

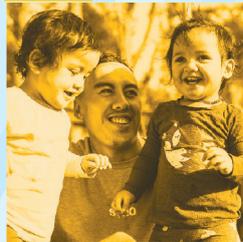


Te Ope Whakaora

Social Policy & Parliamentary Unit

Working for the eradication of poverty in New Zealand

STATE of the NATION 2022



Navigating the Rapids

Whakatere Ana I Ngā Tere

*Paul Barber, Ronji Tanielu and Ana Ika
Social Policy Analysts
February 2022*

We welcome your feedback

PO Box 6015, Marion Square, Wellington 6011

Email social.policy@salvationarmy.org.nz

facebook.com/SPPUNZ

CONTENTS

From the Director	3
Introduction	4
Children and Youth	5
Work and Incomes	17
Housing	30
Crime and Punishment	38
Social Hazards	50
Māori Wellbeing—Inequity in the Spotlight	58



Te Ope Whakaora

Social Policy & Parliamentary Unit

Working for the eradication of poverty in New Zealand

ISSN 2815-7443 (Print)

ISSN 2815-7451 (Online)

Authorised by Commissioner Mark Campbell, Territorial Commander, as an official publication of The Salvation Army New Zealand, Fiji, Tonga and Samoa Territory.

Navigating the Rapids | Whakatere Ana | Ngā Tere was produced by The Salvation Army Social Policy and Parliamentary Unit, PO Box 6015, Marion Square, Wellington 6011, New Zealand. Director: Lieutenant-Colonel Ian Hutson.

This report is available for viewing or download from www.salvationarmy.org.nz/SOTN2022

Acknowledgements: Janet McAllister, independent researcher, for peer review. DotLovesData.com for support with data dashboard development. UnderTow Media for communications support.

Disclaimer statement: Every effort is made to ensure the accuracy of facts and information in this report. Inaccuracies or errors in interpretation remain ours and we are happy to discuss any brought to our attention. The views are the authors', expressed in the name of The Salvation Army, Te Ope Whakaora.

FROM THE DIRECTOR

NAVIGATING THE RAPIDS *IN THE HOPE OF* TRAVERSING POSITIVE PATHWAYS FOR CHANGE

WHAKATERE ANA I NGĀ TERE I TE TŪMANAKOTANGA O WHAKAWHITI ANA I TĒTAHI ARA TŌRUNGA MŌ TE HURINGA

This year The Salvation Army's Social Policy and Parliamentary Unit (SPPU) has produced its 15th annual *State of the Nation* report. This is a significant milestone in the life of SPPU. We have 15 years of measuring progress, stagnation and at times regression of various aspects of life in our communities; 15 years of data collection enables us to track and raise awareness of the areas of concern and inequity in our nation. *State of the Nation 2022* continues this analysis, as we examine the indicators of how our people are faring, and as we attempt to chart social progress towards reducing poverty and exclusion.

At the start of 2022, the multifaceted impacts of the continuing Covid-19 pandemic and the associated turbulence seemed to be encircling us. We have attempted to make sense of the extraordinary 2021 year and its immediate outcomes within the context of our nation's longer-term social progress. There are gains, but there are also losses:

- we have seen limited but steady progress in reducing child poverty by some measures, albeit starting from an unacceptably high starting point;
- there is clear progress with the increase in the number of houses being built, including social housing for those people who desperately require affordable housing;
- the resilience of the economy throughout the extraordinary measures related to Covid-19 is surely good news for many New Zealanders, but by no means all of us—we are still seeing major inequities in our Māori and Pasifika communities;
- house prices and rental costs have continued to soar, putting a significant strain on families as they struggle to access the housing market;
- the Housing Register has ballooned up to 25,000 on the wait list, suggesting that many are struggling;
- there are 21,000 more children living in benefit-dependent households than before the pandemic;
- families are experiencing the precarious nature of surviving on inadequate levels of income;
- we continue to face challenges of violence towards children, the need to reduce the harm of addictions and improve the mental health of youth.

Inequality is like a river wending its way through our life and times, stretching back over the 15 years of reporting. There is so much more to be done to deal with the levels of social and economic inequality that so stubbornly persist. It raises the question: are we as a nation making the structural changes needed to achieve greater equality?

It is hoped that this report mapping our social progress will help us navigate our way through the turbulent rapids of our times. We hope the level of social cohesion experienced over this pandemic period might be the catalyst to deal with the social inequality of those on the margins. We hope that we can all see ourselves as belonging within a community, where we can all have a place in the waka in which to navigate and traverse these turbulent times.

Lt-Colonel Ian Hutson

Director—Social Policy and Parliamentary Unit

INTRODUCTION

In this report, the wellbeing of our nation is assessed by looking at outcomes that impact on the health of communities, whānau and individuals that The Salvation Army—Te Ope Whakaora, the Army that brings life—works with each day. We look at measures across the following areas: Children and Youth, Work and Incomes, Housing, Crime and Punishment and Social Hazards as well as assessing all these areas through a specific focus on outcomes for Māori, using He Ara Waiora wellbeing framework.

The focus is on national-level trends and outcomes that can tell us something of the overall state of our nation at the beginning of 2022. Most of the statistics and data are drawn from publicly available sources. We aim to use the most recently available indicators, including some statistics for the year to 31 December 2021, if available before publication.

The indicators in each section are grouped into themes, and an assessment is made whether there is overall improvement (+), no change (NC) or deterioration (−).

These assessments are intended to promote debate and discussion about our progress towards greater wellbeing.

CHILDREN AND YOUTH

All children and youth should be safe, live free from poverty and have the chance to experience fulfilled lives. As a nation, we are finding our way through rough waters as the continuing Covid-19 pandemic impacts and disrupts young people's education and puts their whānau (families) under financial pressure and at a greater risk of poverty.

Official child poverty rates decreased in the two years pre-Covid-19, before March 2020. But the children most likely to live in poverty are in households relying on welfare benefits, and this number increased in 2020 and has remained high during 2021. Increases to core welfare benefits and other assistance in 2020 and 2021 are projected by Government to further reduce child poverty, but the Covid-19 disruptions add more uncertainty to achieving this.

Keeping children safe from abuse and violence is crucial to their wellbeing. In the year to June 2021, there were fewer reports of concern about potential abuse, and the number of children placed in state care is reducing. On the other hand, the number of children who were identified as victims of abuse increased, including a concerning rise in the number of substantiated instances of sexual abuse. Assaults on children also increased significantly in 2021, including a large increase in sexual assault. The number of children who were victims of assault in 2021 was 30% higher than five years ago.

The effect of Covid-19 disruptions on young people's education was seen at both ends of the education journey. Enrolments in Early Childhood Education (ECE) increased again in 2021 after a significant decline in 2020, but they are still below pre-Covid-19 enrolments from 2019. Impacts on school student achievement in 2020 (most recent data) have been mitigated by policies such as granting extra NCEA credits. Higher level (university entrance) achievement has increased, partly as a result of more students staying on at school longer. Disparities in outcomes worsened between Māori and non-Māori in 2020, but disparities between students in schools from high and low socio-economic areas remained similar to previous years.

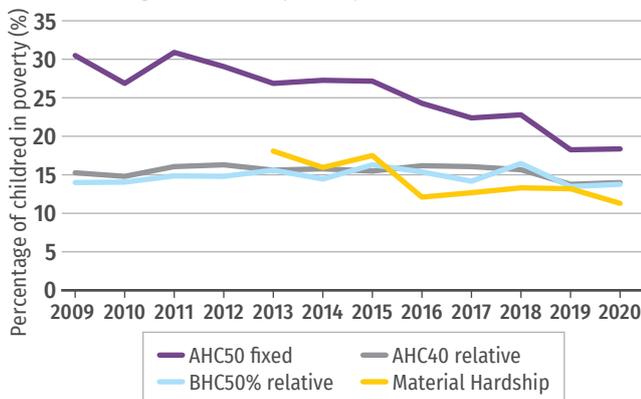
Increasing mental health pressures on young people are indicated by a rise in the proportion reporting moderate to high levels of mental distress. In contrast, the youth suicide rate declined again in 2021, but remains well above rates in other Organisation for Economic Cooperation and Development (OECD) countries.

Youth offending has continued to decrease in 2021, although there was little progress to reduce the large disparity in offending between Māori and non-Māori. Pregnancies in young women under 20 continued the declining trend since 2008, and, as a result, abortions in 2020 were 70% lower than in 2008.

Child Poverty

Lifting children out of poverty is crucial to their wellbeing and fulfilment. The Government has committed to targets to more than halve child poverty in the 10 years from 2018 to 2028.¹ The data in **Figure 1** below was collected up to March 2020, so it does not include the Covid-19 pandemic social impacts and policy changes that will affect incomes (data for the year to June 2021 is due late February 2022). Child poverty rates in 2020 before the impact of Covid-19 were all lower than the 2018 base-line set by the Child Poverty Act.

Figure 1: Child poverty—three primary measures, plus 40% After Housing Costs (AHC) poverty measure—2009–2020²



AHC: household income after housing costs.
BHC: household income before housing costs.
Relative: compares incomes with a contemporary equivalised median income.
Fixed: a measure comparing current incomes with a previous (2018) baseline median. Useful during recessions.

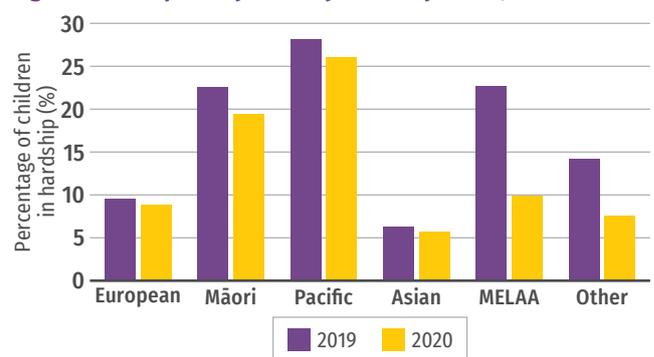
The numbers—50% or 40% here—refer to the percentage of the equivalised median income considered to be the ‘poverty line’. The lower the percentage, the more severe the poverty being measured.

Welfare benefits were increased in 2020 as part of the Covid-19 response, and further increases to welfare benefits were a major feature of the Government’s May 2021 Budget, with the changes occurring in July 2021 and April 2022. The 2021 Budget Child Poverty Report³ estimated that the impact of the welfare benefit increases, and other measures such as the now fully-implemented Families Package, would see further reductions in 2021/2022 figures for two of the primary child poverty rates (AHC50 fixed and BHC50 relative).

The basis for the projections was that rises in incomes for lower income households, through the Families Package and welfare benefit increases, would be greater than increases in median incomes over that time, thus reducing relative poverty. Those projections also showed that beyond 2022/2023 further changes to increase lower incomes would be needed to achieve the 10-year 2028 poverty reduction targets.

The much higher rates of poverty experienced by some groups of children serve to emphasise the urgency of the task to continue to invest in lifting children out of poverty. Māori and Pasifika child poverty rates are considerably higher than those of other ethnic groups. **Figure 2** shows that the material hardship poverty rate fell for all ethnic groups between 2019 to 2020, but Pasifika and Māori children still experience poverty rates two- to three-times higher than Asian and European children. The numbers of children listed as ‘Middle Eastern, Latin American, African’ (MELAA) and ‘Other’ are relatively small and with a higher margin for error. Children with a disability are much more likely to live in poverty, with 22.5% of disabled children living in poverty compared with 17.7% for non-disabled children in 2020 (using 50% AHC measure). One in five disabled children live in material hardship, twice the rate for non-disabled children.

Figure 2: Child poverty rates by ethnicity—2019, 2020⁴

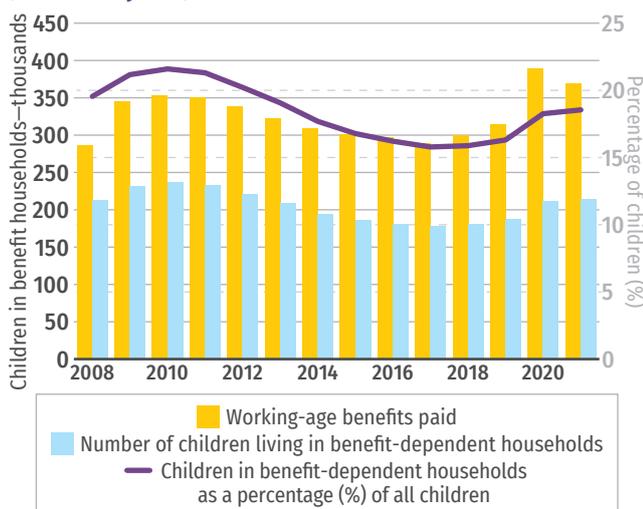


Note: MELAA—Middle Eastern, Latin American, African.

CHILDREN IN BENEFIT HOUSEHOLDS

The number of children in benefit households remained high in 2021 at just under 209,000 in December 2021, and is still 21,000 higher than December 2019 before the impact of Covid-19 pandemic (Figure 3). Almost one in five children (18%) live in benefit-dependent households and they are more likely to have incomes below the official poverty lines. Around seven out of ten children who were part of households with a welfare benefit as their main source of income were below the 50% AHC income poverty line in 2019.⁵ If Government child poverty reduction targets are to be achieved, then further lifting the incomes of households relying on benefits will be central to achieving this.

Figure 3: Estimates of children in benefit households (December years)—2008–2021⁶



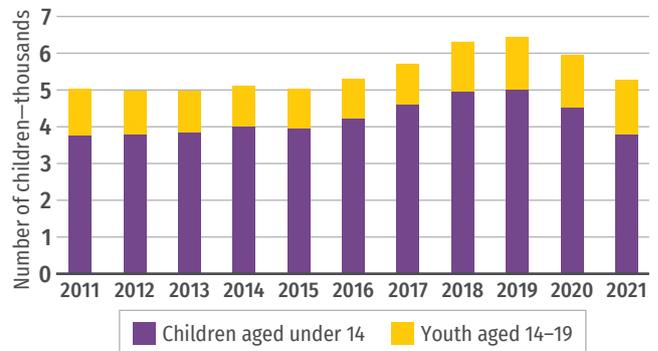
Children At Risk

A key indicator of children’s safety within their families is the number of children who are the subject of reports of concern to police and other agencies about a child’s safety from abuse or harm. Those assessed at the highest risk of harm may be placed in state care.

The number of children in state care continued to fall in 2021, and is the lowest since 2015 (Figure 4). The total of 1106 entries to care in 2021 was the lowest number in the past decade.⁷ Factors driving the decrease include government policy towards children at risk, how legislation and policy set the parameters for decisions about how to respond to children at

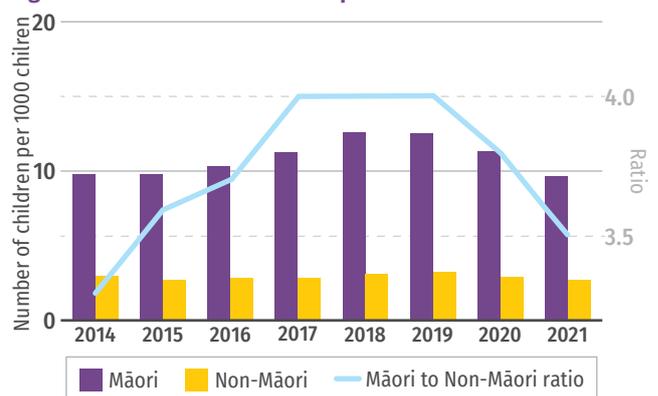
risk, as well as the actual practice of government agencies such as Oranga Tamariki and the family court in how they interpret those laws and policies.⁸

Figure 4: Number of children in state care—2011–2021



The proportion of children in state care has declined for both Māori and non-Māori over the past two years, after the increases of earlier years (Figure 5). The rate per thousand children has declined faster for Māori children, with state agency Oranga Tamariki working to keep children within the care of their whānau. This is a welcome reduction in the disparity between Māori and non-Māori, but 10 out of every 1000 tamariki Māori are in state care, still 3.5 times higher than 3 out of every 1000 non-Māori children.

Figure 5: Children in state care—per 1000 children—2014–2021



ABUSE AND NEGLECT

Only a small proportion of children about whom concerns are raised end up in state care. There are tens of thousands of reports of concern (ROC) about potential child abuse or neglect received each year by Oranga Tamariki and between a half to two-thirds of them are assessed as requiring further action. Around one-fifth of ROCs are substantiated as abuse. In the year to June 2021, ROCs declined

Table 1: Notifications/referrals for possible child abuse or neglect—2012–2021 (year ending 30 June)⁹

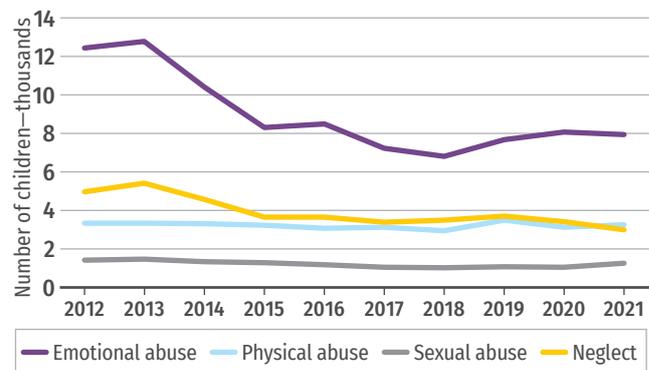
Year ending 30 June	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Care and protection reports of concern	90,729	90,893	88,768	83,871	84,228	81,840	92,250	87,260	80,928	77,948
Reports requiring further action	60,330	61,877	54,065	45,463	44,689	38,975	41,780	41,733	41,364	42,245
Substantiations of abuse or neglect	22,172	22,984	19,623	16,472	16,394	14,802	14,263	15,958	15,682	15,462

Table 2: Substantiations of child abuse and neglect—2012–2021 (year ending 30 June)

Year ending 30 June	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Emotional abuse	12,454	12,777	10,406	8318	8490	7231	6810	7685	8084	7930
Physical abuse	3330	3343	3305	3235	3073	3136	2953	3507	3133	3261
Sexual abuse	1418	1459	1329	1275	1167	1038	1010	1066	1053	1267
Neglect	4970	5405	4583	3644	3664	3397	3490	3700	3412	3004
Total abuse findings	22,172	22,984	19,623	16,472	16,394	14,802	14,263	15,958	15,682	15,462
Number of individual children as victims	18,277	18,595	16,289	13,833	13,598	12,117	11,622	13,018	12,861	13,478
Percentage of all children			1.57%	1.33%	1.29%	1.14%	1.03%	1.14%	1.11%	1.17%

again to below 80,000, the lowest number in the past decade (**Table 1**). There was a small increase in the number of ROCs that, after assessment by a social worker, were considered to need further investigation, but the substantiated number decreased compared with 2020. Overall, the volume of reports of concern and substantiated abuse is significantly lower than five years ago and more than 30% lower than a decade ago.

The actual number of individual children who were recorded as victims of abuse rose slightly to 13,478 in 2021, around 1.2% of all children. Considerably fewer children are identified as victims of abuse now than a decade ago, but the increase of 617 in 2021 means the total was the highest since 2016 (**Table 2** and **Figure 6**). Of most concern is the increase of over 200 in substantiations of sexual abuse, a 20% increase on 2020, and the highest number since 2015.

Figure 6: Substantiations of child abuse and neglect—2012–2021 (June years)

Children and Violence

The sharp increase in reported sexual assaults against children in 2021 is a distressing feature of this year's statistics. The level of safety for children is a vital part of overall wellbeing in this country and the amount and type of violence towards children is a very direct measure of this. According to police data on violent offences against children aged under 15 years, reported sexual assaults increased by just over 19%, and common assault by 38%, as part of a 14% overall increase of all forms of reported assault against children (**Table 3A**).

Table 3A: Recorded violent offences against children aged under 15 years old—2016–2021 (June years)¹⁰

	2016	2017	2018	2019	2020	2021
Common assault	1246	1133	1195	1106	889	1226
Serious assault without injury	2648	2905	2478	2667	3088	3468
Serious assault resulting in injury	1271	1368	1658	1786	1871	1974
Aggravated sexual assault	1414	1544	1472	1454	1510	1803

This increase in reported offences is reflected in the sharp increase in the number of distinct children who were identified as victims of violence, some of whom will have been the victim of more than one reported violent offence (**Table 3B**). Sexual assault victims were up by 18% in 2021 compared with 2020. A total of just under 6000 children (5952) were reported as victims of other forms of assault, nearly 30% more than five years ago.

Table 3B: Number of children aged under 15 years who have been reported as being victims of a violent crime—2016–2021 (June years)¹¹

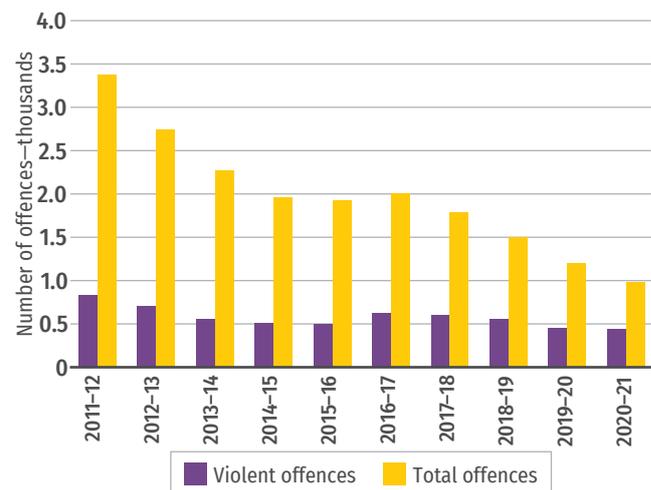
	2016	2017	2018	2019	2020	2021
Common assault	1088	990	1054	954	770	1066
Serious assault without injury	2343	2603	2324	2424	2707	3046
Serious assault resulting in injury	1197	1303	1557	1672	1744	1840
Aggravated sexual assault	1336	1465	1311	1364	1423	1681

Youth Offending

Young people's interactions with the justice system have a huge impact on their wellbeing and future life course. The frequency and seriousness of youth offending is one key outcome measure reflecting both the actions of youth but also how the police and youth justice system respond. The data in this section looks at instances where young people are charged with an offence in any court (Youth, District or High Court). Since July 2019, 17-year-olds have been included in the youth justice system, but the data in **Figure 7** (below) and **Figure 8** (next page) include only 12- to 16-year-olds.

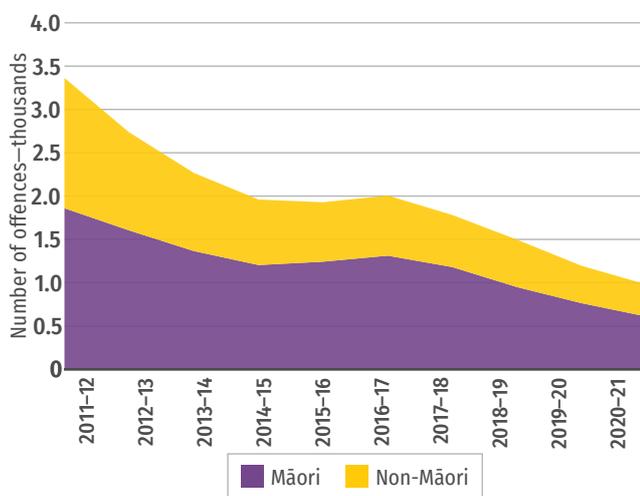
The trend of 'declining' in youth offending over more than a decade has continued in 2021, with less than a thousand young people charged with offences the year to June 2021. Charges for violent offending have also decreased again in 2021, but now make up nearly half (45%) of all charges, suggesting that non-violent youth offending is being dealt with outside of the court process.

Figure 7: Number of young people aged 12–16 years charged with offences¹²



While overall charges have been reducing, the justice system has made less progress in reducing the disparity in the way young Māori are affected compared with non-Māori (Figure 8). Māori made up 62% of those charged in 2021, a higher proportion than 10 years ago (55%), although they make up around 27% of all young people aged 10–16 years. However, the past three years have seen numbers reducing faster for Māori and a resulting modest decline in disparity.

Figure 8: Number of children and young people aged 12–16 years charged, Māori and non-Māori—2011–2021¹³



Early Childhood Education

It almost goes without saying that access to good quality education and achieving good outcomes from that education are crucial to wellbeing of children and youth. This section looks at trends for children at the start of their educational journey in Early Childhood Education (ECE) to see how many children enrol, and the proportion who start school having had some participation in ECE (Table 4). The next section looks at student achievement for youth leaving the school system (see **Educational Achievement** p.11).

