, and they remain at the same level in real terms as when they were slashed by up to 24% in the 1991 “Mother of all Budgets”.

Labour’s Working for Families package, implemented over the last few years has helped working families, but has left the statistical tail of poverty untouched among those families where parents are not in work, leaving some of the most vulnerable children out in the cold. Nevertheless, there has been an overall decline in children living in households whose disposable income is below 60% of median income. It has dropped from 28% of children in 1998 to 23% in 2004. It continues to be the case that implementing a universal child benefit is proven to be one of the most effective ways of addressing the ‘statistical tail’ of poverty.

For those New Zealanders working for minimum wage, the recent increase in adult minimum wage to \$12 is positive. The minimum wage in 1998 in \$2007 was \$8.55. Median real weekly income has increased since 1998 from \$634 to \$710 in 2007 dollars. Recent rises in the cost of transport, food and heating, coupled with high interest rates is stretching those already on the limit to breaking point. In the year to March 2008, StatsNZ report that food prices have increased 6%. Transport prices rose 6.8% increase in year to March 2008.

Income inequality in New Zealand continues to grow as the incomes of the top 20% of earners have risen faster than those in the bottom 20%. In 2000, the average CEO earned 8 times the average wage. Today, the typical salary of a CEO is 19 times the average wage. Over half the total net worth of our nation is owned by the top 10 percent wealthiest people. The bottom 50 percent of the population owns just 5 percent of total net worth. In a society that already has one of the most unequal income distribution profiles in the OECD, income inequality should be falling, not rising.

Environment

Over the last decade, environmental concerns have become more mainstream, and received more political focus than we have seen before. Despite this many environmental indicators continue to worsen as our acquisitive consumer drive and economic growth continue unabated. New Zealand’s ecological footprint (which is defined as the area of land and water a human population requires to produce the resources it consumes and to absorb its wastes) increased by over 15% between 1998 and 2004. Our per capita footprint of 5.9 hectares means it would take over 3 planets to sustain the global population if everyone lived like us.

Our rate of car ownership has increased since 1998, as has the total vehicle miles travelled. Unsurprisingly, overall demand for energy has also increased. We are creating more waste due to population growth and higher consumption and production, although solid waste sent to landfills has seen a slight reduction due to higher levels of waste recovery and recycling. Access to kerbside recycling programmes has risen from only 20% in 1996 to 73 % in 2006. Carbon equivalent emissions have continued to rise, and will start costing us dearly under the Kyoto agreement – from this year New Zealand will have to buy carbon credits from other countries to cover the emissions we produce in excess of the agreed 1990 benchmark.