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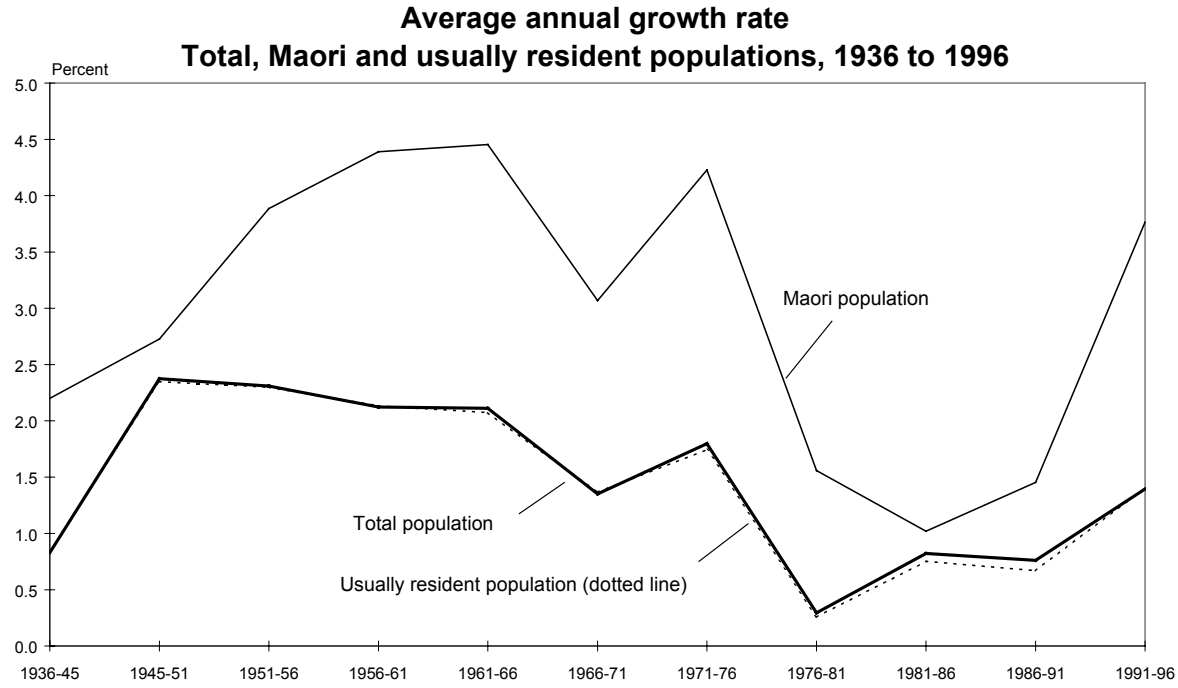
Population profile

Population size and rate of growth

At the end of March 1999, there were over 3.8 million New Zealand residents (3,807,500).[1]

In the five years to March 1996, the resident population grew by an average of 1.4 percent per year, about twice the rate of growth recorded in the two previous intercensal periods (Figure 1). Growth has since slowed, from 1.3 percent in the year to March 1997, 0.9 percent in the year to March 1998, and 0.5 percent in the year to March 1999. Under medium population projection assumptions, population growth will be around 0.7 percent per year by 2006.[2]

Figure 1



Sources: Statistics NZ, 1996 Census, *Population and Dwelling Statistics*, Table 1, *Maori*, Table 1 and *Population Structure and Internal Migration*, Table 1.

The Maori population continues to grow at a faster rate than the non-Maori population. In the five years to 1996, the average annual growth rate of the Maori population was 3.8 percent, compared with 1 percent for non-Maori. At the 1996 Census, 523,374 people identified with the Maori ethnic group, an increase of 20 percent since 1991. As a proportion of the total resident population, the Maori ethnic group increased from 13 percent in 1991 to 15 percent in 1996. Of those who identified as Maori in 1996, four in five were able to name one or more of their iwi.[3]

There are three main reasons for the higher growth of the Maori population. Firstly, Maori women continue to have higher fertility rates than non-Maori women: in 1997, the total fertility rate for Maori women was 2.7 births per woman, compared with 1.8 for non-Maori women.[4] Secondly, non-Maori women also contribute to Maori births when the father is Maori: about one in five Maori babies have a Maori father and a non-Maori mother. Thirdly, the Maori population has a relatively larger proportion in the main reproductive ages.