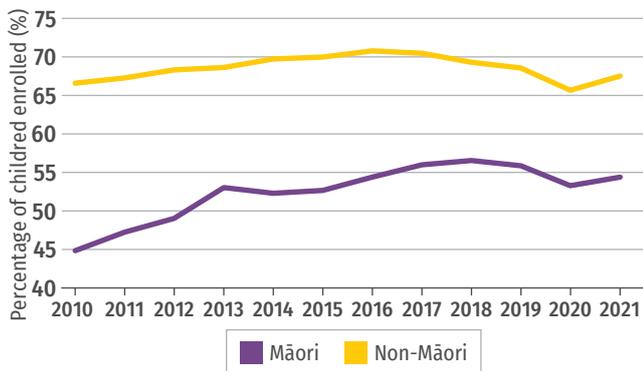
Early childhood enrolment numbers fell sharply in 2020 as a result of the disruption from Covid-19 pandemic lockdowns, decreasing by more than 8000 to 190,348. During 2021, enrolments increased again, but remained below 2019 levels at 194,687 (Figure 9). Children in more disadvantaged (lower decile) communities were more affected and the overall gap in rates of prior participation in ECE increased.

The overall trend of the past 10 years has been for a reduction in the disparities of enrolment rates for Māori and Pasifika children,¹⁵ which have risen faster than for the overall population (Figure 10). But this trend stalled in the 2018/19 years. Falling enrolment rates affected all ethnicities and impacted Māori and non-Māori similarly in 2020. In 2021, the Māori rate rose again at around the same proportion as for non-Māori, meaning there was no improvement in the existing disparities in enrolment rates.

Table 4: Early Childhood Education enrolment patterns—2014–2021 (June years)¹⁴

June years	2014	2015	2016	2017	2018	2019	2020	2021
Total ECE enrolments	200,002	198,887	201,675	202,772	200,588	198,923	190,348	194,687
ECE enrolment rate, under 5s population	63.9%	63.9%	65.5%	65.7%	64.6%	63.8%	60.6%	62.7%
ECE enrolment rate for 3- and 4-year-olds	95%	93.9%	95.4%	95.5%	94.2%	92.3%	88.8%	89.2%
Overall prior ECE participation rate on starting school	95.9%	96.1%	96.6%	96.8%	96.9%	97%	97.1%	96.6%
Prior ECE engagement rate—lowest three deciles	91.4%	92.5%	93.7%	94%	94.2%	94%	94.4%	93.3%
Prior ECE engagement rate—highest three deciles	98.5%	98.7%	98.7%	98.8%	98.7%	98.9%	98.9%	98.8%
Participation gap	-7.1%	-6.2%	-5.0%	-4.8%	-4.5%	-4.8%	-4.5%	-5.5%

Figure 9: ECE enrolment rates for Māori and non-Māori children under 5 years old—2010–2021¹⁶

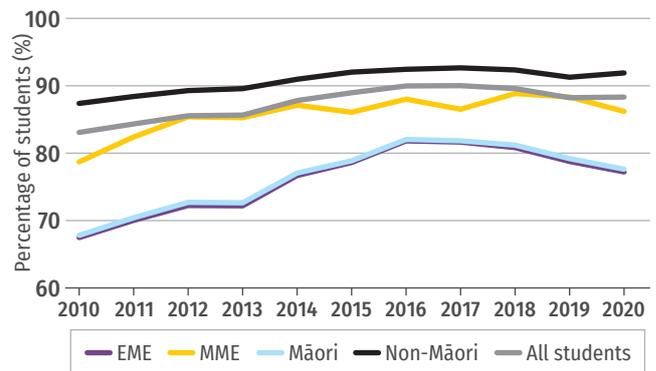


Educational Achievement

How are youth at the end of the schooling system faring in this time when their education has been considerably disrupted by the impacts of the Covid-19 pandemic? Each year around 60,000 young people leave school. Just over half go into tertiary study, just over a quarter into employment, a small percentage head overseas, while around 9000–10,000 end up not in education, training or employment (NEET) [see **Work and Incomes**, p.17].¹⁷ This section looks at the most recent data from 2020 on education outcomes for young people as they complete their schooling.

The Covid-19 alert level restrictions and other social impacts have had a significant effect on student achievement in 2020. These impacts come on top of the persistent and significant inequalities in educational achievement of the past decade. The proportion of all students leaving school with at least NCEA Level 1 increased slightly in 2020 (**Figure 10**). One of the Ministry of Education responses to the pandemic was to give additional credits to students to adjust for the impact on their education, and this along with a higher proportion of students staying on longer at school meant that the total achievement at 88.3% was at the same level as 2019.

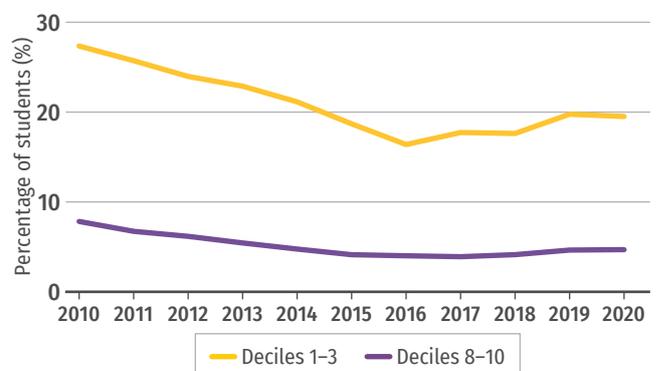
Figure 10: Proportion of students leaving school with NCEA Level 1 or above—2010–2020¹⁸



The data for 2020 show a significant increase in disparity of the outcomes for Māori students compared with non-Māori. The proportion of Māori students achieving NCEA Level 1 or above fell to 77.5% in 2020 from 79.1% in 2019, while the rate for non-Māori increased slightly from 91.2% to 91.8%. The fall in achievement rates reaches across both Māori in mainstream schools, English Medium Education (EME), as well as those learning predominantly in te reo, Māori-Medium Education (MME).

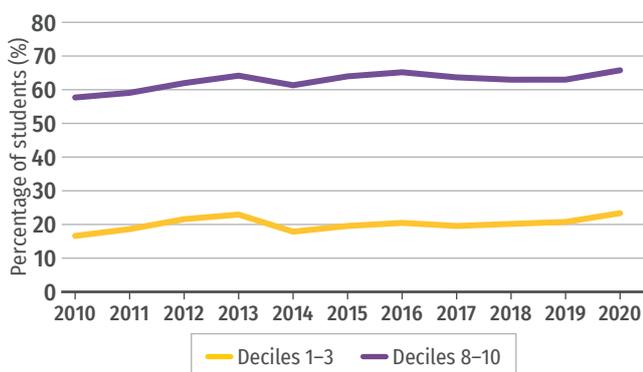
Inequality in outcomes for students at schools in lower income communities however did not increase in 2020, but remained at similar levels to 2019 (**Figure 11**). Almost one in five students (19.3%) left school without achieving at least NCEA Level 1 in areas with greater socio-economic disadvantage (deciles 1–3). This compares with less than one in 20 students (4.5%) in the higher decile schools (deciles 8–10).

Figure 11: Proportion of students leaving school with less than NCEA Level 1—2010–2020¹⁹



Looking higher up the achievement scale at those students who leave school with university entrance (UE) qualification, the number increased significantly in 2020 across all deciles (Figure 12). Lower decile school students' UE rates increased to 22.9% compared with 20.3% in 2019. UE rates from higher decile schools also increased, from 62.5% in 2019 to 65.3% in 2020, so the disparity in higher achievement between higher and lower decile schools did not reduce, even though overall disparity remains lower than earlier years (2013–2018). One effect of Covid-19 alert level restrictions and other social impacts came through students staying on at school longer. It is likely that this was a significant contributor to an increase in the proportion of students achieving Level 3 or UE standard.²⁰ Māori achievement also improved in 2020, with the UE achievement rate increasing to 21.9%, the highest rate in the past 10 years, meaning a slight reduction in disparity to the non-Māori rate.

Figure 12: Proportion of students leaving school with UE by decile—2010–2020²¹



Teenage Pregnancy

Young women who become parents in their teens are more likely to have poorer wellbeing outcomes, so monitoring teenage pregnancy rates is therefore a useful indicator of wellbeing for youth. Fewer unwanted pregnancies among young females also means that there is less need to consider the option of abortion.

Pregnancy rates for teenagers have shown an overall declining trend since 2008, with very few pregnancies now amongst those under 15 years (Figure 13A). The rate for 15- to 19-year-olds in 2020, of 20.1 pregnancies per 1000, has reduced by two-thirds since 2008 when it was 50.3 (Figure 13B). As a result, the actual number of abortions in that age

group has also declined, from over 4097 in 2008, to 1227 in 2020, a 70% reduction.

Figure 13A: Pregnancies and abortions for 11- to 14-year-olds—2006–2020²²

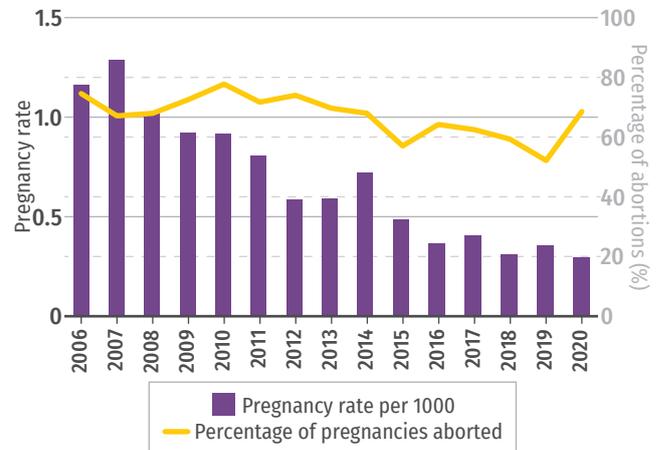
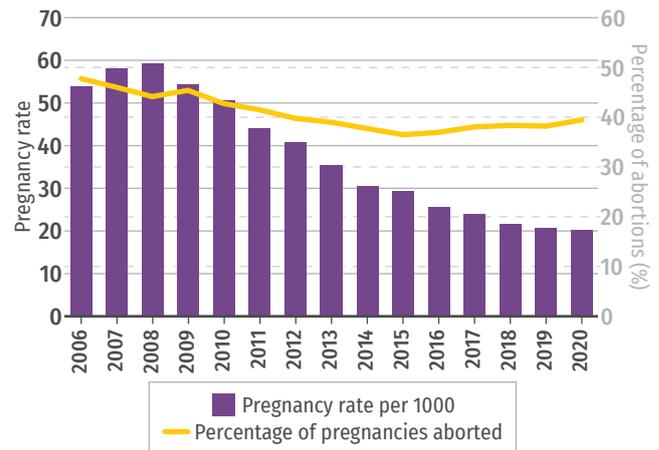
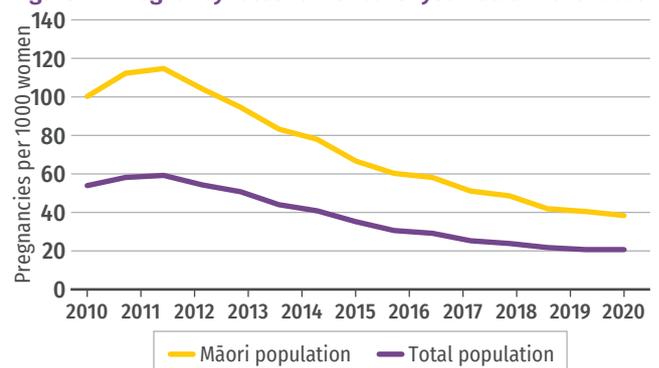


Figure 13B: Pregnancies and abortions to 15- to 19-year-olds—2006–2020²³



The Māori pregnancy rate is also falling, as it is for the whole female 15- to 19-year-old population, but the Māori rate is falling faster, so the disparity in rates is reducing (Figure 14), but young Māori women still have a pregnancy rate nearly three times higher than non-Māori.

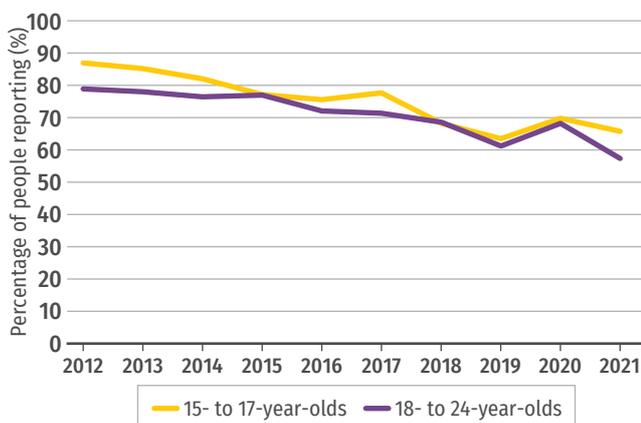
Figure 14: Pregnancy rates for 15- to 19-year-olds—2010–2020



Mental Health

The mental health of young people is a particular concern, and results from the New Zealand Health Survey show increasing levels of psychological distress. The survey asks about symptoms such as anxiety, psychological fatigue or depression experienced in the past four weeks. Over the past decade²⁴ the proportion of young people aged between 15–24 years who experience little or no symptoms of psychological distress has fallen significantly (**Figure 15**). In 2012, 87% of 15- to 17-year-olds had low psychological distress, by 2021 this had fallen to 65.7%. This means that around a third of those teenagers are facing moderate or high levels of distress. Across all adults aged 15 years or older, people living in areas with higher levels of deprivation are more than twice as likely to report higher levels of distress than those in least deprived areas. People living with a disability are more than four times more likely to have higher levels of psychological distress than non-disabled adults.

Figure 15: Proportion of young people reporting low psychological distress—2012–2021 (NZ Health Survey)²⁵

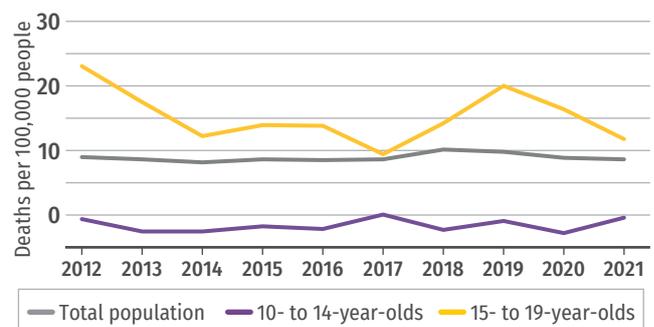


Youth Suicides

While levels of mental distress affecting younger people rose, the suicide rate among 15- to 19-year-olds fell again this year. At just under 15 per 100,000 young people, the rate is back around the same level as between 2014 and 2017. There are very few suicides amongst the under 15 years age group (13 in 2021), but every life matters.²⁶ New Zealand still has one of the highest youth suicide rates among the wealthy developed countries, compared with the OECD average of around 8 per 100,000.²⁷ Comparisons of suicide rates with other countries are difficult because reporting systems vary between countries and the degree of social stigma attached to suicide may lead to under-reporting.²⁸

Continuing to decrease youth suicide rates needs a combination of better health and support services, as well as addressing the social factors that influence the risk of suicide. These include stable employment and better housing, reducing racism and discrimination and the removal of barriers that mean youth do not seek help when they need it.²⁹

Figure 16: Suicide rates—total population, 10- to 14-year olds and 15- to 19-year-olds—2012–2021 (June years)³⁰



OVERALL ASSESSMENT: CHILDREN AND YOUTH

CATEGORY	RESULT
<p>CHILD POVERTY Official child poverty rates were decreasing pre-Covid-19 before March 2020, but the children most likely to live in poverty are in households relying on welfare benefits, and this number has increased in 2020 and remained high since then. Increases to welfare benefits in 2020 and 2021 are projected by Government to further reduce poverty.</p>	NC
<p>CHILDREN AT RISK The situation for children at risk of abuse seems to be worsening. The positive news is that reports of concern about child abuse have reduced to a level considerably lower than a decade ago, and the number of children in state care is down. However, the number of children who were identified as victims of abuse has increased, and the number of substantiated instances of sexual abuse against children also rose in 2021.</p>	—
<p>CHILDREN AND VIOLENCE Assaults on children increased significantly in 2021, including a large increase in sexual assault. The number of children who were victims of assault in 2021 was 30% higher than five years ago.</p>	—
<p>YOUTH OFFENDING The downward trend in youth offending charged in court continued in 2021, although there was very limited progress to reduce the large disparity in offending between Māori and non-Māori.</p>	+
<p>EARLY CHILDHOOD EDUCATION Enrolments increased again in 2021, after the Covid-19 disruption which resulted in significant declines in ECE enrolments in 2020, but they are still below the pre-Covid-19 level. Participation rates increased for both Māori and non-Māori in 2021, so the gap in participation rates remains similar to previous years.</p>	+
<p>EDUCATIONAL ACHIEVEMENT The effect of Covid-19 disruptions on student achievement in 2020 has been partially mitigated by policies such as granting extra NCEA credits. Higher level achievement increased partly as a result of more students staying on at school longer, but a lower proportion of Māori students achieved at least NCEA Level 1 in 2020. Disparities in outcomes between students in school in high and low socio-economic areas remained similar to previous years.</p>	—
<p>TEENAGE PREGNANCY The number of pregnancies in young women under 20 years continues the declining trend since 2008, and, as a result, the number of abortions in 2020 is 70% lower than in 2008.</p>	+
<p>YOUTH MENTAL HEALTH Mental health pressure on young people is showing an increase, with more reporting moderate to high levels of mental distress. In contrast, the youth suicide rate declined again in 2020, but is still well above rates in other OECD countries.</p>	—

BIBLIOGRAPHY: CHILDREN AND YOUTH

- 1 Department of Prime Minister and Cabinet, Child Poverty measures, targets and indicators. Retrieved from <https://dpmc.govt.nz/our-programmes/reducing-child-poverty/child-poverty-measures-targets-and-indicators> (accessed Dec 2021).
- 2 StatsNZ, Child Poverty Statistics: Year ended June 2020, updated 22 April 2021. Retrieved from <https://www.stats.govt.nz/information-releases/child-poverty-statistics-year-ended-june-2020> (accessed Dec 2021).
- 3 Child Poverty Report 20 May 2021, Wellbeing Budget 2021, New Zealand Government. Retrieved from <https://budget.govt.nz/budget/pdfs/wellbeing-budget/b21-child-poverty-report.pdf> (accessed Dec 2021).
- 4 StatsNZ, Child Poverty Statistics: Year ended June 2020, updated 22 April 2021. Retrieved from <https://www.stats.govt.nz/information-releases/child-poverty-statistics-year-ended-june-2020> (accessed Dec 2021).
- 5 Perry, B., *Child Poverty in New Zealand*, Ministry of Social Development, June 2021, Table B2a, p.26.
- 6 Benefit Fact Sheets, Ministry of Social Development, December 2021. Retrieved from <https://msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html> (accessed Jan 2021).
- 7 *Key Data Tables: Total entries to Care and Protection*, Oranga Tamariki. Retrieved from <https://www.orangatamariki.govt.nz/about-us/information-releases/statistics-about-how-we-work-with-children/> (accessed Dec 2021).
- 8 *Entries into Care*, Oranga Tamariki, June 2021. Retrieved from <https://www.orangatamariki.govt.nz/about-us/research/our-research/entries-into-care/> (accessed Dec 2021).
- 9 Data from Oranga Tamariki Key Data Tables. Retrieved from <https://www.orangatamariki.govt.nz/about-us/reports-and-releases/statistics-about-how-we-work-with-children/> (accessed Dec 2021).
- 10 Source PoliceData.nz—Demographics (victimisations) tables. Retrieved from <https://www.police.govt.nz/about-us/publications-statistics/data-and-statistics/policedatanz> (accessed Dec 2021).
- 11 Source PoliceData.nz—Demographics (unique victims) tables. Retrieved from <https://www.police.govt.nz/about-us/publications-statistics/data-and-statistics/policedatanz> (accessed Dec 2021).
- 12 Charges for children and young people finalised in any court, Ministry of Justice Data tables. Retrieved from <https://www.justice.govt.nz/justice-sector-policy/research-data/justice-statistics/data-tables/> (accessed 21 Sep 2021).
- 13 Ibid.
- 14 Education Counts. Retrieved from <https://www.educationcounts.govt.nz/statistics/early-childhood-education/participation> (accessed Dec 2021).
- 15 Early Learning Participation, Ministry of Education, October 2021. Retrieved from https://www.educationcounts.govt.nz/__data/assets/pdf_file/0003/208713/Early-Learning-Participation-Oct-2021-Indicator-Report.pdf (accessed Dec 2021).
- 16 *Times Series Data: Enrolments*, Ministry of Education. Retrieved from <https://www.educationcounts.govt.nz/statistics/participation> (accessed Dec 2021).
- 17 Scott, D., *Post-school labour-market outcomes of school-based NCEA*, Ministry of Education, September 2018. Retrieved from <https://www.educationcounts.govt.nz/publications/80898/post-school-labour-market-outcomes-of-school-based-ncea#8notin> (accessed Dec 2021).
- 18 *School Leavers' Attainment, Time Series Data: School Leavers with NCEA Level 1 or above*, Ministry of Education. Retrieved from <https://www.educationcounts.govt.nz/statistics/school-leavers> (accessed Dec 2021).
- 19 *School Leavers' Attainment, Time Series Data: School Leavers with NCEA Level 1 or above*, Ministry of Education. Retrieved from <https://www.educationcounts.govt.nz/statistics/school-leavers> (accessed Dec 2021).
- 20 *Retention of students in senior secondary schools*, Education Indicator, Ministry of Education, June 2021.
- 21 *School Leavers' Attainment, Time Series Data: School Leavers with NCEA Level 1 or above*, Ministry of Education. Retrieved from <https://www.educationcounts.govt.nz/statistics/school-leavers> (accessed Dec 2021).
- 22 *Abortion Services Aotearoa New Zealand: Annual Report 2021*, Ministry of Health, October 2021. Retrieved from <https://www.health.govt.nz/publication/abortion-services-aotearoa-new-zealand-annual-report-2021> (accessed 6 Dec 2021).

- 23 Ibid.
- 24 *Annual Update of Key Results 2020/21: New Zealand Health Survey*, Ministry of Health. Retrieved from <https://www.health.govt.nz/publication/annual-update-key-results-2020-21-new-zealand-health-survey> (accessed Dec 2021).
- 25 Ibid.
- 26 *Every Life Matters—He tapu te Oranga o ia tangata: Suicide Prevention Strategy 2019–2029 and Suicide Prevention Plan 2019–2024*, Ministry of Health, Sep 2019.
- 27 *CO4.4: Teenage suicides (15–19 years old)*, OECD Family Database. Retrieved from https://www.oecd.org/els/family/CO_4_4_Teenage-Suicide.pdf Based on comparisons over 25 years between 1990–2015 (accessed 22 Dec 2021).
- 28 *OECD comparisons 2019 or most recent*, OECD (2021), Suicide rates (indicator). doi: 10.1787/a82f3459-en. Retrieved from <https://data.oecd.org/healthstat/suicide-rates.htm> (accessed 21 Dec 2021).
- 29 Mental Health Foundation. Retrieved from <https://mentalhealth.org.nz/suicide-prevention/suicide-statistics> (accessed 21 Dec 2021).
- 30 *Suspected intentionally self-inflicted deaths reported by the Chief Coroner*, Suicide web tool, Ministry of Health. Retrieved from <https://minhealthnz.shinyapps.io/suicide-web-tool/> (accessed 21 Dec 2021). Note that the Ministry of Health now publishes suicide statistics both suspected and confirmed. The new data tool uses revised population estimates and revised numbers so the numbers from earlier years published here differ from previous *State of the Nation* reports.

WORK AND INCOMES

Dramatic and historic changes to our employment and incomes characterised 2021, as a result of the continuing disruption caused by the Covid-19 pandemic and the general climate of uncertainty it has created. Some of the features of another year of disturbance for our nation to navigate were: four months of Covid-19 alert level restrictions and lockdowns in Auckland and surrounding regions; migration down to a fraction of pre-Covid-19 levels; and, in a September quarter when the economy shrunk significantly, we also saw record low unemployment.

There are more positive assessments than negative in this section, which reflects the fact that overall the health response has continued to spare the country from the worst of the international pandemic and has given space for our communities and economy to adjust and keep functioning. The extended periods of lockdowns in Auckland, as well as other regions in the north, impacted the September to December quarter data in employment and incomes, but not to the extent that might have been feared.

With New Zealand's borders still mostly closed for another year, almost two years of very low net migration is a real-life social experiment for our labour market: what happens if the supply of overseas labour is largely turned off? Shortages of both skilled and unskilled labour were reported around the country. Women's employment has

benefitted most from the recovery in jobs, yet marginalised groups are still finding it harder to find employment—youth and Māori, overall, have benefitted less. Despite low unemployment, the number of people registered on the Jobseeker welfare benefit is still well above pre-Covid-19 levels.

The roller coaster of economic growth precipitated a sharp fall in Gross Domestic Product (GDP) in the September 2021 quarter due to the August national lockdowns. Employers appear to be holding onto the workers with support of the Government's Wage Subsidy and other employment support measures, so the short-term fall in GDP in September 2021 did not see a rise in unemployment, but a record low instead. Wages are rising, thanks to the shortage of labour as well as a further increase in the minimum wage in 2021.

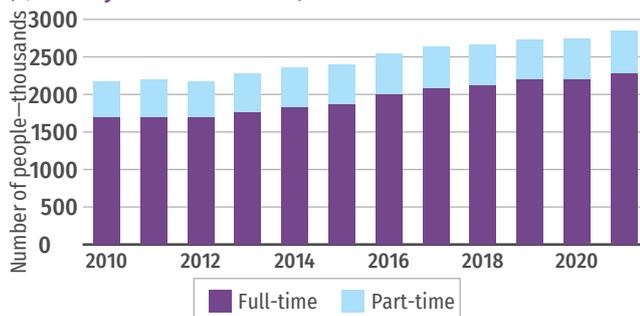
The Government increased core welfare benefits again in July 2021 helping to lift the lowest incomes, but the return of inflation in the second half of 2021 is putting pressure on household budgets, highlighting the need to continue to focus on lifting the lowest incomes to adequate levels. Increased government hardship assistance grants signal the pressures on people, but the large investment in a range of initiatives to improve food security in communities may be beginning to show signs of improvement, with fewer households reporting running out of food.

Employment and Unemployment

EMPLOYMENT

The number of people employed increased again this year to 2.85 million in December 2021 quarter compared with 2.74 million in December 2020, a 3.7% increase (Figure 17). Both part-time and full-time employment increased compared with December 2020, and the overall labour-force participation rate rose to around 71%, higher than pre-Covid-19 in December 2019. The impact the lockdowns in Auckland and other northern regions had on employment in the December quarter slowed but did not halt the overall increase for the full year to December 2021 (Figure 17).

Figure 17: Total numbers in employment in New Zealand (Quarterly actual December)—2010–2021³¹



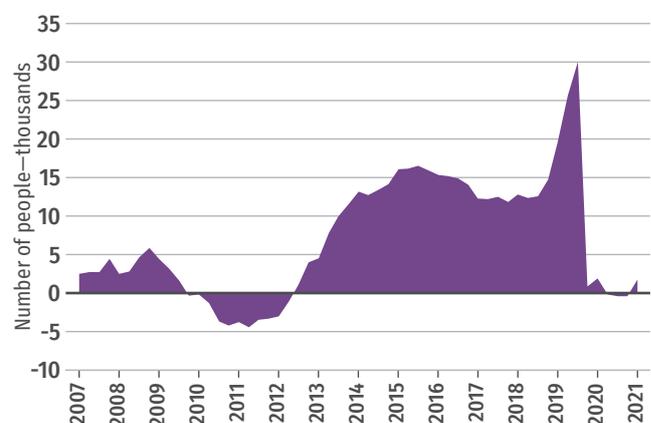
The large fall in the number of people not in the labour force and in the number of underutilised workers was a feature of the employment figures during 2021. The underutilisation rate measures overall unmet demand for work, including the underemployed who are part-time workers who want more hours, as well as people wanting work but not actively looking or immediately available.

Women benefitted most from the increase in employment, with the number of women employed increasing by 78,000, two-thirds of the overall increase of 115,100. The increase in women's employment in the September 2021 quarter was the largest since 1986.³² The number of women not in the labour force dropped significantly by 34,000, essentially reversing the increase in September 2020. As a result, the women's labour force participation rate increased above pre-Covid-19 levels.

The Covid-19 border restrictions have had a large impact on the New Zealand population, with

migration levels the lowest in many years (Figure 18). These changes have had direct impacts on the labour force and represent a kind of abrupt social experiment as our country went 'cold turkey' on importing both skilled and unskilled labour. Shortages of skilled workers are emerging as employers who have relied on importing skilled workers from overseas have struggled to find new workers and retain existing ones.³³ People who had previously left the labour force, perhaps because they felt they would not find work, are being drawn back into employment as employers seek staff.

Figure 18: Estimated quarterly net migration by direction—2007–2021 (Sept years)³⁴

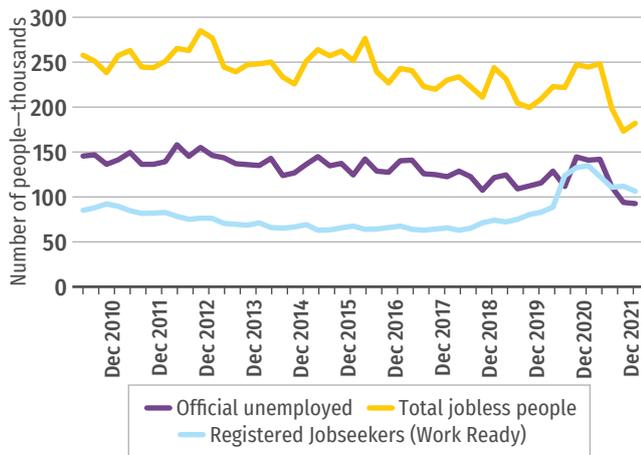


UNEMPLOYMENT

The official unemployment rate in the December 2021 quarter, at 3.2% (93,000), was the lowest quarterly figure since 2007 (Figure 19, purple line). The overall total number of people who were jobless (yellow line) fell sharply between March and September 2021 as the number of people who were not actively seeking work fell to below the pre-Covid-19 level in September 2019. The jobless number reduced by 75,000 in the six months from March to September 2021, to 173,200, the lowest level in more than a decade.

The number of jobless people counts all people who would like employment, including those who are not currently available for work, as well as those no longer actively looking but who would like paid work if it was available. It is based on the quarterly Household Labour Force Survey (HLFS) that asks people about their employment situation and whether they are seeking work. In contrast to this,

Figure 19: Measures of unemployment (quarterly actual, not seasonally adjusted)—2010–2021³⁷



the number of people who are receiving Jobseeker payments and are deemed ‘ready to work’ is based on people who are eligible and have registered with Work and Income New Zealand (WINZ) for the Jobseeker income support payment.

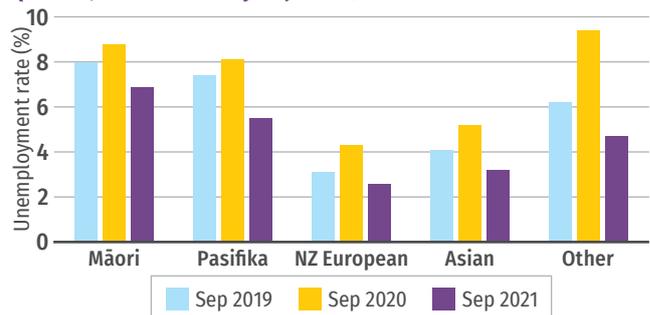
Another feature of the changes in unemployment is the rapid increase in Jobseeker numbers (blue line) in March 2020 to a similar level to the number of officially unemployed (purple line), but Jobseeker numbers have not declined in 2021 to the same extent as the official unemployment figure. The reasons for this are not clear, as many Jobseekers would not be counted as unemployed because they already work (about 10% of Jobseekers are working some hours but still eligible for the benefit³⁵). Similarly, there are people actively seeking employment who do not qualify for the Jobseeker benefit but are counted in the HLFS as unemployed. It is not clear why more of those on Jobseeker benefits are not moving into employment, particularly at a time when employers are searching for both skilled and unskilled workers. The number of people on Jobseeker (Work Ready) income support in December 2021 at 106,326 remains around 23,000 higher than pre-Covid-19 in December 2019 (83,103). The Treasury and Ministry of Social Development (MSD) have forecast total Jobseeker numbers (Work Ready and Health Condition/Disability) to remain above pre-Covid-19 through 2022 and 2023.³⁶

UNEQUAL IMPACTS

The reduction in unemployment benefitted all those in the labour market. Women’s employment and labour force participation showed the strongest recovery during the year and the female unemployment rate also fell to below the pre-Covid-19 level of September 2019. In the September 2021 quarter, the male and female unemployment rates (not seasonally adjusted) were the same at 3.2%.

Pasifika people’s unemployment also fell significantly over the year to September 2021 to 5.5%. While unemployment rates for people of all ethnicities reduced during the year, the Māori rate of 6.9% remained more than twice as high as the rate for European (2.6%) and Asian (3.2%) ethnicities (Figure 20).

Figure 20: Unemployment rate—2019–2021 (September quarter, not seasonally adjusted)

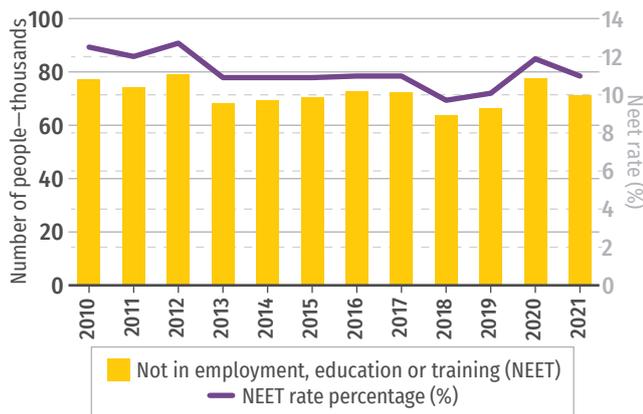


Some regions benefitted more than others from the fall in unemployment. The Gisborne and Hawke’s Bay region went from being the region with the highest unemployment rate of 6.7% in September 2020, to the region with the lowest rate a year later, at 2.6%—the lowest rate for that region in more than 30 years.³⁸ In contrast, the unemployment rate in the Tasman/Nelson/Marlborough/West Coast region in September 2021 at 3.6%, was around the same as in September 2019 (3.4%) and 2020 (3.5%).³⁹

YOUNGER UNEMPLOYED

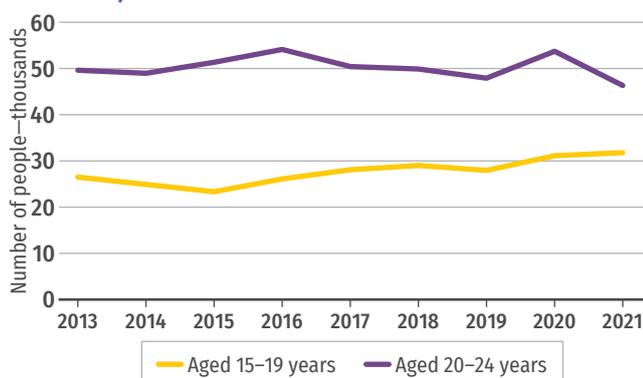
Youth unemployment reduced overall between September 2020 and 2021—using the measure of young people ‘not in education, employment or training’ (NEET)—from 11.9% to 11.0% (Figure 21). But the rate remains above the pre-Covid-19 rate of 10.1% and around the same as the rate between 2013–2017.

Figure 21: Numbers of young adults not in education, employment or training (NEET) [third quarter]⁴⁰



While NEET numbers in the 20- to 24-year-old age group fell during 2021, the number rose among the 15- to 19-year-olds, with a noticeable increase in the number who are not in education (Figure 22). Most of the reason for the fall in NEET numbers for 20- to 24-year-olds was a result of fewer young people not in the labour force or education due to caregiving responsibilities.⁴¹

Figure 22: NEET number (average of quarterly actuals—thousands)—2013–2021

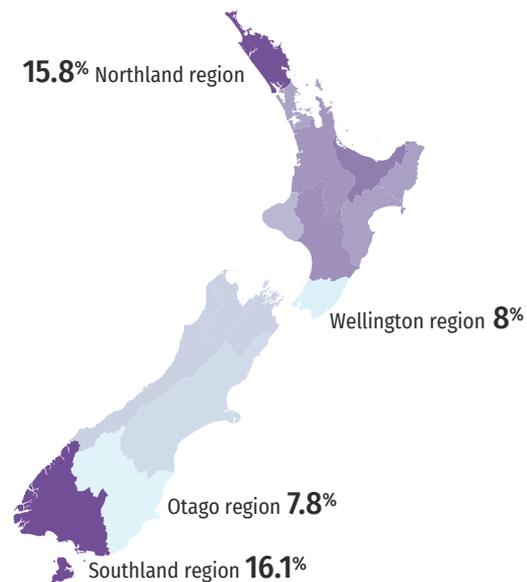


There is also sharp regional variation in NEET rates, with the highest rates in Southland (16.1%) and Northland (15.8%) regions, around twice the lowest rates in Otago (7.8%) and Wellington (8%) regions (Table 5 and Figure 23).

Table 5: NEET rates regions, June 2021⁴²

Region	NEET rate	NEET
Southland region	16.1%	2000
Northland region	15.8%	3100
Bay of Plenty region	13.4%	5200
Manawatu–Whanganui region	12.3%	4300
Waikato region	12%	6700
Gisborne/Hawke’s Bay region	11.5%	3300
Auckland region	11.3%	26,900
Taranaki region	10.4%	1400
Tasman/Nelson/Marlborough/West Coast	9.2%	1700
Canterbury region	8.8%	6900
Wellington region	8%	5700
Otago region	7.8%	2900

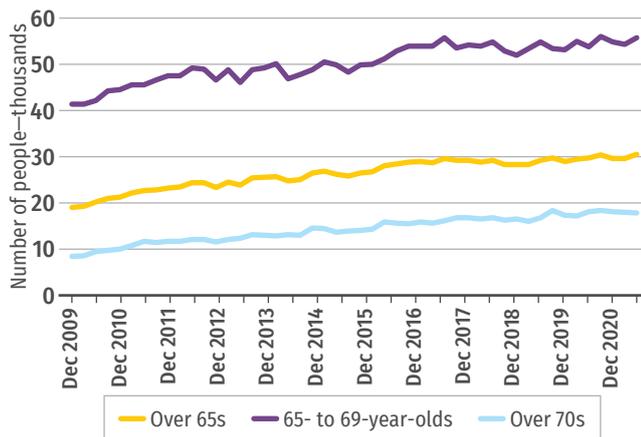
Figure 23: NEET rates regions New Zealand heat map



OLDER WORKERS

Labour force participation for older workers has remained around the same level in recent years (Figure 24) and has not shown significant impacts from the pandemic.

Figure 24: Labour force participation rates for people aged over 65 years old—2009–2021⁴³



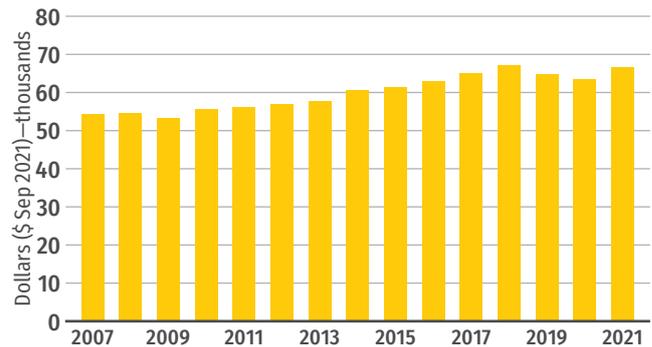
Incomes

Incomes showed strong increases in the year to September 2021, but the sharp increase in inflation in the June and September quarters meant real weekly wages adjusted for inflation declined in that time, while still ending the year to September as higher than in September 2020.

PER-CAPITA GDP

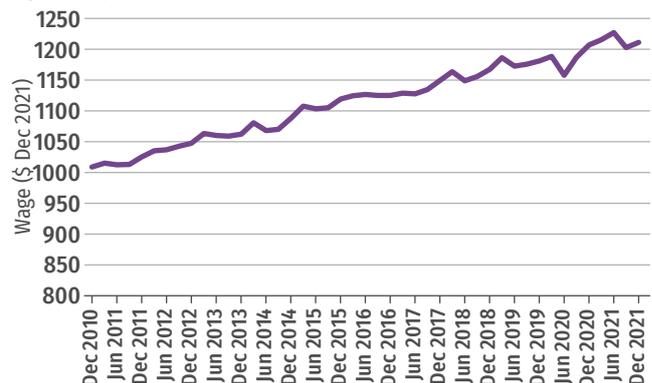
Economic growth as measured by Gross Domestic Product (GDP) per capita increased over the year to June 2021, but the August national lockdown restrictions halted this, with GDP falling in the September quarter (Figure 25). This meant, for the year to September 2021, there was a 4.6% increase, still a strong overall economic recovery after the impact of Covid-19 from March to September 2020. The impact of the extended Auckland lockdown in the final quarter of 2021 is likely to have slowed the overall recovery, but economists still expect GDP to have increased again in the final quarter of 2021.⁴⁴

Figure 25: Per capita GDP (in Sep-21 values)—2007–2021⁴⁵



Average weekly wages rose during the year, but accelerating inflation meant that living costs rose faster than wages, meaning real earnings adjusted for inflation fell in the September 2021 quarter (Figure 26). It is likely that inflation will remain higher in the short term which will put further pressure on real earnings in late 2021 and early 2022.

Figure 26: Average weekly wage for all employees—2010–2021 (\$ Dec 21)⁴⁶



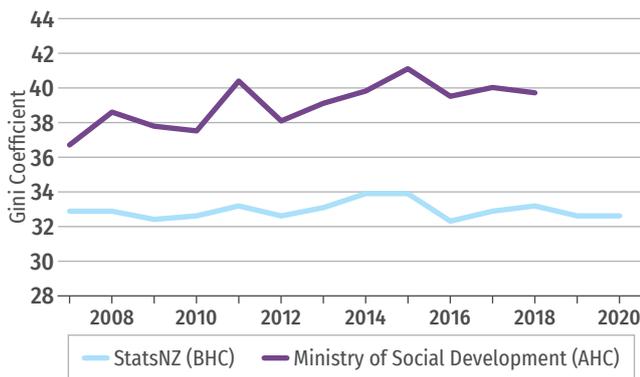
INCOME INEQUALITY

Change in GDP per capita and average weekly incomes measures overall growth in the resources available in this country, but it does not tell us much about how fairly those resources are shared. Trends in income inequality, as measured by the Gini Coefficient Before Housing Costs (BHC) and After Housing Costs (AHC) [Figure 27], help show how income is shared. The higher the Gini figure, the more unequally income is shared. The extent to which the Covid-19 social and economic pressures affect inequality is still to be measured in official statistics.

Going into the pandemic in early 2020, there had been little change with income inequality before housing costs (BHC) which at 32.6 is around a similar

level to a decade ago (blue line). Income inequality BHC was much lower in the 1980s (Gini, around 27) before rising to around 32 by the mid-1990s and has ranged between 32 to 34 through until 2020. Inequality after housing costs (AHC—purple line) increased through to 2011 (40.4), and has fluctuated around that higher level through to June 2018 (most recent figure).

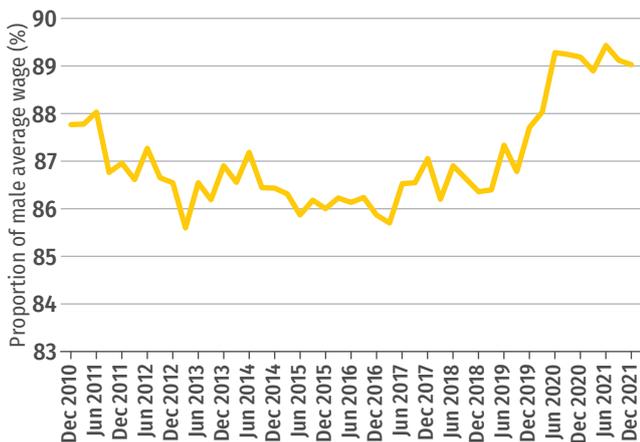
Figure 27: Income inequality—2007–2020 (Gini Coefficient)⁴⁷



GENDER AND WAGE INEQUALITIES

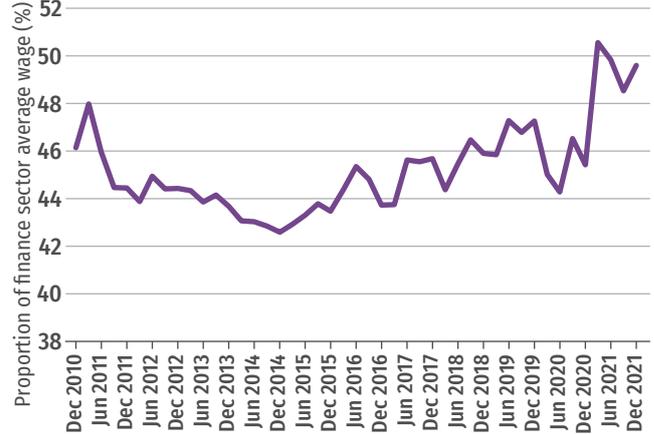
Overcoming long-standing inequality in earnings is another part of the challenge to share income more fairly. Tracking women’s average hourly wage earnings against men’s gives some assessment of progress. Women’s average earnings remained at around 89% of men’s earnings throughout 2021, higher than it has been for more than a decade, but in 2021 no further progress was made in reducing or closing the gender wage inequality using this measure (Figure 28).

Figure 28: Comparison of female and male ordinary time hourly wages (average female wage as a proportion of average male wage)—2010–2021



Comparing average wages in the lowest paid sector with the average for the highest paid helps illustrate the degree of wage inequality in this country. The food and accommodation sector (lowest paid) and the finance and insurance sector (highest paid) cover a significant portion of wage and salary earners in this country (Figure 29).

Figure 29: Comparison of ordinary time wages in hospitality and finance sectors (hospitality average ordinary time wage as a proportion of average finance sector wage)—2010–2021

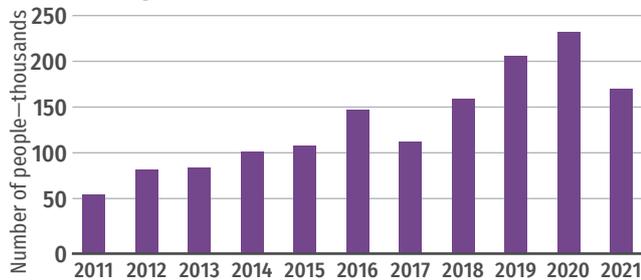


The food and accommodation sector was impacted more heavily by the Covid-19 alert level restrictions, border closures and other measures, and this no doubt contributed to average earnings falling during the first part of 2020. Average hourly earnings in that sector rose again until June 2021, to reach 50.6% of average earnings in finance and insurance sector and, despite falling again slightly in the September quarter, average wages were a little higher than in 2020. In contrast, the finance and insurance sector earnings fell in real terms between December 2020 and September 2021 and were 1.8% lower than in September 2020. As a result, over the year the disparity in earnings reduced.

The significant increases in the minimum wage over the past four years have changed the pattern of wages at the lower end of wage earners. The number of workers covered by increases in the statutory minimum wage (Figure 30) shows the proportion of workers on the lowest wage, that has ranged around 6–8% of the workforce in recent years. In 2021, it was estimated that 175,000 workers were earning wages in the range between the 2019 minimum wage of \$18.90 and the new rate from April 2021 of \$20. Lifting the minimum wage also tends to push up

wages close to the minimum wage, as wages adjust to accommodate the higher minimum.

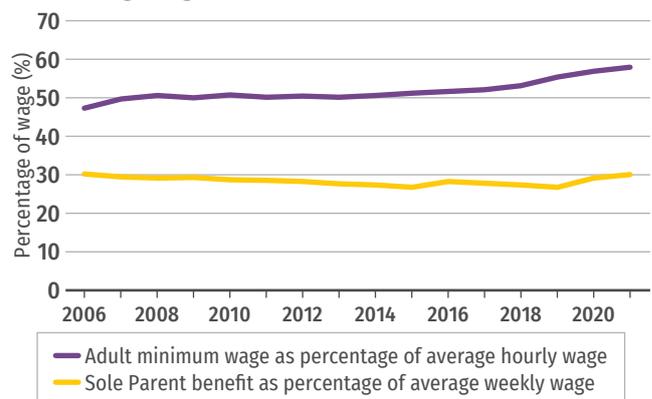
Figure 30: Numbers of workers receiving the statutory minimum wage—2011–2021⁴⁸



An analysis of the impact of the minimum wages released in 2021 concluded that there was no clear evidence of adverse employment effects resulting from the larger increases over recent years.⁴⁹ The study also found that younger workers benefitted most from the increases, given that around half of younger wage earners earn at or below the minimum wage. The study also points out that minimum wage policy on its own is not enough to achieve income redistribution goals and needs to be considered in the context of other income support policy that targets households with the lowest incomes.