Other reasons include a change after 1981 in the statistical definition of Maori, and changes in the census ethnicity question. From 1986, the emphasis shifted from biological criteria, such as "half or more Maori blood", to cultural affiliation, and multiple responses to the census ethnicity question have increasingly been encouraged. It is probable that the high growth rate of the Maori population over the five years to 1996 was

[1] Provisional estimate as at 31 March 1999, Statistics New Zealand.
[2] Assuming medium fertility, medium mortality and long-term net migration of 5,000 per year.
[3] Statistics New Zealand (1998) *New Zealand Now - Maori*, p14.
[4] Statistics New Zealand, *Demographic Trends 1998*, revised Table 2.11 supplied by SNZ.

influenced in part by an increase in people identifying as Maori. There was a marked increase in the proportion of New Zealanders identifying with more than one ethnic group in the 1996 Census (15 percent, compared to 5 percent in 1991). Almost half of all Maori identified with at least one other ethnic group, compared to only one-quarter in 1991.[5]

Regional population growth

Population growth between 1991 and 1996 varied widely between regions. Auckland, destination for many new external migrants, is the fastest growing region and has the largest population, with just over 1 million residents. In 1996, the Auckland region was home for 30 percent of the total resident population, and 24 percent of the Maori population (Table 1). Three in every four New Zealand residents live in the North Island. The majority of Maori (58 percent) live in the four northern regions of Auckland, Waikato, Bay of Plenty and Northland; only 12 percent of Maori live in the South Island. The largest concentrations of Pacific Islands ethnic groups are in the Auckland and Wellington urban areas: in 1996, 52 percent lived in Southern and Central Auckland; 78 percent lived in the combined urban areas of Auckland and Wellington. More than half of Asians resident in New Zealand live in the Auckland urban area (58 percent), and another fifth in Wellington and Christchurch (21 percent).

Urban/rural distribution of population

Levels of urbanisation in New Zealand vary widely by ethnic group. While 85 percent of all residents lived in urban areas in 1996, the proportions ranged from 83 percent for Maori to 98 percent for Pacific Islands and Asian residents. Compared with other ethnic groups, Maori are less likely to live in main urban areas and more likely to live minor urban areas with populations under 10,000 (Table 2).

The movement of Maori to the cities following the Second World War was rapid, especially in the 1960s. The 1980s brought a new trend of "return migration" to traditional tribal areas, particularly by families and older people. Many may have moved because of unemployment in the cities. There was a large net outflow of Maori from Auckland and Wellington in the late 1980s and large net inflows into the Northland and the Bay of Plenty regions. In the early 1990s, net internal migration flows of Maori were smaller, with only one region (Bay of Plenty) recording a net inflow of more than 1,000 Maori between 1991 and 1996.[6]

[5] Statistics New Zealand (1998) *New Zealand Now - Maori*, pp13-14.
[6] Statistics NZ (1994), *New Zealand Now - Maori*, p11; Statistics NZ (1998) *New Zealand Now - Maori*, p29.

Table 1

Regional population size and distribution, 1996 and growth since 1991

Regional Council area	Total resident population			Maori resident population		
	Number in 1996	% change 1991-1996	% in region	Number in 1996	% change 1991-1996	% in region
Northland	137,052	8.1	3.8	41,499	16.5	7.9
Auckland	1,068,645	13.2	29.5	126,414	22.0	24.2
Waikato	350,124	5.8	9.7	71,679	19.5	13.7
Bay of Plenty	224,364	10.0	6.2	62,745	18.0	12.0
Gisborne	45,786	3.4	1.3	19,389	8.8	3.7
Hawke's Bay	142,788	3.2	3.9	31,650	12.1	6.0
Taranaki	106,587	-0.5	2.9	14,985	17.4	2.9
Manawatu-Wanganui	228,771	1.8	6.3	39,999	15.7	7.6
Wellington	414,048	3.4	11.4	49,674	18.1	9.5
Tasman	37,971	11.6	1.0	2,610	60.5	0.5
Nelson	40,278	10.5	1.1	3,015	76.6	0.6
Marlborough	38,397	9.2	1.1	3,906	40.6	0.7
West Coast	32,511	3.0	0.9	2,832	39.9	0.5
Canterbury	468,042	6.8	12.9	31,011	40.9	5.9
Otago	185,085	4.3	5.1	10,905	47.2	2.1
Southland	97,098	-2.9	2.7	10,638	16.5	2.0
New Zealand	3,618,303	7.2	100	523,371	20.4	100

Source: SNZ, 1996 Census, *Regional Summary*, Table 1*; Maori*, Table 2.