One of the policy approaches that complements minimum wage policy is the policy of annually adjusting welfare benefits in line with increases in the average wage. **Figure 31** shows that the decision to lift core benefit rates in 2020 and 2021 means the Sole Parent Support benefit has increased to just over 30% of the average weekly wage, equivalent to the level it was 15 years ago. The policy, from April 2020, to annually adjust benefits by the rate increase of average wages (similar to what is already done for NZ Superannuation [NZ Super]) means this relativity can be maintained going forward, an important foundation for income adequacy for households relying on welfare support.⁵⁰ The graph also shows how the minimum wage has increased from 52% to nearly 58% of the average hourly wage rate since 2017.

Figure 31: Comparisons of adult minimum wage and benefits with average wages—2006–2021

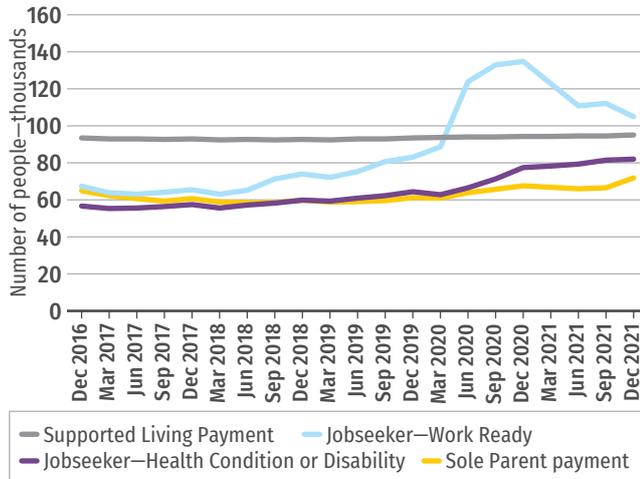


Income Support and Welfare

The total number of people receiving working-age welfare benefits peaked in December 2020 at around 390,000, before falling gradually during 2021 to 368,172 at the end of December 2021, a reduction of just under 22,000. But the number remains over 53,000 higher than in December 2019 (314,409) before the Covid-19 impacts.

The number of people on Jobseeker Support benefit has been the main driver of the increase in 2020 and subsequent reduction during 2021 (**Figure 32**—blue line). Changes to the Social Security Act came into force in November 2021, that removed the subsequent child policy, saw some 6000 sole parents reclassified from Jobseeker to Sole Parent Support. The number of people on Jobseeker Health Condition and Disability increased during the year as some people were reassessed away from the Jobseeker Work Ready, meaning an increase in the number of people who are not immediately available to work because of their health.

Figure 32: Number of people receiving selected working-age benefits—2016–2021⁵¹



Almost three-quarters of the total number of people on welfare benefits have been receiving assistance for more than a year, mostly due to health and/or disability conditions or because they have caregiver responsibilities. With nearly 48,000 more people spending over a year needing this support, this increases the likelihood of them living in income poverty and hardship. The number of people needing welfare support is forecast to continue to remain above pre-Covid-19 levels through to 2024.⁵²

WELFARE EXPENDITURE

The Government's Covid-19 crisis response saw a huge increase in welfare spending in 2020, driven by more than \$12 billion spent on the Wage Subsidy to keep people connected to employment. This has certainly helped to stem the increase in unemployment (Table 6). During the June 2021 financial year, Wage Subsidy support was scaled back, but in the final part of 2021 the programme was reactivated along with other employment support programmes, such as the Covid-19 Resurgence Support Payment. The Wage Subsidy programme is forecast to cost \$5.34 billion in the June 2022 financial year.

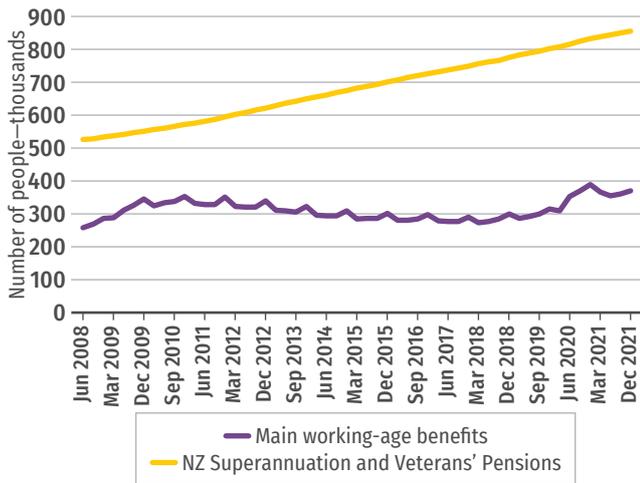
Spending on the main working-age benefits increased by \$1.34 billion, a 25.9% increase, as a result of the large increase in the number of people needing welfare support as well as the full-year effect of increases to core benefit rates in April 2020. The implementation of the July 2021 and April 2022 welfare benefit increases are forecast to further increase spending on working-age benefits to \$7.078 billion in the June 2022 year (8.8% increase). Unlike 2020, when a number of short-term changes to welfare support were activated, such as doubling the Winter Energy Payment, there was not the same level of additional support measures introduced during the second-half of 2021.

Table 6: Government spending on main income support programmes (\$ millions, June years)—2016–2021⁵³

	2016	2017	2018	2019	2020	2021
NZ Superannuation and Veterans' Pensions	12,453	13,218	13,862	14,715	15,666	16,708
Main working-age benefits	4347	4390	4355	4526	5166	6505
Housing subsidies	1919	1977	2094	2614	2994	3504
Working for Families tax credits	2352	2359	2195	2766	2830	2688
Other benefits and allowances	1370	1395	1499	2068	2557	3069
Total benefit expenses (excl. Wage Subsidy)	22,441	23,339	24,005	26,689	29,213	32,474
Increase excluding Wage Subsidy					9.5%	11.2%
Wage Subsidy scheme					12,095	1,197
Total benefit expenses	22,441	23,339	24,005	26,689	41,309	33,671
Growth in spending on benefits	3.5%	4.0%	2.9%	11.2%	54.8%	-18.5%
Core Crown Expenses	73,929	76,339	80,576	86,959	108,832	107,764
Benefits as share of Core Crown Expenditure	30.4%	30.6%	29.8%	30.7%	38.0%	31.2%
NZ Superannuation as share of Core Crown Expenditure	16.6%	17.1%	17.0%	16.7%	14.3%	15.0%

Even with the other increases in welfare spending, NZ Super remains the largest single item in the government’s income support and welfare expenditure. It increased by \$1.04 billion (6.6%) and there are more than twice as many people receiving NZ Super (855,700) as those who are receiving working-age benefits (Figure 33).

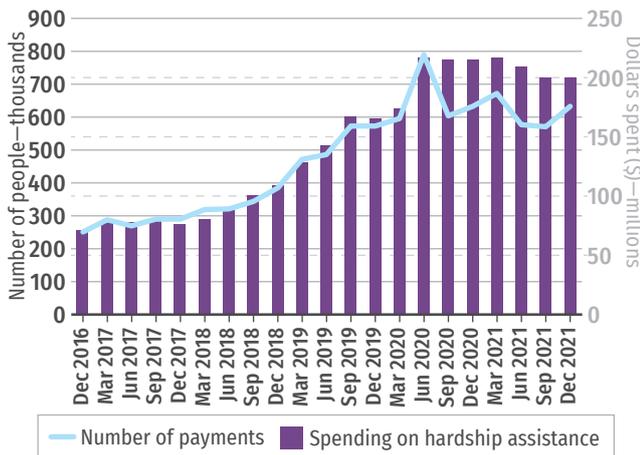
Figure 33: Number of people receiving working-age benefits and retirement pensions—2008–2021⁵⁴



HARDSHIP AND FOOD SECURITY

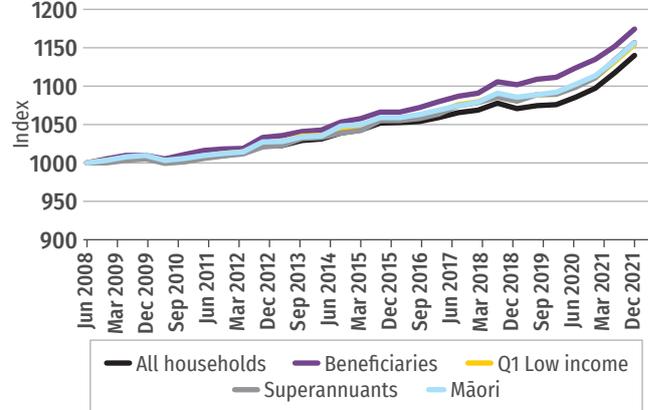
Government income support payments for hardship assistance increased rapidly during 2020 to meet the increased need resulting from the Covid-19 lockdown restrictions. Total expenditure peaked in the June 2020 quarter, at \$217 million, and remained high over the year to March 2021 before falling slightly to \$200 million in the September 2021 quarter—still 20% higher than in September 2019 (Figure 34).

Figure 34: Government spending on additional hardship assistance—2016–2021⁵⁵



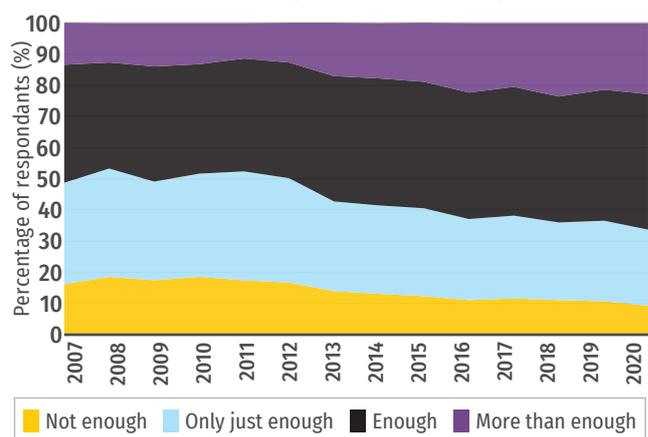
Living costs for those in the lowest-income households (including beneficiaries and superannuants) have been rising faster than those across all households over the past five years and this accelerated in 2021. The Household Living Cost Index for beneficiary households increased by 3.9% over the year to September 2021, and (we estimate) the annual increase to December 2021 to sit at around 6%, meaning that much of the increase in welfare benefit rates was taken up with meeting increasing living costs (Figure 35).

Figure 35: Low-income Household Living Costs Index—2008–2021⁵⁶



Before the impact of Covid-19 and the significant increase in inflation during 2021, there was some evidence indicating improving income adequacy, despite the evidence for increasing living costs and pressures on incomes for households relying on welfare benefits. The proportion of households reporting that their income was not enough or only just enough to meet their daily needs had declined steadily over the past decade through to March 2020 (Figure 36).

Figure 36: Income adequacy to meet every-day needs, Household Economic Survey—2007–2020 (June years)⁵⁷

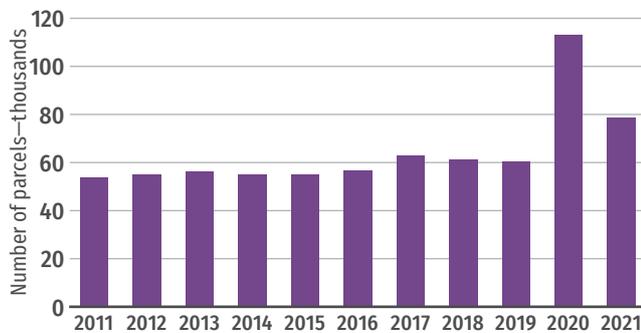


This still meant that going into this Covid-19 crisis, around a third of households reported they had inadequate or barely adequate incomes. A Statistics New Zealand (StatsNZ) wellbeing survey conducted quarterly during the year to March 2021 asked people a similar income adequacy question. The results are not directly comparable because a different sample group was used, but the answers suggest that an impact of Covid-19 has been to slightly increase the proportion of families that report that they do not have enough income to meet their daily needs, and that Māori and Pasifika households are disproportionately more affected.⁵⁸

FOOD HARDSHIP

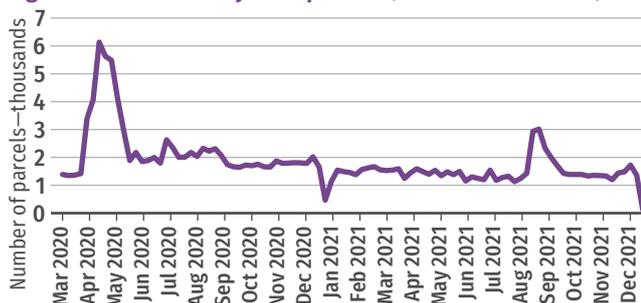
People struggling with inadequate income to feed themselves and their families need to seek out help from foodbanks. After the huge increase in food parcels distributed by the The Salvation Army’s network of over 60 foodbanks in 2020, the number declined in 2021 to just over 77,000, still some 29% higher than the pre-Covid-19 level of 60,000 in 2019 (Figure 37).

Figure 37: Food parcels distributed by The Salvation Army—2011–2021⁵⁹



The higher numbers were driven by high demand in Auckland during the lockdowns from August 2021, while outside of these times demand was running at close to pre-Covid-19 levels in most regions (Figure 38).

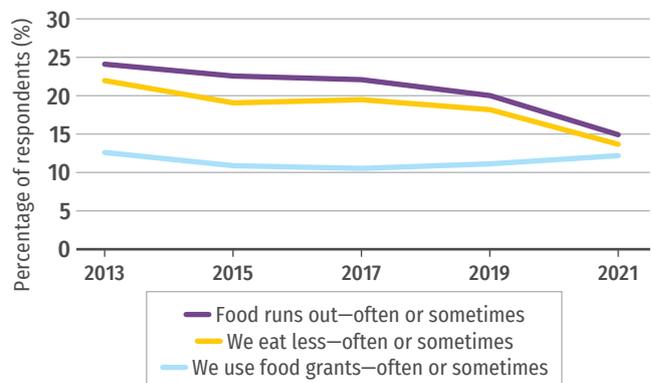
Figure 38: Total weekly food parcels (Mar 2020–Dec 2021)



Emergency grants for food hardship from WINZ also increased and followed a broadly similar pattern, with just under 340,000 grants paid out in the September 2021 quarter, 67,000 (24%) more than in September 2019 pre-Covid-19.⁶⁰ Evidence from the StatsNZ wellbeing add-on survey also showed an increase in the proportion of households reporting that they had needed assistance from foodbanks and other community groups, from 4.3% to 5.3%, over the year to March 2021.⁶¹

The impact of the huge increase in Government support for food security networks, foodbanks and the free lunches in schools programme during 2020 and 2021 is not strongly reflected in the figures covered here. One indicator of the value of the school lunch programme is that during the Level 4 lockdowns around the country and in Auckland, one of the first impacts noted by community organisations was that families were struggling to feed everyone at home without having access to the free lunches for their children. Recent data may be showing that the increased availability of food provided through these programmes as well as better access to food grants are helping to decrease food insecurity. The New Zealand Health Survey data collected between September 2020 and August 2021 (data collection was not possible during the Covid-19 Alert Levels 3 or 4 in 2021) reports fewer households with children in 2021 answering that food runs out ‘often’ or ‘sometimes’ compared with previous years (Figure 39).⁶²

Figure 39: Food insecurity indicators, NZ Health Survey—2013–2021



OVERALL ASSESSMENT: WORK AND INCOMES

CATEGORY	RESULT
<p>EMPLOYMENT The number of people employed increased strongly during the year despite extended Covid-19 restrictions in the second half of 2021. Women's employment benefitted the most with the female labour participation rate rising to above the pre-Covid-19 level.</p>	+
<p>UNEMPLOYMENT Record low unemployment was the surprise outcome during 2021. Strong employment growth and large government subsidies supporting employment along with lower migration contributed to the lowest number of people who are jobless in the past 15 years.</p>	+
<p>INCOMES GDP per capita increased in 2021 as did average wages, but accelerating inflation during the year put pressure on incomes adjusted for inflation. Further increases to the minimum wage and less disparity between wages in high- and low-earning sectors may help to reduce overall income inequality</p>	+
<p>INCOME SUPPORT AND WELFARE The number of people needing income support declined during 2021, but still remains well above the pre-Covid-19 level. The Government increased main welfare benefit rates again in 2021, and further increases are scheduled in April 2022.</p>	+
<p>HARDSHIP AND FOOD SECURITY Government hardship assistance remained high compared with pre-Covid-19, and rising inflation is increasingly impacting lower income households. There was a rise in the number of people reporting their incomes were 'not adequate' since the Covid-19 restrictions began in March 2020. But there are positive signs that increased food assistance is beginning to reduce food hardship.</p>	-

BIBLIOGRAPHY: WORK AND INCOMES

- 31** StatsNZ Infoshare—Household Labour Force Survey—figures are quarterly actuals.
- 32** StatsNZ, Labour market statistics: September 2021 quarter. Retrieved from <https://www.stats.govt.nz/information-releases/labour-market-statistics-september-2021-quarter> (accessed Dec 2021).
- 33** RNZ, Skills shortages top challenge facing company bosses—survey. Retrieved from <https://www.rnz.co.nz/news/business/457103/skills-shortages-top-challenge-facing-company-bosses-survey> (accessed Dec 2021).
- 34** Reserve Bank of NZ, *Population and migration (M12)*. Retrieved from <https://www.rbnz.govt.nz/statistics/m12> (accessed December 2021). See also StatsNZ Net migration dips into the negative, December 2021, <https://www.stats.govt.nz/news/net-migration-dips-into-the-negative>
- 35** In October 2021, of the total of 189,855 people on Jobseeker income support, 17,721 reported other earnings. Official Information Act request response from Ministry of Social Development, December 2021.
- 36** *HYEFU 2021 Benefit Forecast*, Ministry of Social Development. Retrieved from <https://msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/hyefu/december-2021.html> (accessed 23 Dec 2021).
- 37** StatsNZ Household Labour Force Survey December 2021 quarter and Ministry of Social Development—Benefit Factsheets. Retrieved from <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html> (accessed 2 Feb 2022).
- 38** Unemployment in the Gisborne and Hawke's Bay Regions, New Zealand, Figure.nz. Retrieved from <https://figure.nz/chart/iaqm0DBcbX6qoPat-fWYWx27PBMv67ENW> (accessed 23 Dec 2021).
- 39** *Labour Market Statistics: September 2021 quarter*, Household Labour Force Survey, StatsNZ. Retrieved from <https://www.stats.govt.nz/information-releases/labour-market-statistics-september-2021-quarter> (accessed Nov 2021).
- 40** StatsNZ Infoshare, Youth Labour Force and Education Status—average of quarterly actuals.
- 41** StatsNZ, *Youth unemployment rate three times national average*. Retrieved from <https://www.stats.govt.nz/news/youth-unemployment-rate-three-times-national-average> (accessed 02 Dec 2021).
- 42** Youth Unemployment Dashboard, Mayors Taskforce for Jobs. Retrieved from <https://www.mtfj.co.nz/youth-employment-dashboard/> (accessed 23 Dec 2021).
- 43** StatsNZ Infoshare database—Household Labour Force Survey and Ministry of Social Development—Benefit Factsheets.
- 44** ANZ Economic Outlook, December 2021. Retrieved from <https://www.anz.co.nz/about-us/economic-markets-research/economic-outlook/> (accessed Jan 2022).
- 45** StatsNZ Infoshare database—National Accounts datasets. Per capita measure, Nominal, Actual, Total (Qrtly—Mar/Jun/Sep/Dec).
- 46** StatsNZ Infoshare data base—Earnings & Employment Survey (QES), Average Weekly Earnings from Employment.
- 47** StatsNZ, Household income and housing-cost statistics: year ended June 2020. Retrieved from <https://www.stats.govt.nz/information-releases/household-income-and-housing-cost-statistics-year-ended-june-2020>. Gini AHC figures from B. Perry, *Household Incomes in New Zealand: 1982–2018*, Ministry of Social Development. (Accessed Nov 2019.)
- 48** Minimum Wage Review, December 2020, Ministry of Business, Innovation and Employment. Retrieved from <https://www.mbie.govt.nz/business-and-employment/employment-and-skills/employment-legislation-reviews/minimum-wage-reviews/> (accessed Dec 2021).
- 49** *Minimum Wages in New Zealand: Policy and practice in the 21st century*, D. Mare & D. Hyslop; Motu research, March 2021.
- 50** See also B. Perry, *Child Poverty in New Zealand*, Ministry of Social Development, June 2021, p.53–55 for further charts showing core benefits increasing relative to the average wage.
- 51** Ministry of Social Development—Benefit Factsheets. Retrieved from <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html> (accessed 27 Jan 2022).
- 52** *HYEFU 2021 Benefit Forecast*, Ministry of Social Development. Retrieved from <https://msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/hyefu/december-2021.html> (accessed 23 Dec 2021).

- 53** Treasury, Half-Yearly Fiscal Update, December 2021, Table 5.2, p.118.
- 54** Ministry of Social Development, Benefit Factsheets December 2021. Retrieved from <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/benefit/index.html> (accessed Jan 2022).
- 55** Ibid.
- 56** StatsNZ New Zealand's Household Living Costs Index. Retrieved from <https://www.stats.govt.nz/information-releases/household-living-costs-price-indexes-september-2021-quarter> (accessed Dec 2021).
- 57** Household Economic Survey, StatsNZ data request response June 2021.
- 58** StatsNZ, Wellbeing statistics: March 2021 quarter. Retrieved from <https://www.stats.govt.nz/information-releases/wellbeing-statistics-march-2021-quarter> (accessed Dec 2021).
- 59** The Salvation Army—SAMIS database.
- 60** *Income Support Weekly Update*, Ministry of Social Development. Retrieved from <https://msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/weekly-reporting/index.html> (accessed Dec 2021).
- 61** StatsNZ, Wellbeing statistics: March 2021 quarter. Retrieved from <https://www.stats.govt.nz/information-releases/wellbeing-statistics-march-2021-quarter> (accessed Dec 2021).
- 62** Annual Update of Key Results 2020/21: New Zealand Health Survey, Ministry of Health, December 2021. Retrieved from <https://www.health.govt.nz/publication/annual-update-key-results-2020-21-new-zealand-health-survey> (accessed Jan 2022).

HOUSING

The overwhelming housing picture for Aotearoa that emerges from our indicators is very gloomy and challenging. There are a few encouraging signs, including the continuing increase in consents for new dwellings and nominal changes in new dwellings relative to population changes. But some caution is needed around the record growth of consents. Statistically, supply is increasing overall, but The Salvation Army's focus is on advocating for the increase of the supply of affordable public housing.

The majority of the indicators we have tracked for the past 15 years continue to paint a worrying picture. The social Housing Register 'waiting list' and the demand for social housing in nearly all regions of New Zealand continue to worsen, with the register seemingly reaching a new record high every reporting quarter. While housing supply challenges persist, the affordability problems continue to escalate. Both average and median house sale prices continue to surge higher and higher to new levels nationally and locally. Active tenancy

bonds lodged across the country have increased, which is encouraging—although bonds lodged in Auckland decreased slightly—but the massive increases in renting costs right throughout Aotearoa is confronting. Housing affordability for both first-home buyers and those renting is extremely worrying.

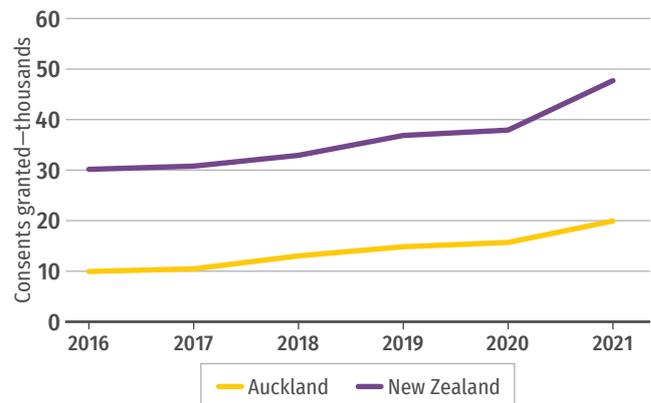
Finally, housing-related debt continues to ascend, pointing to the huge investment New Zealanders have in housing. The term 'housing crisis' has become commonplace in Aotearoa. Maybe it is time—after looking at these housing supply, affordability and debt challenges—to consider elevating the term to something more than 'crisis', possibly towards 'catastrophic levels', particularly for those facing housing deprivation, homelessness and those on the social Housing Register. For renters and first-home buyers, there are other pressing affordability and debt-related issues.

HOUSING AVAILABILITY

CONSENTS FOR NEW DWELLINGS

The encouraging trend of increasing consents for new dwellings in Auckland and across New Zealand that we have tracked over the 15 years of this report has continued in 2020/21, as shown in **Figure 40**. The number of consents are at their highest levels since 1999, both for Auckland and nationally. Despite the ongoing impacts of the Covid-19 lockdowns and restrictions, consents for new dwellings have increased significantly, particularly between 2020 and 2021. This intensification and increased density is likely to continue with current legislative and policy changes reforming the Resource Management Act (moving through Parliament now), General Policy Statement on housing and other key changes.

Figure 40: Consents for new dwellings, New Zealand and Auckland—2016–2021 (year ending October)⁶³



BUILDING CONSENTS AND POPULATION CHANGES

The strong growth in consents for new dwellings has been impacted by the turbulent population growth numbers over the past 2–3 years, particularly around the projected number of dwellings required to house this population growth as illustrated in **Table 7**. Clearly, Covid-19 has massively impacted

Table 7: Estimates of population change and new house builds—2011–2021 (June years), New Zealand

June years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Resident population	4,384,000	4,408,100	4,442,100	4,516,500	4,609,400	4,714,100	4,813,600	4,900,600	4,979,300	5,084,300	5,122,600
Dwellings estimate	1,719,200	1,731,500	1,745,200	1,761,600	1,781,000	1,802,400	1,826,500	1,852,000	1,880,600	1,911,700	1,945,800
Annual population growth	33,300	24,100	34,000	74,400	92,900	104,700	99,500	87,000	78,700	105,000	38,300
Average occupancy rate	2.55	2.55	2.55	2.56	2.59	2.62	2.64	2.65	2.65	2.66	2.63
Dwellings required for population growth (at the contemporary average occupancy rate)	13,059	9,452	13,333	29,063	35,869	39,962	37,689	32,830	29,698	39,474	14,563
Consents for new dwellings	13,539	15,414	18,783	23,316	25,154	29,097	30,453	32,860	34,804	37,614	44,299
Surplus/deficit	480	5962	5450	-5747	-10,715	-10,865	-7236	30	5106	-1860	29,736

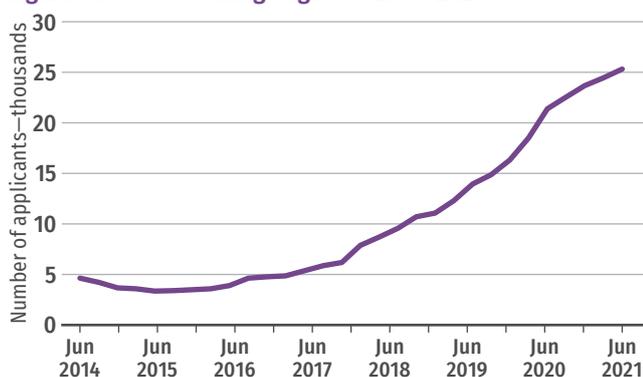
on the migration numbers and also the population shifts in New Zealand. Overall, slower population growth and the increase in consents for the year to June 2021 meant there was a significant surplus of consents over the dwellings required for population growth. This is positive but does not necessarily mean we are effectively reducing the housing crisis, especially because of the consecutive years of housing undersupply.

SOCIAL HOUSING REGISTER

In **Figure 41**, between June 2020 and June 2021, there was a 32% increase in the number of applicants on the Ministry of Social Development's (MSD) social Housing Register. It is worth noting that 'applicants' is a count of the households on the register and not a count of the individual people waiting. Therefore, the actual number of people on the register is likely to be significantly higher. By November 2021, there were over 25,000 applicants on the register.⁶⁴ This is an increase of nearly 20,000 since June 2017. This number has continued to steadily climb since 2016.

While acknowledging the increased public house building activity from the Government and community housing sector in recent years, the fact is the register continues to surge. The total number of public housing units as of November 2021 is 74,950, an increase of 8804 units since June 2017.⁶⁵ Looking at both the increased consents as well as the public housing provision, it is likely that we are still not building (or supplying) enough affordable and accessible social housing to meet the increasing and urgent demand for housing across the nation.

Figure 41: Social Housing Register—2014–2021⁶⁶



REGIONAL BREAKDOWN OF SOCIAL HOUSING DEMAND

Table 8 shows that unmet and urgent housing need has worsened in many regions of the country in the past 12 months, particularly in the Bay of Plenty, Taranaki, Central and West Coast Tasman areas. In these areas the number of people on the social Housing Register, as a percentage of the total existing social housing tenancies, shows the severity of the unmet urgent housing need. For example, the existing demand in the Bay of Plenty area is equivalent to nearly 70% of the current public tenancies in the region.

Although we have traditionally not included emergency housing indicators in these annual reports, it is helpful to briefly note the impact of this policy. For example, as at 30 November 2021, there were 10,212 people in emergency housing, including 4599 children.⁶⁷ The number of households in emergency housing has increased by over 26% between November 2020 and November 2021.⁶⁸

Table 8: Regional breakdown of social housing demand and public housing stock—June 2021⁶⁹

Housing region	Applicants on Register	Public housing tenancies	Demand as % of tenancies
Northland	1050	2176	48
Auckland	8386	33,992	26
Waikato	2564	4834	53
Bay of Plenty	2025	2952	69
East Coast	2205	4088	54
Central	1467	2379	62
Taranaki	763	1240	62
Wellington	2407	8790	27
West Coast Tasman	868	1609	54
Canterbury	2125	8507	25
Southern	570	1846	31
Unknown	45	88	51
New Zealand	24,475	72,501	34

HOUSING AFFORDABILITY

AVERAGE HOUSE SALE PRICES

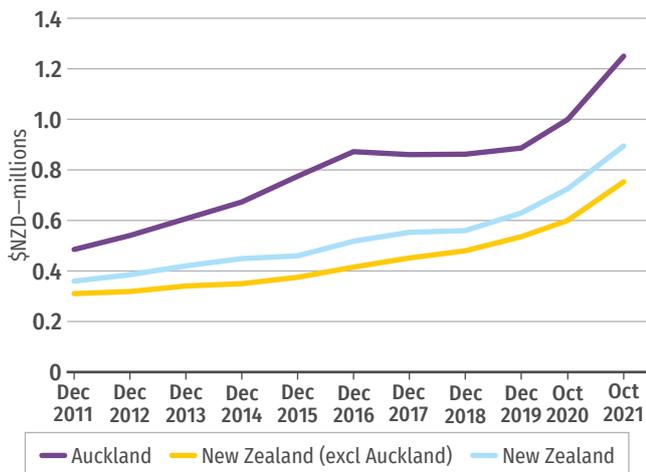
The picture for many first-home buyers trying to enter the home ownership market in Aotearoa in 2021 is extremely bleak. **Table 9** shows the extraordinary increases in average house sale prices for selected areas over a one-year period and then over five years. These numbers point to increasing unaffordability for many New Zealanders. For example, house prices have doubled in Palmerston North since 2017. Additionally, average prices have increased by at least 80% over the past five years in Napier, Dunedin and Invercargill. The one-year changes are also significant, with prices in places like Whangārei, Hamilton, Tauranga, New Plymouth, Wellington and Christchurch all increasing by at least 27% in that period. Nationally, average prices have surged by 50% over the past five years. This may be good news for property owners and sellers, but daunting news for first-home buyers.

MEDIAN HOUSE SALE PRICES

Median house sale prices follow a similar trend to the average house sale prices in selected areas according to **Figure 42**. Median sale prices continue to surge strongly, particularly in Auckland. The most recent data available at the time of writing this report (October 2021) found that median Auckland house sales were over \$1.25 million. These prices nationally have steadily increased since December 2016, although Auckland prices remained fairly flat and actually dipped slightly between 2016 and 2019. At the same time, median sale prices nationally, and for the rest of the country (excluding Auckland) have also increased strongly over the past decade. In fact, from December 2016 to October 2021, the median house sale price nationally has increased by 73%, again indicating the strong housing market for sellers, and the increasing unaffordability of home ownership for many New Zealanders.

Table 9: Changes in average house sale prices for selected areas—2017–2021⁷⁰

	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	1 Year change (%)	5-year change (%)
Whangārei District	517,734	575,270	564,721	635,648	827,836	30.2	59.9
Auckland City	1,264,236	1,231,401	1,254,348	1,394,716	1,708,884	22.5	35.2
Hamilton City	557,038	586,912	624,294	713,684	921,233	29.1	65.4
Tauranga City	705,706	729,719	776,808	899,375	1,173,369	30.5	66.3
Rotorua District	420,951	484,945	537,167	610,824	747,500	22.4	77.6
Napier City	482,216	540,364	600,824	668,610	894,019	33.7	85.4
New Plymouth District	440,364	465,862	502,440	568,425	747,745	31.6	70
Palmerston North City	383,052	428,726	498,121	599,694	769,007	28.2	100.8
Wellington City	769,211	817,840	878,876	1,022,081	1,248,452	22.2	62.3
Nelson City	565,870	608,123	651,871	715,895	886,179	23.8	56.6
Christchurch City	492,668	498,359	504,117	559,051	763,528	40.2	55
Timaru District	358,648	366,627	382,508	416,972	493,689	18.4	37.7
Queenstown-Lakes District	1,114,954	1,236,110	1,235,770	1,274,655	1,621,082	27.2	45.4
Dunedin City	396,594	458,751	524,971	606,770	725,853	19.6	83
Invercargill City	257,495	297,740	361,346	397,155	486,715	22.6	89
New Zealand	670,631	693,094	724,185	820,318	1,053,315	28.4	57.1

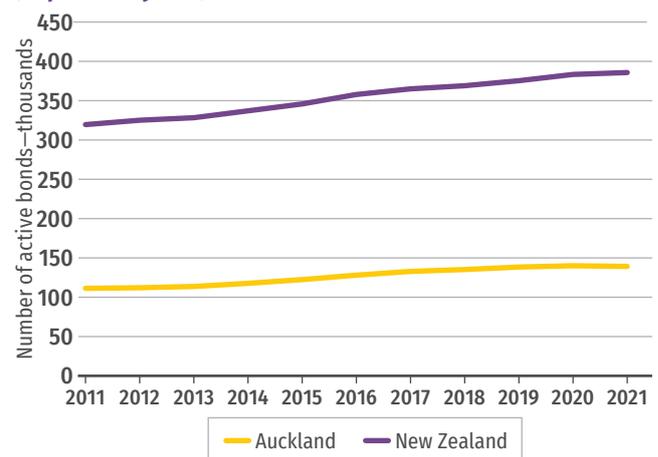
Figure 42: Median house price sale—2011–2021¹

MEDIAN RENT FOR A THREE-BEDROOM HOUSE

The picture for many of those renting in Aotearoa is extremely challenging. **Table 10** looks at the median rent for three-bedroom houses in specific neighbourhoods across 2011, 2016 and 2021—showing some massive increases in rental costs in this time period for essentially all of the selected locations. These are traditionally lower income or working-class areas we have monitored over the past 15 years in this report. The five-year percentage (2011–2016) changes in rental costs range from 0.4% to 35% increases. All of these selected locations have seen rent increases in the past five years. However, looking at the percentage change over the past decade shows a worrying trend in rent increases. Communities like Fordlands in Rotorua (146%), Cannons Creek North in Wellington (100%), Huntly East in Huntly (91%), Highbury in Palmerston North (86%) and Papakura in South Auckland (83%) have seen enormous increases in rent over the past decade. Again, all of these areas have seen increases in rent from 2011 to 2021, with the lowest rent increase being 18% in Woolston, Christchurch. These figures point to tighter financial situations for those renting as these median rents continue to skyrocket.

ACTIVE TENANCY BONDS

Both the total active bonds nationally and the number of active bonds in Auckland have been increasing since 2011, according to **Figure 43**. This is indicative of an increase in both the number of people renting and houses available for renting. However, between 2020 and 2021, there was a slight decrease in the active tenancy bonds held in Auckland. It is likely this is yet another impact of the Covid-19 restrictions over 2020 and 2021. It is positive to see that active tenancy bonds have remained strong over the past decade. But with the rental costs skyrocketing across the country, as illustrated in **Table 10**, it shows that tenants are facing some very tough times.

Figure 43: Active tenancy bonds—2011–2021 (September years)²

HOUSEHOLD DEBT

HOUSING AND HOUSEHOLD DEBT

The average household debt has continued to climb since 2011 as shown by **Figure 44**. In 2021, each New Zealand household had on average almost \$180,000 in household debt. The proportion and amount of this that was consumer and credit card debt decreased significantly between 2020 and 2021, whereas the proportion that was housing debt continued to surge between 2020 and 2021.

It is worth noting that consumer and credit card debt is only 49% of what it was in 2007, indicating again the huge investment and commitment to housing-related debt from New Zealanders over the past 15 years.

Table 10: Median rent for three-bedroom houses in selected locations—2011–2021 (\$)⁷²

	Sep-11	Sep-16	Sep-21	5-year change (%) —2016 to 2021	10-year change (%)
Kaikohe	217	267	385	44%	77%
Glenfield Central, Auckland	447	531	600	13%	34%
Ranui North, Auckland	357	465	563	21%	58%
Akarana, Mt Roskill, Auckland	447	557	626	12%	40%
Avondale West, Auckland	411	510	600	18%	46%
Mt Wellington North, Auckland	447	533	630	18%	41%
Ōtāhuhu East, Auckland	388	477	593	24%	53%
Manurewa Central, Auckland	364	501	600	20%	65%
Papakura East, Auckland	328	432	600	39%	83%
Huntly East, Huntly	233	315	445	41%	91%
Claudelands, Hamilton	307	402	510	27%	66%
Greerton, Tauranga	309	399	545	37%	76%
Fordlands, Rotorua	187	220	460	109%	146%
Flaxmere East, Hastings	241	315	450	43%	88%
Westown, New Plymouth	315	380	490	29%	56%
Highbury, Palmerston North	258	299	480	61%	86%
Cannons Creek North, Wellington	270	271	540	99%	100%
Trentham North, Wellington	352	377	660	75%	88%
Naenae South, Wellington	330	352	595	69%	80%
Miramar South, Wellington	467	511	750	47%	61%
Tāhunanui, Nelson	333	371	500	35%	50%
Aranui, Christchurch	271	363	410	13%	51%
Hornby South, Christchurch	320	376	450	20%	41%
Woolston West, Christchurch	301	387	435	12%	18%
St Kilda West, Dunedin	314	370	480	30%	53%
Richmond, Invercargill	238	278	400	44%	68%

Figure 45: Average household debt—2011–2021 (September years)⁷⁴

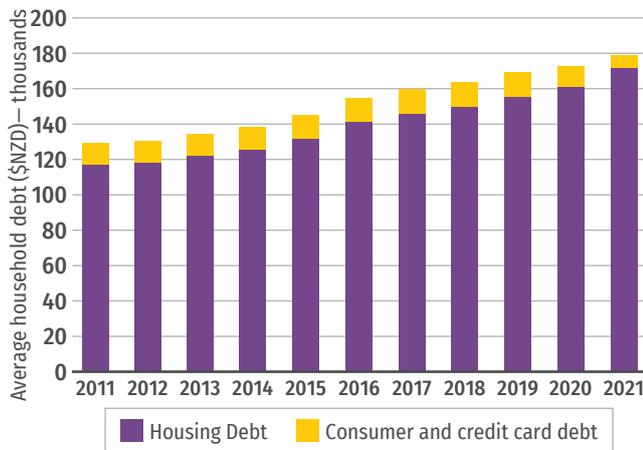


Figure 46: Total household debt as a percentage of GDP—2007–2021 (September years)⁷⁵

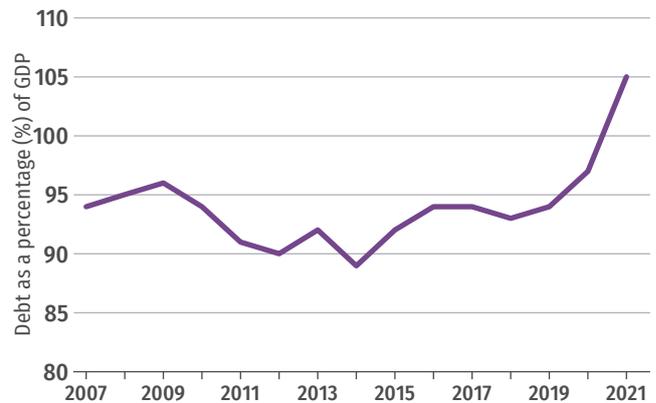


Figure 46 shows that housing-related debt, specifically as a proportion of national Gross Domestic Product (GDP), continues to climb to new heights, surpassing the 100% mark for the first time ever in 2021. This shows that New Zealanders hold massive amounts of debt in housing, indicating the preference for investing in housing for wealth in our nation.

OVERALL ASSESSMENT: HOUSING

CATEGORY	RESULT
AVAILABILITY Some good progress in new building, pointing to some positive changes to the housing supply. But the social Housing Register continues to surge at 25,000-plus applicant households, and the regional social housing demands again show increased demand throughout the country.	—
AFFORDABILITY House prices and rental costs continue to spike. This shows some ongoing serious challenges for first-home buyers and those renting. There are some shifts in housing supply and availability, but the lack of secure and affordable housing remains very problematic for New Zealanders.	—
DEBT Housing-related debt continues to climb. Housing-related debt as a proportion of GDP again reaches new heights. This indicates the huge commitment and investment New Zealanders have in housing.	—

BIBLIOGRAPHY: HOUSING

- 63** *Building statistics*, StatsNZ, Wellington. Retrieved from <https://www.stats.govt.nz/information-releases/building-consents-issued-october-2021> (accessed 14 Jan 2021).
- 64** *The government housing dashboard*, MHUD, Wellington. Retrieved from <https://www.hud.govt.nz/research-and-publications/statistics-and-research/the-government-housing-dashboard/> (accessed 18 Jan 2022).
- 65** Ibid.
- 66** *Housing register statistics*, MSD, Wellington. Retrieved from <https://www.msd.govt.nz/about-msd-and-our-work/publications-resources/statistics/housing/index.html#LatestresultsndashJune2021> (accessed 19 Nov 2021).
- 67** *Monthly Housing Update*, MSD, Wellington. Retrieved from <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/statistics/housing/monthly-housing-update/2021/nov/monthly-housing-update-november-2021.pdf> (accessed 14 Jan 2022).
- 68** Ibid.
- 69** Supra note 64.
- 70** *Quotable Value (QV) house price index, QV*, New Zealand. Retrieved from <https://www.qv.co.nz/> (accessed 19 Nov 2021).
- 71** *Real Estate Institute of New Zealand (REINZ) Reports*, REINZ, New Zealand. Retrieved from <https://www.blog.reinz.co.nz/reports> (accessed 19 Nov 2021).
- 72** *Market Rent statistics*, Tenancy Services (MBIE). Retrieved from <https://www.tenancy.govt.nz/rent-bond-and-bills/market-rent/> (accessed 19 Nov 2021).
- 73** *Rental bond data*, MBIE, Wellington. Retrieved from <https://www.tenancy.govt.nz/about-tenancy-services/data-and-statistics/rental-bond-data/> (accessed 19 Nov 2021).
- 74** *Household assets and liabilities statistics*, Reserve Bank of New Zealand (RBNZ). Retrieved from <https://www.rbnz.govt.nz/statistics> (accessed 19 Nov 2021).
- 75** Ibid.

CRIME AND PUNISHMENT

The New Zealand justice system spans across three key agencies: the New Zealand Police, Ministry of Justice (MOJ) and Department of Corrections. While each ministry serves its own purpose, all these facets of the system work together to uphold justice and keep New Zealand safe. Overall, our assessment shows key improvements in sentencing and imprisonment outcomes; major improvements needed in addressing violent crime and disparity for Māori; and no major shifts evident for family violence, recidivism and overall crime.

Crime statistics show that the number of alleged offenders and proceedings against these offenders have been declining, while victimisations and victims have been increasing. The Salvation Army has been tracking these indicators for 15 years, and a consistent theme throughout these reports has been the increasing levels of victimisations. Estimated offence volumes remained relatively unchanged; however, closer inspection showed that increases in violent offences, such as assaults and sexual assaults, were balanced out by declines in almost all other offences.

According to the New Zealand Crime and Victims Survey (NZCVS)⁷⁶ only 33% of family violence is reported to police; however, family violence continues to be one of the main call-outs police are dealing with in our communities. There were 168,436 family harm investigations carried out by the

police in 2021; this would equate to a family harm investigation every three minutes. The introduction of the Family Violence Act 2018 and the joint venture across the government ministries has resulted in different approaches to reporting and recording family violence. The ability to accurately gauge the realities of family violence experienced by our communities, in addition to the introduction of Te Aorerekura—the national strategy to eliminate family violence and sexual violence—will better equip the government’s endeavours to address family violence.

The justice system’s move towards a less punitive approach is becoming evident in rates of imprisonment and sentencing of offenders. Despite increases in prosecution and convictions in 2021, there were less imprisonments and more community sentences. These trends towards community sentences over imprisonment sentences have resulted in the lowest prison muster of the past 10 years. In addition, the proportion of approvals for parole by the New Zealand Parole Board has increased slightly in the past year. Despite these welcoming trends in imprisonment and sentencing, the recidivism rates continue to remain stubbornly high, particularly for Māori. These rates continue to highlight the need for targeted rehabilitative and reintegrative long-term approaches.

OVERALL CRIME

Only 25% of crime is reported to police—the vast data available through the justice sector only reflects a fraction of the reality of crime committed and experienced by New Zealanders. The NZCVS,⁷⁷ conducted by the MOJ, is the most comprehensive source of data on adult victims of crime in Aotearoa New Zealand. In 2020, the NZCVS completed its third cycle—collectively these three cycles represent around 23,500 interviews with New Zealanders about their experiences with crime. The NZCVS provides rich information on the experiences of victims of crime and how they were affected. We continue to draw on the NZCVS as a reliable source of information on actual levels of crime and not just the reported and recorded crime.

A summary of the key findings from the third cycleⁱ of the NZCVS showed:

- 29% of adults had experienced one or more offences over the previous 12 months
- about 1.2 million adults were victims
- household offencesⁱⁱ decreased since the initial 2020 Covid-19 nationwide lockdown
- younger people and people living in more deprived areas tend to be at higher risk of victimisation
- about 1 in 11 females aged 15–19 years were sexually assaulted in the previous 12 months
- around three-quarters of offences by family members were against females
- one-third (33%) of all crime incidents were experienced by only 2% of adults.

Overall, the NZCVS showed that victimisation levels have remained stable since cycle one (March–September 2018). The most common offences were fraud, deception, harassment, threatening behaviour and burglary—these made up more than half of the offences experienced. About 2% of New Zealand adults experienced sexual assault and family violence, this remained relatively unchanged over the three cycles. Reporting of crime to the police continued to remain unchanged (25%), with motor vehicle thefts the highest offence reported, and sexual assaults were least likely to be reported.

The NZCVS shows that crime continues to be underreported, therefore it is unclear as to what extent the reported data available through the justice sector accurately reflects the actual number of criminal offending and victimisation levels in New Zealand. However, data available through the justice sector remains useful in providing a proxy for these levels and showing how we as a society are managing criminal offending.

Crime statistics are reported by the police through Recorded Crime Victims Statistics (RCVS) and Recorded Crime Offenders Statistics (RCOS).ⁱⁱⁱ The RCVS reports on the number of victimisations and unique victims. Victimisations refer to offences against a victim (person/organisation) reported to police, which can include a number of offences in one incident, and past offences or offences where an offender is not yet identified.⁷⁸ The RCOS reports on the number of unique offenders and the number of proceedings against offenders. Offender refers to a person apprehended because police allege their involvement in a criminal incident involving one or more offences. Proceedings can include court action which may lead to conviction, or non-court action, such as informal/formal warning.⁷⁹

A summary of offence volumes for offenders and victims for the past five years is shown in **Figure 46**.

ⁱ The data collection for the third cycle of the NZCVS was collected between 30 September 2019 – 18 November 2020. Data collection was paused from 21 March – 2 July 2020 due to the Covid-19 pandemic.

ⁱⁱ In the NZCVS, household offences include the following offence types: burglary; theft of/unlawful takes/converts motor vehicle; theft from motor vehicle; unlawful interference/getting into motor vehicle; damage to motor vehicles; unlawful takes/converts/interferes with bicycle; property damage (household); theft (except motor vehicles, household); and trespass.

ⁱⁱⁱ The RCVS and RCOS publish the latest available data every month, replacing figures for previously published periods. These reports will always contain the latest available data for every period and as a result may differ from data reported in previous *State of the Nation* reports.

Figure 46: Summary of adult offence volumes—2017–2021 (June years)⁸⁰

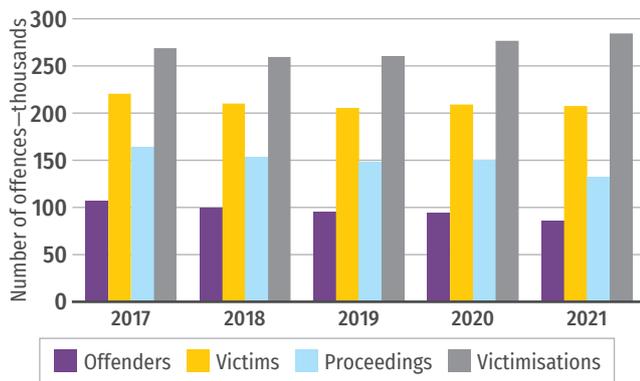


Figure 46 shows that the overall trend between 2017–2021 is that the number of reported victims/victimisations relative to the number of offenders and proceedings is moving in the opposite direction. Since 2017, there have been significant declines in the number of offenders (19.6%) and proceedings (19.3%). A significant proportion of these declines occurred in 2021, with 8542 (9%) fewer offenders and 17,905 (12.1%) fewer proceedings against offenders compared with 2020. In contrast, the reported number of victims has declined gradually between 2017–2019 (6.8%), and then has remained relatively unchanged in the past two years. The reported number of victimisations slightly declined between 2017–2018 (3.5%), but has increased by almost 24,000 between 2019–2021. The increase in victimisation and stall of the number of victims suggests that the frequency with which victims are experiencing crime is increasing. Since 2017, victims who were victimised 10 or more times increased by 37%, victimisations of five to nine times increased by 26% and being victimised four times increased by 60%, whilst being victimised only once has been gradually declining.⁸¹

Addressing the needs of victims and resolving victimisations is a primary task of the justice sector to ensure safer communities. Resolution rates are calculated as the number of victimisations leading to proceedings, as reported in **Table 11** for violent^{iv} and dishonest^v offences.

Table 11: Estimated resolution rates of violent and dishonesty offences—2017–2021 (June years)⁸²

	2017	2018	2019	2020	2021	1Y	5Y
Violent offences	67.7%	65%	61.7%	55%	47.1%	-7.9*	-20.6*
Dishonest offences	14.5%	13.8%	12.9%	12.2%	10.9%	-1.3*	-3.7*

* Percentage-point change.

Resolution rates continued to drop in both categories in 2021, as they have done year-on-year for five years now. The resolution rate for 2021 for violent offences was 47.1%; this is the lowest it has been since 2017. The resolution rate for dishonesty offences in 2021 was 10.9%, a decline of 1.3 percentage points (the sharpest decline in the past five years), leading to the lowest rate in five years.

When offenders are identified in a report of victimisation, this provides police with greater capacity to resolve offences committed against victims. In 2021, 68.5% of victimisation reports of violent offences did not or were not able to identify an offender (49.7% in 2017) compared with 84% for dishonest offences (81.9% in 2017). Victimisations which have no offender identified have been trending upwards since 2017 and may contribute to the declining resolution rates shown above.

A combination of victimisations and proceedings data from police RCOS and RCVS is used to estimate the levels of offending as shown in **Table 12**. Overall, offending levels have not changed in the past five years—offending had seen a downward trend between 2017–2018, but has increased slightly in the past two years. All offences have declined in 2021 except sexual assault and related offences, and acts intended to cause injury and theft. Theft continues to represent the highest proportion of offending, representing 40.3% in 2021, followed by burglary and acts intended to cause injury.

iv Violent offences include homicide and related offences, acts intended to cause injury, sexual assault and related offences, dangerous or negligent acts endangering persons, and abduction, harassment and other related offences against a person.

v Dishonesty offences were aggregated to include robbery and extortion, burglary, theft and fraud.

Table 12: Estimated offending volume—2017–2021 (June years)^{B3}

	2017	2018	2019	2020	2021	1Y	5Y
Homicide and related offences	160	182	218	213	178	-16.4%	11.3%
Acts intended to cause injury*	50,218	49,842	50,586	58,417	65,895	12.8%	31.2%
Sexual assault* and related offences	5818	6021	6249	6209	7755	24.9%	33.3%
Abduction, harassment	6054	5419	5353	5952	5514	-7.4%	-8.9%
Robbery, extortion* and related offences	4128	3759	3292	3415	3271	-4.2%	-20.8%
Burglary/break and enter*	71,926	65,315	64,639	66,489	56,700	-14.7%	-21.2%
Theft* and related offences	137,694	135,460	136,472	142,642	151,432	6.2%	10%
Dangerous or negligent acts endangering persons	15,073	16,052	15,431	14,675	14,512	-1.1%	-3.7%
Fraud, deception and related offences	3396	3126	2976	3015	2848	-5.5%	-16.1%
Illicit drug offences	8801	8872	9055	10,232	8284	-19%	-5.9%
Miscellaneous offences	711	659	612	1256	718	-42.8%	1%
Offences against justice procedures	16,086	15,772	16,753	22,544	15,334	-32%	-4.7%
Prohibited and regulated weapons	3845	3709	3897	4440	3768	-15.1%	-2%
Property damage and environmental pollution	6985	6173	5830	5601	5163	-7.8%	-26.1%
Public order offences	15,912	13,959	12,827	11,137	9593	-13.9%	-39.7%
Traffic offences	32,484	29,129	27,807	25,502	25,128	-1.5%	-22.6%
Total	379,291	363,449	361,997	381,739	376,093	-1.5%	-0.8%

* Victimization data.

As shown in **Table 13**, total convictions have increased by 1.5% (2257 convictions) in 2021. In the past five years, convictions have declined by 10.2%, which accounts for 16,901 less convictions. The lockdowns created by Covid-19 disrupted the functioning of the courts and therefore the increases in convictions in 2021 may reflect the

courts addressing the delays from 2020. Across all violent offences there were increases in convictions for all these offences; this may suggest these are serious offences that required a jury trial which was not feasible given the restrictions created by Covid-19 lockdowns.

Table 13: Convictions by category offence—2017–2021 (June years)⁸⁴

	2017	2018	2019	2020	2021	1Y	5Y
Violent offences	30,484	31,192	29,554	28,183	30,075	6.7%	-1.3%
Dishonest offences	33,332	31,958	29,936	29,558	29,200	-1.2%	-12.4%
Illicit drug offences	10,804	10,815	9949	9627	9504	-1.3%	-12%
Prohibited weapons	3359	3447	3374	3621	3910	8%	16.4%
Property damage	6118	5885	5583	5379	5551	3.2%	-9.3%
Public order offences	5340	5354	4878	4350	4615	6.1%	-13.6%
Traffic offences	38,942	37,100	35,453	31,622	34,411	8.8%	-11.6%
Offences against justice	35,435	34,315	34,682	33,627	30,890	-8.1%	-12.8%
Miscellaneous offences	2657	2209	2218	1346	1414	5.1%	-46.8%
Total	166,471	162,275	155,627	147,313	149,570	1.5%	-10.2%

VIOLENT CRIME

In 2021, violent crime^{vi} represented 31.4% (41,835) of all proceedings and 26% (74,090) of all victimisations reported by police. Overall, the number of proceedings for violent crimes has declined by 13.8% since 2017, although as a proportion of all proceedings there has been no change. The number of victimisations for violent crime has increased by 31.3% since 2017; violent crime as a proportion of victimisations has gradually increased since 2017. A combination of proceedings and victimisations are shown in **Table 14** for violent crime (alleged and proceeded against) for the past five years.

Overall, violent crime has increased by 21.4% over the past five years—violent crime remained stagnant between 2017–2019, however, over the past two years violent crime has increased by 20.6%. All violent crimes have increased since 2017, except dangerous or negligent acts endangering persons and harassment and threatening behaviour. A significant proportion of these increases are from acts intended to cause injury—there has been a shift from common assault to serious assaults. Since 2017, common assaults have declined by 20.2% whilst serious assault has increased by

85.4%. Sexual assaults have also increased by 31.2% since 2017; aggravated sexual assaults have increased by 32.8% and non-aggravated sexual assaults have increased by 35.8%. An overview of **Table 14** shows that over the past five years there have been increases in category 3 and 4⁸⁶ offences—particularly in relation to aggravated sexual assaults, offences that cause injury and homicide-related offences. The approach of the justice system to move away from punitive measures suggests that only serious offences are proceeded against, which indicates that violent offences continue to constitute a large proportion of crime that the justice system is attempting to address.

Table 15 shows resolution rates for these violent offences. All resolution rates have declined in the past year and have been declining rapidly since 2017. In every *State of the Nation* report, we have highlighted that trends for proceedings and victimisations are moving in opposite directions; while proceedings for violent offences trend downwards, overall victimisations for these same offences trend upwards. These patterns highlight a continual decline in resolution rates for New Zealanders who are victimised.

^{vi} Violent crime can be aggregated to include homicide and related offences; acts intended to cause injury; sexual assault and related offences; dangerous or negligent acts endangering persons; and abduction, harassment and other related offences against a person.

Table 14: Violent Crime—2017–2021 (June years)⁸⁵

	2017	2018	2019	2020	2021	1Y	5Y
Homicide and related offences							
Attempted murder	11	19	16	10	17	70%	54.5%
Homicide	1	1		1	1		
Manslaughter and driving causing death	95	120	122	119	100	-16%	5.3%
Murder	53	42	80	83	60	-27.7%	13.2%
Acts intended to cause injury							
Assault*	50,218	49,842	50,586	58,417	65,895	12.8%	31.2%
Other acts intended to cause injury	21	29	12	19	39	105.3%	85.7%
Sexual assault and related offences							
Non-assaultive sexual offences	177	154	167	167	239	43.1%	35%
Aggravated sexual assault*	4875	5031	5202	5250	6474	23.3%	32.8%
Non-aggravated sexual assault*	943	990	1047	959	1281	33.6%	35.8%
Abduction, harassment and other related offences against a person							
Abduction and kidnapping*	408	407	435	451	440	-2.4%	7.8%
Harassment and threatening behaviour	5847	5226	5134	5713	5305	-7.1%	-9.3%
Dangerous or negligent acts endangering persons							
Dangerous or negligent driving	14,708	15,723	15,139	14,392	14,280	-0.8%	-2.9%
Other dangerous or negligent acts endangering persons	365	329	292	283	232	-18%	-36.4%
Total	77,723	77,917	78,233	85,865	94,363	9.9%	21.4%

* Victimization data

Table 15: Recorded violent offence victimisations and subsequent proceedings—2017–2021⁸⁷

VICTIMISATION	2017	2018	2019	2020	2021	1Y	5Y
Acts intended to cause injury	50,218	49,842	50,586	58,417	65,895	12.8%	31.2%
Sexual assault and related offences	5818	6021	6249	6209	7755	24.9%	33.3%
PROCEEDINGS	2017	2018	2019	2020	2021	1Y	5Y
Acts intended to cause injury	25,290	23,663	22,209	21,318	19,629	-7.9%	-22.4%
Sexual assault and related offences	1931	1776	1762	1846	2002	8.5%	3.7%
RESOLUTION RATES	2017	2018	2019	2020	2021	1Y	5Y
Acts intended to cause injury	50.4%	47.5%	43.9%	36.5%	29.8%	-6.7*	-20.6*
Sexual assault and related offences	33.2%	29.5%	28.2%	29.7%	25.8%	-3.9*	-7.4*

* Percentage-point change.

The only proceeding which showed a resolution rate for more than 50% of those victimised were for acts intended to cause injury in 2017, but that declined to 29.8% in 2021. The resolution rates for sexual assaults have not exceeded 30% since 2017. This indicates that in 2021, 75% of sexual assaults were not resolved.

FAMILY VIOLENCE^{vii}

The Family Violence Act 2018⁸⁸ defines family violence as a pattern of behaviour that is made up of a number of acts that are coercive or controlling, causing a person cumulative harm. These acts can be physical, sexual or psychological and are inflicted by a person that has a familial relationship to the victim.

Combating New Zealand's family violence rate has been a continual point of contention for all successive governments; the establishment of the Joint Venture in 2018; the government's elimination strategy Te Rito in 2002; to Te Aorerekura⁸⁹ in 2021; and a new ministerial position for prevention of family and sexual violence are a few of the government's endeavours against family violence in New Zealand.⁹⁰

Table 16 shows the Family Harm Investigations (FHI) that are reported to and recorded by police. FHIs are instances that relate to an episode of family harm that police attend and investigate. This includes all instances where crime or non-crime incidents occurred. It indicates that police will collect additional information to support a risk assessment and effective safety planning to prevent further harm. FHIs with 'offence' are the number of FHIs where a criminal offence was identified by police.

Table 17: Family violence trends—2017–2021 (June years)⁹²

	2017	2018	2019	2020	2021	1Y	5Y
Charges	29,328	28,651	28,606	30,164	29,316	-2.8%	0.0%
People charged	14,533	13,940	13,500	13,352	12,950	-3.0%	-10.9%
Convicted	10,450	10,028	9557	9348	8661	-7.3%	-17.1%
Imprisoned	2598	2561	2298	2425	1807	-25.5%	-30.4%

^{vii} In previous *State of the Nation* reports we have used offences related to family violence reported by the Ministry of Justice to highlight trends seen in family violence. However, in 2021 the following section uses insights from Police Data and Family Violence offences from MOJ to try and gauge the trends seen in family violence. Reporting and recording of data across the different sources (Police Data and MOJ Data Tables) varies. Therefore, analysis across these datasets are intended to provide a proxy for family violence and not an accurate reflection.

Table 16: Family Harm Investigation (year ending Sept)⁹¹

	2018	2019	2020	2021	1Y	4Y
Non-Crime	78,535	103,782	113,555	104,738	-7.8%	33.4%
Crime	49,339	42,730	56,073	63,698	13.6%	29.1%
Total	127,874	146,512	169,628	168,436	-0.7%	31.7%

In 2021, there were 168,436 FHIs recorded by the police; this is a 31.7% increase from 2018. In 2021, there were 104,738 FHIs assessed as non-crime, a 33.4% increase from 2018, whilst FHIs assessed as a crime/offence increased by 29.1% over the same period. FHIs reported by police show concerning trends that indicate not only have the levels of family harm increased in New Zealand, but also the severity of these incidents.

Table 17 shows a summary of charges finalised in court and people charged for a family violence offence. Over the past five years, the number of charges for family violence has remained relatively unchanged: the number of people charged for an offence flagged as family violence has declined, while the average number of family violence charges per person has increased from 2 in 2017 to 2.3 in 2021. Almost 60% of all family violence offences are for acts intended to cause injury and more than 70% of all people charged for acts intended to cause injury are family violence-related. In 2017, 72% of people charged were convicted, and this has declined to 67% in 2021. Similar trends can be seen in relation to the number of imprisonments for family violence offences, with 21% of convictions imprisoned in 2021—a decrease from 25% in 2017.

The complexity of family violence and the justice system’s endeavours to address it show contradicting trends. FHIs reported by police have increased in the past four years, and the proportion of FHIs flagged as an offence or a crime continues to increase. However, MOJ data shows that family violence charges, convictions and imprisonments have been declining over the past five years. Police FHIs may not carry over to MOJ charges, as families may be supported outside of formal processes to address family violence.

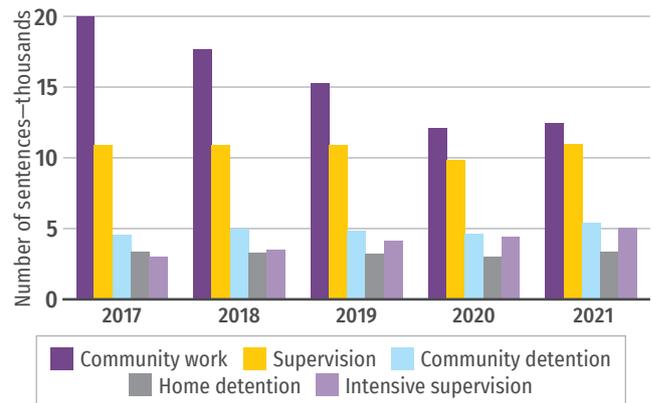
SENTENCING AND IMPRISONMENT

Criminal prosecutions data in **Table 18** shows that in 2021 there were slight increases in prosecutions (2.9%) and convictions (2.7%), however overall prosecutions and prosecutions leading to convictions have been trending downwards.

More convictions are moving towards a community sentence and away from an imprisonment sentence. These trends illustrate the justice system’s move away from punitive imprisonment methods, to supervised community-based sentences to better manage and support offenders.

Community sentences (non-custodial) are shown in **Figure 47**. Since 2017, total community sentences have declined by 11.1%, which aligns with the declining levels of prosecutions and convictions. Community work has declined by 37.9% since 2017, but continues to represent the highest proportion of community sentences. As the justice sector shifts away from imprisonment for dealing with offenders, the utilisation of supervision and intensive supervision for community sentences has continued to increase.

Figure 47: Community sentences—2017–2021 (June years)⁹⁴



The prison muster at September 2021 was 8034; this is an 11.5% decrease compared with September 2020. The muster is made up of 2863 (35.6%) remand prisoners awaiting trial, 5057 (62.9%) serving sentences; and 114 (1.4%) of these prisoners who are managed off-site.⁹⁵ **Figure 48** shows the quarterly prison population which has been steadily declining since 2018 and is now at its lowest since 2010.

Figure 48: Prisoner population—2015–2021 (quarterly)⁹⁶

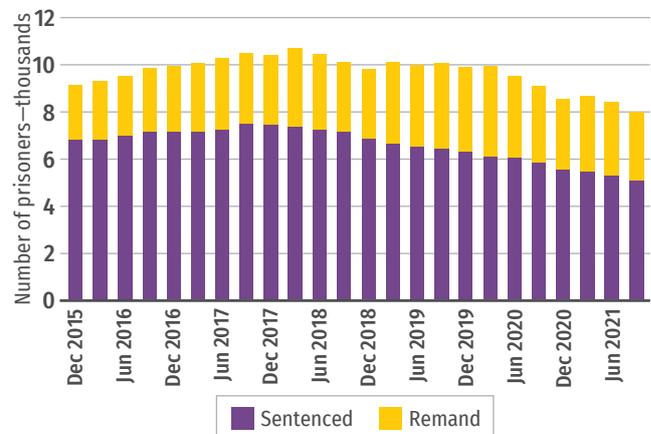


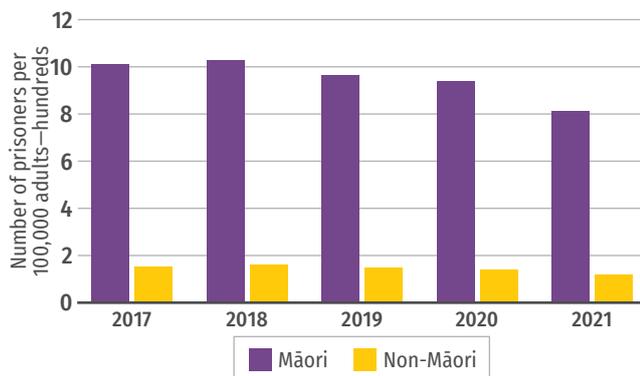
Table 18: Criminal prosecution trends for adults—2017–2021 (June years)⁹³

June Years	2017	2018	2019	2020	2021	1Y	5Y
Prosecutions	77,896	75,454	72,549	65,200	67,123	2.9%	-13.8%
Convictions	64,524	62,238	58,896	52,368	53,782	2.7%	-16.6%
Percentage of prosecutions	82.8%	82.5%	81.2%	80.3%	80.1%	-0.2*	-2.7*
Imprisonment sentences	8686	8186	7107	6904	5508	-20.2%	-36.6%
Percentage of convictions	13.5%	13.2%	12.1%	13.2%	10.2%	-2.9*	-3.2*
Community sentences	27141	26292	25395	22695	24856	9.5%	-8.4%
Percentage of convictions	42.1%	42.2%	43.1%	43.3%	46.2%	2.9*	4.2*

* Percentage-point change.

Figure 49 shows the imprisonment rates per 100,000 adults (18 years old and over) for non-Māori alongside Māori. Since 2017, the imprisonment rate for Māori has declined by 19.6% and 22.1% for the non-Māori. Despite the imprisonment rate declining for both Māori and non-Māori, the disparity is overwhelming. Māori are significantly overrepresented in imprisonments, and they are imprisoned at a rate six-times greater than non-Māori.

Figure 49: Imprisonment rates for adult population (18 years old and over)—2017–2021⁹⁷



All offenders who are serving sentences of two or more years, unless a non-parole period is imposed, are eligible for parole. **Table 19** shows the number of offenders who have been approved for parole from 2017 to 2021. The number of approvals by the New Zealand Parole Board has increased by 32.7% since 2017, from 1245 to 1652, representing a 7.3 percentage point increase in the proportion of parole requests being approved.

Table 19: Offenders approved for parole—2017–2021⁹⁸

June Years	2017	2018	2019	2020	2021	1Y	5Y
Offenders seen	4711	5164	5383	5131	4891	-4.7%	3.8%
Parole approved	1245	1424	1882	1669	1652	-1.0%	32.7%
Percentage of parole approved	26.4%	27.6%	35.0%	32.5%	33.8%	1.2*	7.3*
Recalls	348	340	458	541	613	13.3%	76.1%
Recalls approved	257	259	339	401	395	-1.5%	53.7%
Recalls as percentage of parole approved	20.6%	18.2%	18.0%	24.0%	23.9%	-0.1*	3.3*

* Percentage point change.

If an offender released on parole breaches their conditions or poses an undue risk to the safety of the community, a probation officer or police officer can apply to the Parole Board to have them recalled to serve their sentence in prison. The number of recalls have increased by 76.1% in the past five years. Overall, as an estimate, around 20% of people with approved parole will be recalled to complete their sentence in prison.

RECIDIVISM

The recidivism rates measured by the Department of Corrections is the percentage of offenders who are reconvicted within a given period of time, and who receive either a prison sentence (reimprisonment) or any Corrections-administered sentence (reconviction).⁹⁹ **Table 20^{viii}** shows a summary of the recidivism rates for the past five years for those released from prison, for both Māori and non-Māori. Overall, the rates of reimprisonment and reconviction at 12-month follow-up have been gradually declining since 2017. Since 2020, recidivism rates at 12-month follow-up have remained relatively unchanged, with minor declines for reimprisonment and minor increases for people who are reconvicted. The recidivism rates at 24-month follow-up have had minimal changes for reimprisonment and have remained relatively unchanged for reconviction rates. Since 2020, the recidivism rates for reimprisonment and

^{viii} In 2020, the recidivism figures reported in the Department of Corrections Annual Report reflect a number of changes made to the methodology for calculating these rates. The overall effect of these changes resulted in resentencing and reimprisonment rates for the prisoner cohort slightly decreasing. A significant proportion of these declines since 2017 occurred between 2019–2020 and may be attributed to this new methodology. Corrections notes the changes in calculation methodology results in figures that are therefore not directly comparable with figures produced in previous years. *State of the Nation 2022* continues to draw on recidivism rates from previous years to provide a proxy, but a clearer and more accurate trend with recidivism rates will be evident in years to come.

reconviction at 24 months declined for both non-Māori and Māori. The non-Māori decline was more than two times greater compared with Māori. There continues to be a significant disparity between non-Māori and Māori recidivism rates, particularly in relation to the 24-month follow-up. Since 2017, at the 12-month follow-up, the gap between non-Māori and Māori has been declining slightly; however, at the 24-month follow-up, the disparity increases for reimprisonment rates and remains unchanged for reconviction rates. Recidivism rates illustrate that whilst there are positive downward trends for Māori, there is extra support required for longer periods of time to reintegrate and support Māori offenders back onto their feet and back into the community.

The rates of recidivism also vary for different groups. There has been a significant decline in recidivism rates for under 20-year-olds since 2017, across all follow-up periods. However, those aged 20 years old and under at the time of release continue to have the highest recidivism rates for reimprisonment and reconviction compared with other age groups.

People with gang affiliations are reimprisoned and reconvicted at higher rates than people with no gang affiliations. The disparity between these two groups has continued to widen since 2017. Gang affiliations amongst people who Corrections manage have increased significantly in the past 10 years. Gang affiliation has doubled for remanded offenders (37%) and those sentenced (32%).¹⁰¹

People released on post-release conditions^{ix} were almost three times more likely to be reimprisoned or reconvicted at 12-month follow-up and almost two times more likely at 24-month follow-up compared with parolees.

In 2021, Corrections allocated 16.4% of their operating costs (\$296.8 million) to rehabilitation and reintegration. This is a 64.1% increase since 2017. Overall, the recidivism rates shown above illustrate the need for rehabilitative and reintegrative approaches that are targeted and long-term to address the high recidivism rates amongst different groups and at 24-month follow-up.

Table 20: Recidivism rates for 2017–2021¹⁰⁰

	2017	2018	2019	2020	2021	1Y	5Y
12-month (follow-up)							
Reimprisonment							
Non-Māori population	26.7%	29.4%	25.8%	21.8%	20%	-1.8*	-6.7*
Māori population	36.5%	34.9%	33.6%	29.2%	27.5%	-1.7*	-9.0*
Reconviction							
Non-Māori population	39.4%	43.1%	40.0%	33.7%	33.9%	0.2*	-5.5*
Māori population	51.4%	50.4%	49.8%	42.6%	43.1%	0.5*	-8.3*
24-month (follow-up)							
Reimprisonment							
Non-Māori population	37.2%	36.7%	38.8%	36.3%	33.7%	-2.6*	-3.5*
Māori population	47.0%	49.6%	46.6%	45.8%	44.8%	-1.0*	-2.2*
Reconviction							
Non-Māori population	53.4%	54.0%	56.2%	55.5%	51.5%	-4.0*	-1.9*
Māori population	65.8%	67.7%	67.7%	65.8%	63.9%	-1.9*	-1.9*

* Percentage-point change.

^{ix} Post-release conditions are applicable to sentences that are less than two years, whereas sentences more than two years are eligible for parole after a set period.

ASSESSMENT: CRIME AND PUNISHMENT

CATEGORY	RESULT
<p>OVERALL CRIME The numbers of offenders and proceedings have declined, the number of victims remained stable and the levels of victimisation continues to increase. Estimated offending levels have remained relatively unchanged over the past year. There has been a slight increase in conviction levels, particularly for serious violent offences in the past year.</p>	<p>NC</p>
<p>VIOLENT CRIME Proceedings for violent crime have declined, however levels of victimisation have continually increased. There is a shift in violent crime towards more serious offences, such as serious assaults and sexual assaults. Resolution rates for victims of violent crime also continue to decline.</p>	<p>-</p>
<p>FAMILY VIOLENCE The complexity of family violence and the justice system's endeavours to address it show contradicting trends. FHIs and those reported as a crime by police have increased in the past four years. However, MOJ data shows that family violence charges, convictions and imprisonments have been declining over the past five years.</p>	<p>NC</p>
<p>SENTENCING AND IMPRISONMENT Imprisonment sentences have declined, whilst community sentences have increased. This is reflected in the prison muster which is now at the lowest since 2010. The disparity for Māori compared with non-Maori remains evident, with Māori six times more likely to be imprisoned than non-Maori.</p>	<p>+</p>
<p>RECIDIVISM Recidivism rates have remained relatively unchanged in the past year. The recidivism rates for 24-month follow-up, particularly for Māori, continue to be stubbornly high.</p>	<p>NC</p>

BIBLIOGRAPHY: CRIME AND PUNISHMENT

- 76** New Zealand Crime and Victims Survey (NZCVS). Retrieved from <https://www.justice.govt.nz/justice-sector-policy/research-data/nzcvs/resources-and-results/> (accessed Dec 2021).
- 77** Ibid.
- 78** Recorded Crime Victims Statistics (RCVS) user manual (2016). Retrieved from <https://www.police.govt.nz/about-us/publication/data-and-statistics-user-guides> (accessed Jan 2022).
- 79** Recorded Crime Offenders Statistics (RCOS) user manual (2016). Retrieved from <https://www.police.govt.nz/about-us/publication/data-and-statistics-user-guides> (accessed Jan 2022).
- 80** Recorded Crime Victims Statistics (RCVS) and Recorded Crime Offenders Statistics (RCOS). Retrieved from <https://www.police.govt.nz/about-us/publications-statistics/data-and-statistics/policedatanz> (accessed Dec 2021).
- 81** Ibid.
- 82** Ibid.
- 83** Ibid.
- 84** General justice data tables: All charges and convicted charges. Retrieved from <https://www.justice.govt.nz/justice-sector-policy/research-data/justice-statistics/data-tables/> (accessed Dec 2021).
- 85** Recorded Crime Victims Statistics (RCVS) and Recorded Crime Offenders Statistics (RCOS). Retrieved from <https://www.police.govt.nz/about-us/publications-statistics/data-and-statistics/policedatanz> (accessed Dec 2021).
- 86** Criminal Procedure Act. Retrieved from <https://www.legislation.govt.nz/act/public/2011/0081/latest/DLM3359962.html> (accessed Dec 2021).
- 87** Recorded Crime Victims Statistics (RCVS) and Recorded Crime Offenders Statistics (RCOS). Retrieved from <https://www.police.govt.nz/about-us/publications-statistics/data-and-statistics/policedatanz> (accessed Dec 2021).
- 88** Family Violence Act 2018. Retrieved from <https://www.legislation.govt.nz/act/public/2018/0046/latest/whole.html> (accessed Dec 2021).
- 89** Te Aorerekura. Retrieved from <https://violencefree.govt.nz/national-strategy/> (accessed Dec 2021).
- 90** New Zealand Family Violence Clearing House Timeline—Government. Retrieved from <https://nzfvc.org.nz/?q=timeline-category/government> (accessed Dec 2021).
- 91** Recorded Crime Victims Statistics (RCVS) and Recorded Crime Offenders Statistics (RCOS). Retrieved from <https://www.police.govt.nz/about-us/publications-statistics/data-and-statistics/policedatanz> (accessed Dec 2021).
- 92** General justice data tables: Family violence offences. Retrieved from <https://www.justice.govt.nz/justice-sector-policy/research-data/justice-statistics/data-tables/> (accessed Dec 2021).
- 93** Corrections (Fiscal Year)—Annual Community Sentence Offender Population for the latest Fiscal Years (ANZSOC). Retrieved from <http://nzdotstat.stats.govt.nz/> (accessed Dec 2021).
- Corrections (Fiscal Year)—Annual Sentenced Prisoner Population for the latest Fiscal Years (ANZSOC). Retrieved from <http://nzdotstat.stats.govt.nz/> (accessed Dec 2021).
- Justice (Fiscal Year)—Adults prosecuted in court—most serious offence fiscal year. Retrieved from <http://nzdotstat.stats.govt.nz/> (accessed Dec 2021).
- 94** Corrections (Fiscal Year)—Annual Community Sentence Offender Population for the latest Fiscal Years (ANZSOC). Retrieved from <http://nzdotstat.stats.govt.nz/> (accessed Dec 2021).
- 95** Corrections' Prison facts and statistics—September 2020. Retrieved from https://www.corrections.govt.nz/resources/statistics/quarterly_prison_statistics/prison_stats_september_2020 (accessed Dec 2021).
- 96** Ibid.
- 97** Ibid.
- 98** Parole Board Annual Report 2020–2021. Retrieved from https://www.paroleboard.govt.nz/about_us/publications (accessed Dec 2021).
- 99** Ara Poutama Department of Corrections Annual Report 2020/21. Retrieved from https://www.corrections.govt.nz/_data/assets/pdf_file/0010/44398/Annual_Report_2020_2021_Final_Web.pdf (accessed Dec 2021).
- 100** Ibid.
- 101** Corrections Volumes Report 2020. Retrieved from https://www.corrections.govt.nz/resources/statistics/corrections-volumes-report/corrections_volumes_report_2020 (accessed Dec 2021).

SOCIAL HAZARDS

There are four areas that we monitor in the Social Hazards section: alcohol use, use of illicit drugs, gambling harm, problem debt and financial hardship. All these are regular activities for many people in society. Most of these actions are legal and regulated, but some are illegal. These activities generally have an addictive element which can create serious harm for the person over-engaging or abusing them, as well as for their whānau and other people around them. These four areas are also hazards for which we provide various social and Christian spiritual support services throughout the country.

This year's results are, as usual, a mixed bag. There are many positive changes, including decreases in these key areas we monitor: hazardous drinking behaviours for many groups, illicit drug detection in wastewater, most forms of gambling expenditure and the number of pokie machines operating nationally.

But there are still some very challenging results for the past year; for example, per-capita alcohol availability increased and hazardous drinking remains problematic for those aged between 18 and 24 years, Māori, Pasifika and those living in communities with high levels of deprivation.

Methamphetamine-related offences continue to dominate illicit drug charges, convictions and detections in wastewater. While nearly all forms of gambling declined in the past year, gambling via Lotto New Zealand, particularly online gambling sites, increased significantly. Losses per pokie machine also increased, although the real number of pokie machines declined.

Finally, financial hardship likely worsened for many New Zealanders in the past year, as indicated by increases in loans from non-bank lending institutions and more people withdrawing from their KiwiSaver funds for financial hardship reasons.

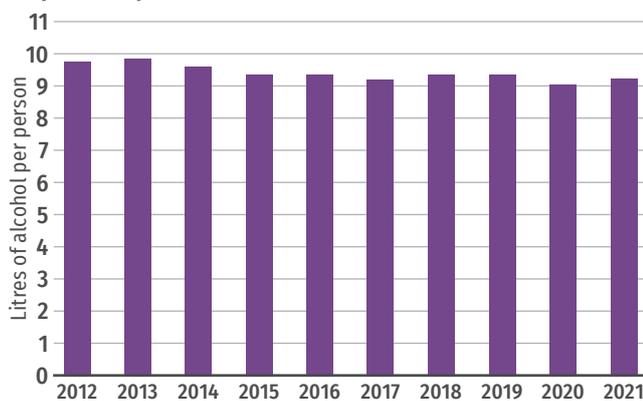
ALCOHOL

AVAILABILITY

Over the 15 years of this report, we have measured the volume of alcohol available for sale as a proxy for the alcohol New Zealanders consume. After a decrease in alcohol availability in 2020, there was a slight increase in 2021. **Figure 50** shows that in 2021, there was 9.24 litres of alcohol available for each adult in New Zealand aged 18 and over. Per capita availability of alcohol has declined by 5% since 2012.

In terms of advocacy, the current Minister of Justice, the Hon. Kris Faafoi, has signalled throughout 2021 that the Sale and Supply of Alcohol Act 2012 will be reviewed by his Ministry. Numerous organisations, including The Salvation Army, have continued to advocate to the Minister to prioritise this review to ensure that alcohol-related harm, availability, affordability, accessibility and hazardous drinking are key pillars of any comprehensive review of the Act.

Figure 50: Per-capita availability of alcohol—litres of pure alcohol for every person over 18 years—2012–2021 (September years)¹⁰²



HAZARDOUS DRINKING

‘Hazardous drinking’ refers to an established alcohol drinking pattern that carries a risk of harming the drinker’s physical or mental health or having harmful social effects on the drinker or others.¹⁰³ In terms of hazardous drinking, there were some encouraging results in the past year. As **Table 21** shows, from 2019/20 to 2020/21, there were decreases in hazardous drinking for the total population, men and women. In the same period, there was a significant decline in hazardous

drinking behaviour among Māori. However, there were increases in hazardous drinking behaviour for those aged 18–24 years old, and for Pasifika people. Proportionally, in 2021, nearly 35% of all 18- to 24-year-olds, 33% of Māori, and nearly 27% of Pasifika people drank hazardously. Additionally, hazardous drinking continues to be prevalent in communities with high levels of social deprivation.

Table 21: Proportion of population estimated to be hazardous drinkers—2016/17–2020/21¹⁰⁴

	2016/17	2017/18	2018/19	2019/20	2020/21
Total population	19.5%	19.8%	20%	20.9%	19.9%
Men	27.1%	27.3%	27.5%	28.7%	26.9%
Women	12.4%	12.7%	12.8%	13.6%	13.2%
15–17	7.6%	7.2%	6.3%	11.6%	10.2%
18–24	32.9%	31.7%	35.4%	32.4%	34.9%
65–74	10.5%	12.5%	11.7%	12.6%	11.1%
Māori	33%	31.7%	33.2%	36.1%	33.2%
Pasifika	23.4%	19.1%	22.7%	24.3%	26.5%
Decile 1 income (highest)	16.4%	16.2%	19%	19.7%	17.3%
Decile 2 income	15.4%	19.5%	18.2%	19%	16.6%
Decile 3 income	21.6%	21.4%	19.4%	21.8%	19.8%
Decile 4 income	21.6%	20.5%	19.7%	21%	21.1%
Decile 5 income (lowest)	22.9%	21.5%	23.9%	23.3%	24.9%

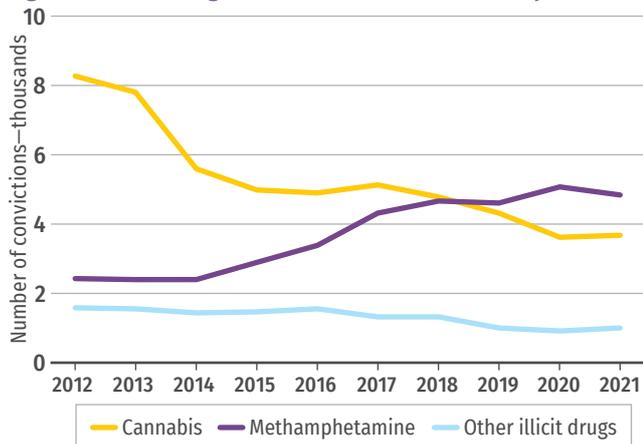
ILLICIT DRUGS

ILLICIT DRUG CONVICTIONS

Figure 51 shows the numbers of illicit drug convictions over the past decade. The trend in declining convictions for cannabis offences is striking: in 2021, the number of cannabis convictions was 44% of what it had been in 2012. Conversely, convictions for methamphetamine offences have climbed over the past 10 years and are now double what they were in 2012. There was a dip in methamphetamine convictions between 2020 and 2021. Convictions for other illicit drug offences have remained relatively small compared with methamphetamine and cannabis.

In 2020/2021, almost one-fifth (19%) of people convicted of a drug offence were sentenced to imprisonment (811 people). The remaining people were sentenced to a mixture of other interventions, including home detention, supervision and community work. In the year ending June 2021, 49% of those convicted of drug offences were European, and 46% were Māori. Over a third of those convicted in 2021 were under 30 years old.

Figure 51: Illicit drug convictions—2012–2021 (June years)¹⁰⁵

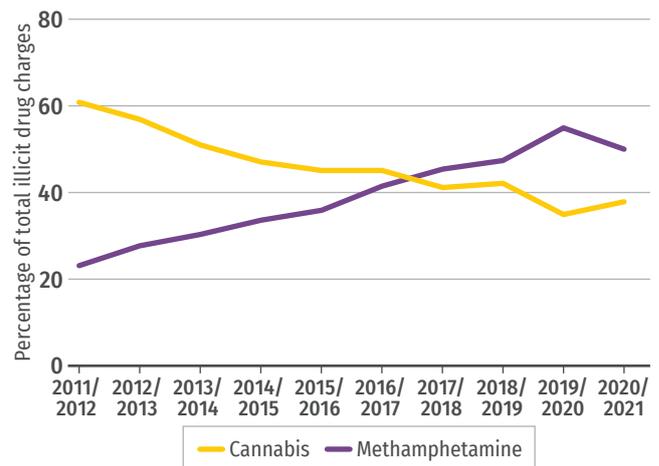


PROPORTION OF DRUG PROSECUTIONS (CANNABIS AND METHAMPHETAMINE)

In 2020/2021, half of all drug charges were for methamphetamine offences (7394 charges) and 38% were for cannabis offences (5512 charges). Despite a slight decrease in 2020/21, this has continued the trend over the past 10 years where methamphetamine-related drug charges have increased and make up a larger proportion of the

total illicit drug charges. Cannabis-related charges have more than halved since 2011/12, leading to these offences making up a smaller proportion of total drug charges in the past decade. This is depicted in Figure 52.

Figure 52: Percentage of total illicit drug charges (methamphetamine and all cannabis offences)—2011/12–2020/21¹⁰⁶



WASTEWATER TESTING

The expanded national wastewater testing programme from the police continues to provide mixed results as shown in Table 22. There were noteworthy increases in the three main illicit drugs covered in this programme—methamphetamine, MDMA and cocaine—between the quarters ending June 2020 and December 2020. However, some caution is needed here as there were some challenges and changes to data collection which have affected the second quarter results in 2020. This coincides with changes in the national Covid-19 alert levels as the country moved between the previous Level 3 and 4 restrictions. This might explain the surge in the amounts of drugs detected, as people re-emerged to some form of normalcy. This follows the major decreases between January 2020 and June 2020, which overlapped with the most restrictive Covid-19 alert levels. In the March 2021 quarter, the most recent data reported, there were notable decreases of methamphetamine and MDMA detected. Between December 2020 and March 2021, there was a 53% decrease in the amount of MDMA detected, reaching similar levels as the January 2019 figure. The progress of this programme has also led to the inclusion of wastewater testing in the battle against Covid-19, helping detect traces of SARS-CoV-2, the virus that causes Covid-19.¹⁰⁷

Table 22: Estimates of average total weekly consumption of selected illicit drugs (kilograms)—2018–2021¹⁰⁸

Quarter ended	Dec-18	Mar-19	Jun-19	Sept-19	Dec-19	Jun-20 ¹⁰⁹	Sept-20	Dec-20	Mar-21
Methamphetamine	16.6	14.8	15.6	13.6	13.1	9.9	12.6	12.6	10.8
MDMA/ecstasy	4.3	5.7	7.9	8.2	8.7	7.1	7.8	9.7	4.5
Cocaine	0.7	0.9	0.9	1	1.2	0.1	0.4	0.5	0.5

GAMBLING HARM

GAMBLING EXPENDITURE

Table 23, which has the most current figures available, shows that between 2018/19 and 2019/20 (March financial years), three of the four major forms of gambling expenditure recorded by the Department of Internal Affairs (DIA) all declined. We believe these results have been greatly impacted by the national lockdown restrictions in 2020, and **Table 23** does not completely capture the impact of Covid-19 on these forms of gambling.

Expenditure on casino gambling decreased by 18%, and pokie machines outside casinos decreased by 13% in this period. In contrast, gambling expenditure on New Zealand Lotteries Commission products surged between 2018/19 and 2019/20, increasing by 19% (\$101 million).

In April 2021, The Salvation Army released an advocacy report titled ‘Just a Click Away: Online Gambling in Aotearoa’, challenging the Government’s proposed online gambling reforms.¹¹¹ **Figure 53** shows that New Zealanders spent significant amounts of money on digital Lotto sales in the year to June 2021 (\$558 million).¹¹² This equates to

a 178% increase since 2017/18 in digital sales. Lotto New Zealand acknowledges that digital adoption and products have soared and ‘accelerated’ and ‘MyLotto [has] become one of New Zealand’s largest e-commerce businesses’.¹¹³ In terms of actual players of these online gambling products, in 2017/18 there were 746,000 registered MyLotto players. By 2020/21, there were 1.4 million registered players.¹¹⁴ The Covid-19 restrictions led to higher than expected registered online players. The digital or online gambling arm of Lotto New Zealand is accelerating quickly in terms of sales and the number of New Zealanders gambling in this online way.

Figure 53: Digital sales for Lotto New Zealand—2017/18–2020/21 (June years)

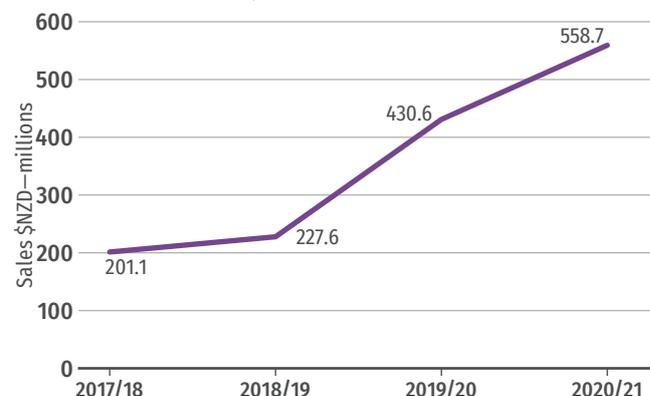
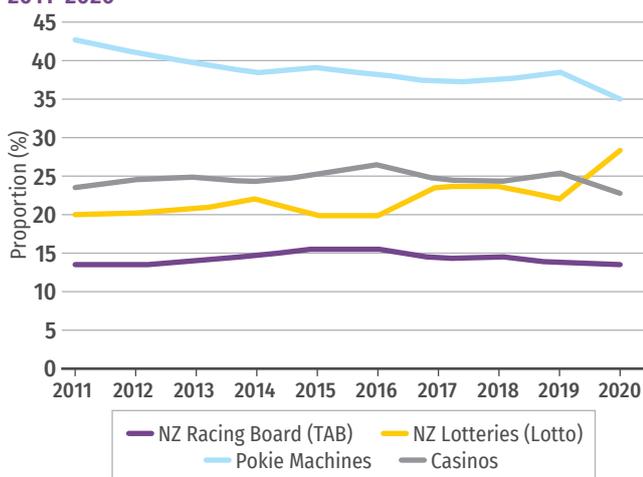


Table 23: Gambling expenditures (\$million)—2010/11–2020/21¹¹⁰

Financial year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20
NZ Racing Board (TAB)	273	283	294	310	325	342	338	350	332	315
NZ Lotteries Commission	404	419	432	463	420	437	555	561	530	631
Gaming Machines (outside casinos)	856	854	827	806	818	843	870	895	924	802
Casinos	448	483	490	486	527	586	572	578	616	504
Total	1982	2038	2042	2065	2091	2209	2334	2383	2402	2252

Pokie machine expenditure increased year-on-year in 2013/14 to 2018/19, only to drop suddenly in 2019/20, but they still make up the largest share of gambling losses in our country. The proportion of losses through casinos and the TAB have remained consistent over the past decade. However, the share of losses through NZ Lotteries has grown since 2011, and then surged between 2019 and 2020, as mentioned above. This is illustrated in **Figure 54**.¹¹⁵ Additionally, Department of Internal Affairs statistics show that in the last two quarters of 2020, there were significant increases in class 4 (pokie machine) spending. For example, from June to September 2020, gaming machine profits (for class 4) increased by 116% (\$130 million), compared with an average increase of 3.2% in each of the previous five June to September quarters.¹¹⁶

Figure 54: Proportion of gambling losses in New Zealand—2011–2020



POKIE MACHINES

The real number of pokie machines continues to trend downwards. In the year ending September 2021, there were 14,704 pokie machines operating across New Zealand (**Figure 55**). Since 2012, the number of pokie machines has declined by 17.5%. The most recent year had the smallest pokie machine decline in both real numbers and percentage of pokie machines since numbers began declining nearly 20 years ago.

While the total number of gaming machines has declined, the gaming machine profit (GMP), or the amount of money lost per machine continues to climb. **Figure 56** shows that GMP per gaming machine had been steadily increasing from 2016

Figure 55: Number of class 4 electric gaming machines (pokie machines) across New Zealand—2001–2021 (September years)¹¹⁷

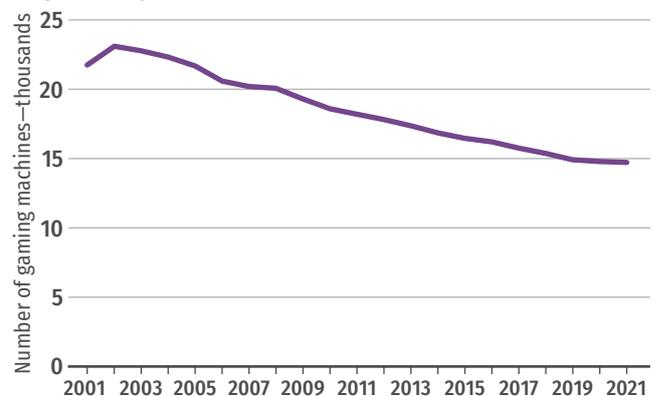
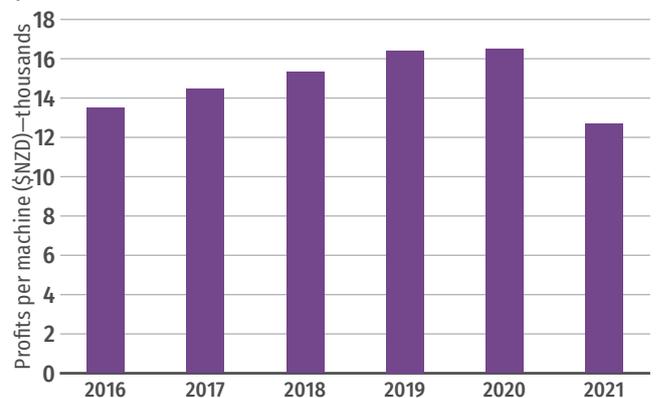


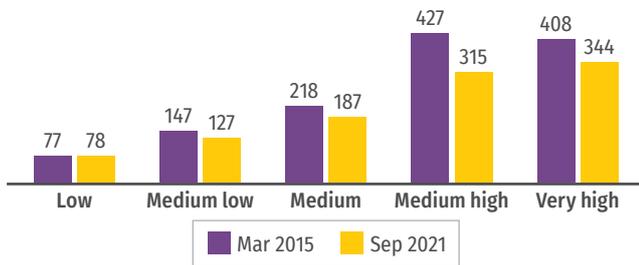
Figure 56: GMP per gaming machine (September quarters)—\$NZD¹¹⁸



to 2020, indicating that although there were less machines nationally, the machines that remained operating were increasingly profitable for the gaming venues. There was a major drop in GMP per gaming machine between 2020 and 2021, highly likely due to the lockdown restrictions which left gaming venues closed for big chunks of the year and gamblers unable to access venues and machines.

Finally, gaming machines continue to be located in areas of high deprivation. Although these numbers have changed a lot since 2015, as of September 2021, 33% of gaming machines were in venues located in areas with very high deprivation. In stark contrast, only 7% of electronic gaming machines are operating in areas with very low levels of deprivation. This is illustrated in **Figure 57** which shows the number of gaming venues that have pokie machines based on the social deprivation rating of that location.

Figure 57: Number of venues by deprivation rating—2015–2021¹¹⁹



PROBLEM DEBT AND FINANCIAL HARDSHIP

CONSUMER LENDING

A trend around consumer lending over the past decade has been the decline in households taking consumer loans from registered banks and the steady increase of loans taken out with non-bank lending institutions (Figure 58). Between 2020 and 2021, consumer lending with registered banks decreased by 17%, while lending with non-bank lenders and finance companies increased by 16%. Therefore, while bank lending continues to decline, fringe lending reversed its 2020 decline in 2021.

KiwiSaver fund withdrawals are another indicator we have used in recent years to help illustrate some of the financial hardship people and whānau are facing (Figure 59). Withdrawals for various financial hardship reasons have steadily increased since 2011. By June 2020, over 20,000 KiwiSaver funds had withdrawals for financial hardship, probably showing some of the impacts of Covid-19 on people’s finances. In June 2020, nearly a third of all KiwiSaver funds that had some level of withdrawal were for financial hardship, whereas two-thirds of

funds withdrawn were for first-home purchases. For lower-income New Zealanders, these trends are worrying especially since this group of New Zealanders will have less money available for other financial shocks they may face, or for their retirement.

Figure 58: Consumer loans with registered banks and non-bank lenders—2012–2021 (June years)¹²⁰

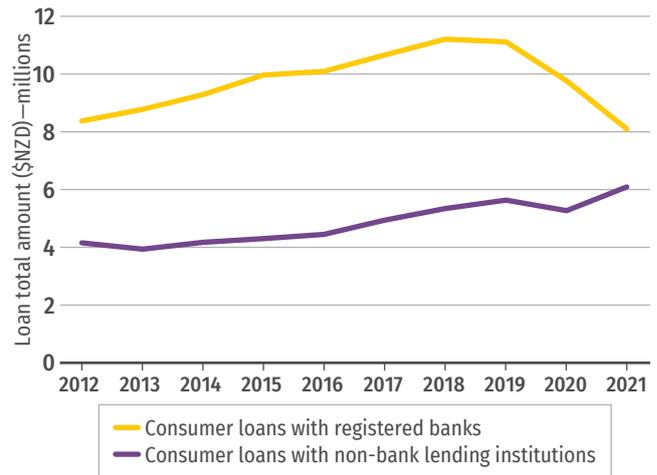
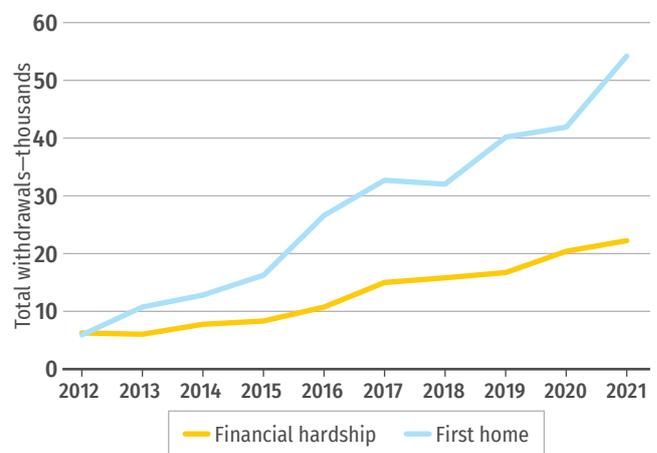


Figure 59: KiwiSaver withdrawals by reason—2012–2021 (June years)¹²¹



OVERALL ASSESSMENT: SOCIAL HAZARDS

CATEGORY	RESULT
<p>ALCOHOL Alcohol availability increased slightly in 2021. There are some encouraging changes in hazardous drinking behaviour; however, still some stubborn hazardous drinking results persist for 18- to 24-year-olds, Māori, Pasifika and those in poorer communities.</p>	NC
<p>ILLICIT DRUGS The trends regarding cannabis-related offences from previous years have continued, although there was a slight increase in the past year. But methamphetamine continues to dominate charges, convictions and wastewater detection.</p>	NC
<p>GAMBLING HARM There are some positive declines in gambling expenditure overall in the most recent year, but the major increase in gambling on NZ Lotteries Commission products—particularly on online digital products—indicates some current and future challenges around online gambling. The number of pokie machines has decreased slightly, but the remaining machines are increasingly profitable and remain located in areas of high social deprivation.</p>	NC
<p>PROBLEM DEBT AND FINANCIAL HARDSHIP Lending from non-bank financial institutions and KiwiSaver hardship withdrawals both increased in the past year. This indicates increased financial hardship for many New Zealanders, particularly in this Covid-19-affected environment.</p>	—

BIBLIOGRAPHY: SOCIAL HAZARDS

- 102** *Alcohol available for consumption data tables*, MOH. Retrieved from <http://infoshare.stats.govt.nz/> (accessed Nov 2021).
- 103** *Drinking in New Zealand*, ActionPoint, Auckland. Retrieved from <https://www.actionpoint.org.nz/drinking-in-new-zealand#:~:text=Note%3A%20'Hazardous%20drinking'%20refers,on%20the%20drinker%20or%20others> (accessed 15 Jan 2022).
- 104** Retrieved from https://minhealthnz.shinyapps.io/nz-health-survey-2020-21-annual-data-explorer/_w_733228fa/#!/explore-indicators (accessed 17 Nov 2021).
- 105** *New Zealand Health Survey 2020/21, Hazardous drinking data*, Ministry of Health, Wellington. Retrieved from <https://www.health.govt.nz/publication/annual-update-key-results-2020-21-new-zealand-health-survey> (accessed 17 Nov 2021).
- 106** *Drug offences tables*, MOJ, Wellington. Retrieved from <https://www.justice.govt.nz/justice-sector-policy/research-data/justice-statistics/data-tables/> (accessed 17 Nov 2021).
- 107** *Explainer: Everything you need to know about wastewater testing in NZ*, Stuff.co.nz, October 2021. Retrieved from <https://www.stuff.co.nz/national/explained/126553348/explainer-everything-you-need-to-know-about-wastewater-testing-in-nz> (accessed 17 Nov 2021).
- 108** *National Wastewater Testing Programme*, New Zealand Police, Wellington. Retrieved from <https://www.police.govt.nz/about-us/publication/national-wastewater-testing-programme-quarter-1-2021> (accessed 17 Nov 2021).
- 109** It should be noted that the Police changed and realigned their data collection for this programme in December 2020, which meant that data from February and March 2020 was excluded from quarterly reporting. Retrieved from <https://www.police.govt.nz/about-us/publication/national-wastewater-testing-programme-quarter-2-2020> (accessed 15 Jan 2022).
- 110** *Gambling Expenditure*, DIA, Wellington. Retrieved from <https://www.dia.govt.nz/gambling-statistics-expenditure> (accessed 17 Nov 2021).
- 111** *Just a Click Away: Online gambling in Aotearoa*, Social Policy and Parliamentary Unit, The Salvation Army. Retrieved from https://www.salvationarmy.org.nz/sites/default/files/files/%5Bfile_field%3Atype%5D/sppu_onlinegamblingreport_april2021.pdf (accessed 17 Nov 2021).
- 112** *Integrated Report 2020/21*, Lotto NZ. Retrieved from <https://assets.mylotto.co.nz/assets/uploads/f9fd2390-509d-11ec-b7e0-455213321d7c.pdf> (accessed 15 Jan 2022).
- 113** *Ibid*, page 10.
- 114** *Ibid*.
- 115** *Gambling Expenditure Statistics Report*, DIA, Wellington. Retrieved from <https://catalogue.data.govt.nz/dataset/gambling-expenditure-statistics/resource/941f3304-75a7-48b7-8af0-8d6733881a36> (accessed 17 Nov 2021).
- 116** *Third quarter pokie statistics reflect the impacts of COVID 19* (press release), DIA, Wellington. Retrieved from <https://www.dia.govt.nz/press.nsf/d77da9b523f12931cc256ac5000d19b6/2e22710cf0ba3662cc25862900014e92!OpenDocument> (accessed 17 Nov 2021).
- 117** *Data and statistics*, DIA, Wellington. Retrieved from <https://www.dia.govt.nz/Gambling-statistics> (accessed 17 Nov 2021).
- 118** *GMP Quarterly Dashboard September 2021*, DIA, Wellington. Retrieved from <https://catalogue.data.govt.nz/dataset/gaming-machine-profits-gmp-dashboard/resource/60081bcd-f2ae-4b97-8a9f-fe449fa59969> (accessed 17 Nov 2021).
- 119** *Ibid*.
- 120** *Statistics*, Reserve Bank of New Zealand, Wellington. Retrieved from <https://www.rbnz.govt.nz/statistics>, (accessed 17 Nov 2021).
- 121** *Datasets for KiwiSaver statistics*, IRD, Wellington. Retrieved from <https://www.ird.govt.nz/about-us/tax-statistics/kiwisaver/datasets> (accessed 17 Nov 2021).

MĀORI WELLBEING— INEQUITY IN THE SPOTLIGHT

The unprecedented task of attempting to vaccinate our country's whole population over 12 years of age against Covid-19 has brought the health inequities experienced by Māori into the front pages and living rooms of everyone in our nation. Our health system is not set up as well as it should be to provide health services to the communities where most Māori live. In late 2021, over 90% of the eligible population was fully vaccinated, but the rate for Māori was much lower at 77%. Whilst a hugely successful vaccination programme overall, it still contained significant unfairness and vulnerability.¹²²

This section of the *State of the Nation* focusses on other social impacts in our country and the pattern of unfair and inequitable outcomes for Māori that exists across most of the indicators. It highlights areas that show positive examples where change to improve outcomes and reduce inequities is happening, as well as identifying areas where long-standing inequity remains.

This commentary uses the He Ara Waiora wellbeing framework to group outcome measures from across the five areas covered in the *State of the Nation 2022* report into four domains of wellbeing (**Figure 60**). He Ara Waiora was developed through drawing on mātauranga Māori to provide a framework to measure progress towards wellbeing being grounded in wai (water) and ora (life).¹²³ The domains of wellbeing identified as Mana Āheinga (capacity, opportunity and function) Mana Taūtūtu (reciprocity), Mana Whanake (growth and development) and Mana Tuku Iho (utilising inherited knowledge) express aspects of wellbeing that Māori view as essential to fulfilled lives, to live the kind of life they value.

Official measures for these domains are still to be developed. In this report, we look at the outcomes we are monitoring in the *State of the Nation* across the domains of He Ara Waiora in an attempt to assess progress, recognising that currently available data does not capture all aspects of Māori wellbeing.

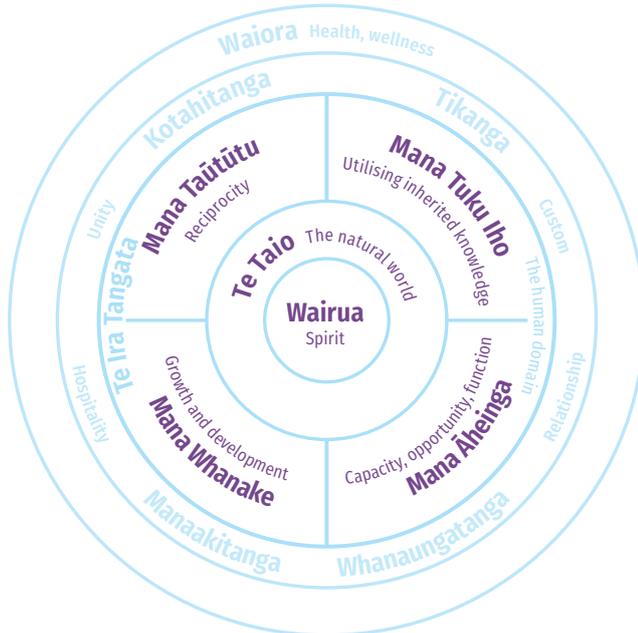
Improving

Five years ago in 2016, 386 rangatahi (youth) aged 17 to 19 years old were sent to prison; in 2021 that number fell to 84. Over the same time period, 1236 rangatahi aged between 12 to 16 years old were charged in court; in 2021 that number had more than halved to 600 (**Table 28**, p.61). Changes made to how police and the justice system deal with offending by young people mean different methods are being found to hold young offenders accountable for their actions. For those who go to court, initiatives, such as Rangatahi Courts, are an example of using an approach that gives rangatahi a chance to find their place in te ao Māori (the Māori worldview) while facing the consequences of their actions and finding ways to restore damaged relationships.

Declining

The crisis of unaffordable housing is impacting Māori deeply and it has worsened over the past year, with Māori almost five times more likely to need social housing (**Table 28**, p.61). Exciting and innovative Māori-led housing projects are underway, but there is a huge continuing need for housing that is in the right place and of the right design to meet the needs of whānau (families).

Figure 60: He Ara Waiora wellbeing framework



Mana Ōhanga (capacity, opportunity, function)

This domain looks at the capacity of Māori to achieve wellbeing, and this year the measures show on balance more improvements than declines (Table 24). Incomes, employment and education are all ways to build capacity in this domain, while imprisonment, alcohol and drug addiction directly reduce capacity. Small improvements in student engagement and continuing falls in illicit drug offending are places where capacity improved, while the reducing imprisonment rate is beginning to unwind the deep harm of the enormous disparity in rates between Māori and non-Māori in prison. Personal incomes are higher than five years ago and unemployment lower than five years ago; this helps to build financial wellbeing. The Early Childhood Education (ECE) enrolment rate for Māori children fell during 2020, then increased again in 2021, but is still below the pre-Covid-19 level. A continuing concern is the lack of progress towards reducing hazardous drinking that affects more than a third of Māori.

Table 24: Mana Ōhanga wellness indicators

Indicator	Measure	Equity	Outcome
Early childhood education (ECE) enrolment	Proportion of children aged under 5 years old enrolled in ECE	NC	NC
Student engagement	Stand-downs per 1000 students (2016–2020)	+	+
Unemployment	Official unemployment rate	-	+
Personal incomes	Average weekly personal income for those employed	NC	+
Imprisonment rate	Number of people imprisoned—per 100,000 population (18+ years)	-	+
Hazardous drinking	Proportion of adult population as hazardous drinkers	-	-
Illicit drug offending	People convicted of illicit drug offences per 1000 people	+	+

Mana Taūtūtu (reciprocity)

Capability and capacity to give and receive support in relationships of mutual benefit is essential to wellbeing. The decline in family/whānau wellbeing measured over the year to March 2021 sums up a series of worsening outcomes in this area (Table 25). The way income is shared means that despite rising incomes, Māori remain disproportionately represented among the lower income earners, and this is reflected in the need for social housing and welfare support to remain high or increase. Even with far fewer tamariki (children) Māori going into state care, they remain three times more likely to be in state care than non-Māori children.

Table 25: Mana Taūtūtu wellness indicators

Indicator	Measure	Equity	Outcome
Children in state care	Children in state care per 1000 children	+	+
Welfare support	Adults receiving a benefit as a percentage of population aged 18–64 years old	NC	-
Income distribution (2015–2020)	Proportion of adults in lowest three income deciles (2015–2020)	-	NC
Demand for social housing	Number on social housing waiting list per 1000 population (September quarter)	-	-
Whānau wellbeing	Proportion of whānau doing badly or not well (0–6 out of 10 self-rated) GSS + HLFS add-on 2020–21	-	-

Mana Whanake (growth and development)

Modest improvements in outcomes across some measures affecting younger Māori provide tentative grounds for hope for the emerging generation of young people, even as large disparities remain. The number of young people offending and the number of young people sent to prison are significantly less than five years ago and continue to fall, and the reimprisonment rate for all ages has also reduced (Table 26). Very few babies die in their first year in this country, and the disparity in the rate for Māori compared to non-Māori is reducing. This, along with lower teenage pregnancy rates, is a further sign of hope that rangatahi are building stronger foundations for the future.

Table 26: Mana Whanake wellness indicators

Indicator	Measure	Equity	Outcome
Teenage pregnancies	Pregnancies to 15- to 19-year-olds per 1000 15- to 19-year-old women (2015–2020)	+	+
Infant mortality	Infant deaths (<1 year old) for every 10,000 live births	+	+
Youth offending	Overall offending rate by 12- to 16-year olds per 1000 population	+	+
Youth unemployment	Proportion of 15- to 24-year-olds NEET	-	+
Prison sentencing rates	Proportion of convicted 17- to 19-year-olds who are imprisoned	-	+
Recidivism	Reimprisoned within 24 months of release	NC	NC

Mana Tuku Iho (utilising inherited knowledge)

There is limited new data on how much progress has been made to develop the use of inherited knowledge within te ao Māori. The negative impact of Covid-19 on education outcomes shows in the increased proportion of Māori students leaving school without NCEA Level 1 (Table 27). This is the only *State of the Nation* report measure that falls within this domain of wellbeing. Updates of indicators of use of te reo Māori language or cultural engagement are not available.

Table 27: Mana Tuku Iho wellness indicators

Indicator	Measure	Equity	Outcome
Student achievement	Proportion of school leavers leaving with less than Level 1 NCEA (2016–2020)	-	-
Te reo	Te Kupenga (2013–2018)	NA*	NA*
Cultural engagement	Te Kupenga (2013–2018)	NA*	NA*

* Data not available.

See Table 28 (p.61) for details of the indicators summarised in this section.

Table 28. Māori wellbeing indicators 2016–2021

INDICATOR	MEASURE	He Ara Waiora													
		Domain	2016 Māori	2016 Non-Māori	2016 Outcome	2020 Māori	2020 Non-Māori	2020 Outcome	2021 Māori	2021 Non-Māori	2021 Outcome	Ratio 2016	Ratio 2020	Ratio 2021	Outcome Improving
Early childhood education (ECE) enrolment	Proportion of children aged under 5 years old enrolled in ECE	M Ah	54.4%	70.8%	53.3%	65.7%	54.4%	67.5%	0.8	0.8	0.8	NC	NC	NC	NC
Student engagement	Stand downs per 1000 students (2016–2020)	M Ah	37	15	49	21	39	17	2.4	2.4	2.3	+	+	+	+
Unemployment	Official unemployment rate	M Ah	11.4%	4.2%	8.3%	4.0%	7.6%	3.1%	2.7	2.1	2.5	+	+	+	–
Personal incomes	Average weekly personal income for those employed	M Ah	\$927	\$1111	\$1084	\$1215	\$1128	\$1309	0.8	0.9	0.9	+	+	+	NC
Imprisonment rate	Number of people imprisoned per 100,000 population (18+ years)	M Ah	960	145	940	139	814	120	6.6	6.8	6.8	+	+	+	NC
Hazardous drinking	Proportion of adult population as hazardous drinkers	M Ah	31.5%	19.2%	36.4%	18.8%	33.2%	17.6%	1.6	1.9	1.9	–	–	–	–
Illicit drug offending	People convicted of illicit drug offences per 1000 people	M Ah	2.2	0.5	1.5	0.3	1.4	0.3	4.3	4.7	4.2	+	+	+	+
Children in state care	Children in state care per 1000 children	M Ta	10.3	2.8	11.3	2.9	9.6	2.7	3.7	3.8	3.5	+	+	+	+
Welfare support	Adults receiving a benefit as % of population aged 18 to 64 years old	M Ta	23%	7.3%	23%	7.3%	26.3%	8.5%	3.2	3.2	3.1	–	–	–	NC
Income distribution (2015–2020)	Proportion of adults in lowest three income deciles (2015–2020)	M Ta	35.8%	29.3%	35.1%	28.3%	35.7%	27.9%	1.2	1.2	1.3	NC	NC	–	–
Demand for social housing	Number on social housing waiting list per 1000 population (September quarter)	M Ta	2.4	0.6	12.4	2.6	14.1	2.9	3.9	4.8	4.9	–	–	–	–
Whānau wellbeing	Proportion of whānau doing badly or not well (0–6 out of 10 self-rated) GSS + HLFS add-on 2020–21	M Ta	24.1%	17.7%	17.5%	13.8%	21.5%	15.8%	1.4	1.3	1.4	–	–	–	–
Student achievement	Proportion of school leavers leaving with less than Level 1 NCEA (2016–2020)	M Tu	18%	7.6%	20.9%	8.8%	22.5%	8.2%	2.4	2.4	2.8	–	–	–	–
Te reo	Te Kupenga (2013–2018)	M Tu	54.7%	48.5%	48.5%	48.5%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Cultural engagement	Te Kupenga (2013–2018)	M Tu	46.3%	45.3%	45.3%	45.3%	NA	NA	NA	NA	NA	NA	NA	NA	NA
Teenage pregnancies	Pregnancies to 15- to 19-year-old women per 1000 (2015–2020)	M Wh	51	18	41	14	38	15	2.9	2.8	2.6	+	+	+	+
Infant mortality	Infant deaths (<1 year old) for every 10,000 live births	M Wh	56	32	59	36	55	41	1.7	1.7	1.4	+	+	+	+
Youth offending	Overall offending rate by 12- to 16-year-olds—per 1000 population	M Wh	16.2	3.0	9.0	1.9	6.9	1.6	5.3	4.8	4.4	+	+	+	+
Youth unemployment	Proportion of 15- to 24-year-olds NEET	M Wh	20%	10%	19.4%	11.1%	19.6%	9.5%	2.0	1.8	2.0	+	+	+	–
Prison sentencing rates	Proportion of convicted 17- to 19-year-olds who are imprisoned	M Wh	11.9%	6.5%	9.2%	2.6%	7.2%	1.8%	1.8	3.5	4.0	+	+	+	–
Recidivism	Reimprisoned within 24 months of release	M Wh	44.8%	34.2%	45.8%	36.3%	44.8%	33.7%	1.3	1.3	1.3	NC	NC	NC	NC

Note: Population estimates from StatsNZ were revised based on 2018 Census results so ratios were recalculated to reflect revised population estimates 2015–2021.

BIBLIOGRAPHY: MĀORI WELLBEING

- 122** *Haumarū—The Covid-19 Priority Report*, WAI 2575, Waitangi Tribunal, December 2021. Retrieved from <https://www.waitangitribunal.govt.nz/news/tribunal-releases-priority-report-on-covid-19-response/> (accessed 17 Jan 2022).
- 123** *He Ara Waiora*, The Treasury. Retrieved from <https://www.treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/he-ara-waiora> (accessed 17 Jan 2022).