Table 2

Urban and rural residence, by ethnic group 1996

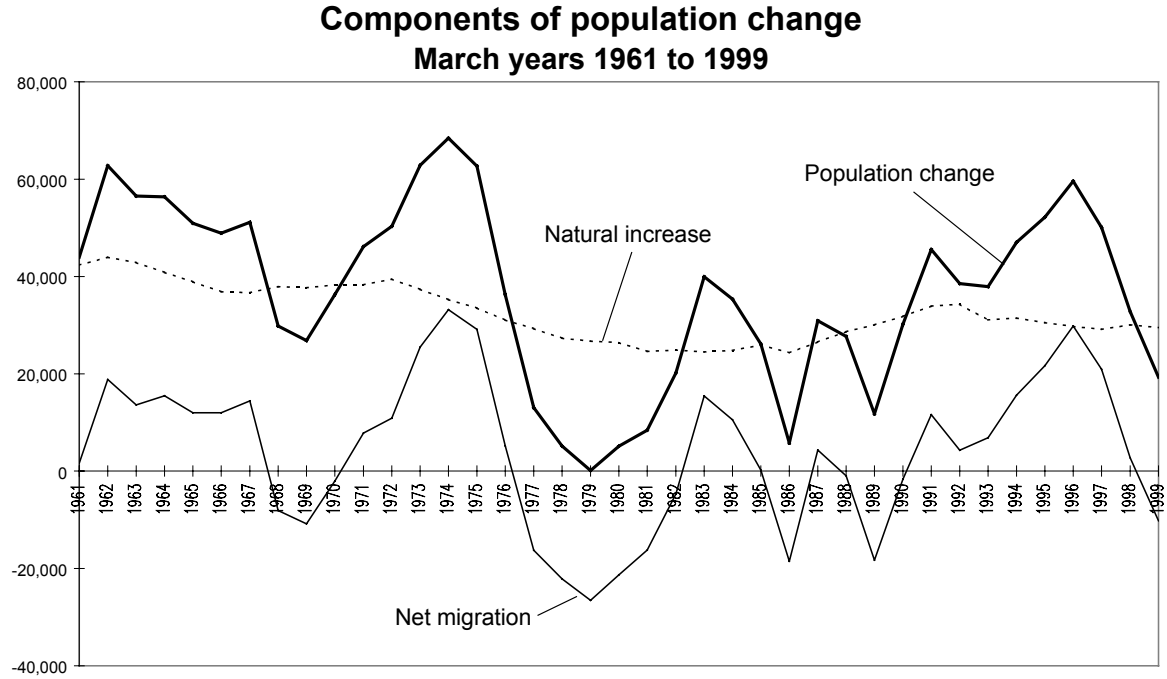
	European	NZ Maori	Pacific Island	Asian	Other	Total
			Percent			
Urban						
Main urban area (30,000+)	68	62	93	93	90	69
Secondary urban area (10,000-29,999)	8	8	3	2	3	7
Minor urban area (1,000-9,999)	9	14	2	2	3	9
Total urban	84	83	98	98	96	85
Rural	16	17	2	2	4	15
Total	100	100	100	100	100	100

Source: SNZ, *1996 Census, Regional Summary*, Table 4.

Migration and population change

While natural increase (excess of births over deaths) accounts for most of the growth of the New Zealand population, fluctuations in outward and inward migration have strongly influenced the pattern of growth over time (Figure 2). Net migration accounted for over a third of population growth between 1993 and 1998. However, there has since been a turnaround in the external migration balance. Permanent and long-term departures exceeded arrivals by 10,200 in the year to March 1999, the first annual net migration loss since the late 1980s.

Figure 2



Source: Statistics NZ, *Demographic Trends 1997,* Table 1.5; INFOS; Hot Off the Press, *Population Estimates – March 1999 Quarter*.

New Zealanders and Australians account for the largest migration inflows and outflows and immigration policy has no direct effect on this group. Departures of New Zealanders and Australians resident in New Zealand have outstripped arrivals since March 1988 and this divergence is increasing. Men have tended to outnumber women among those migrating to Australia.

Over the last decade, there was a large increase in the number of overseas people given approval to live in New Zealand, reaching a peak of 56,000 in 1995.[7] North Asia has displaced Europe as the main source of intending migrants to New Zealand in the 1990s.

Migrants tend to have a more youthful profile than the population as a whole, with a high proportion in the working age groups. Of new immigrants counted in the 1996 census, more than 2 in 5 were aged 25-44 and a further 1 in 4 were children under 15.[8]

[7] New Zealand Immigration Service. Intending migrants given residence approval in a particular year do not necessarily arrive in the same year.

[8] Statistics New Zealand (1997) *New Zealand Now - People and Places*, pp30. "New immigrants" are defined as usual residents who were born overseas and were living overseas (or not born) at the 1991 Census.

Growing ethnic diversity

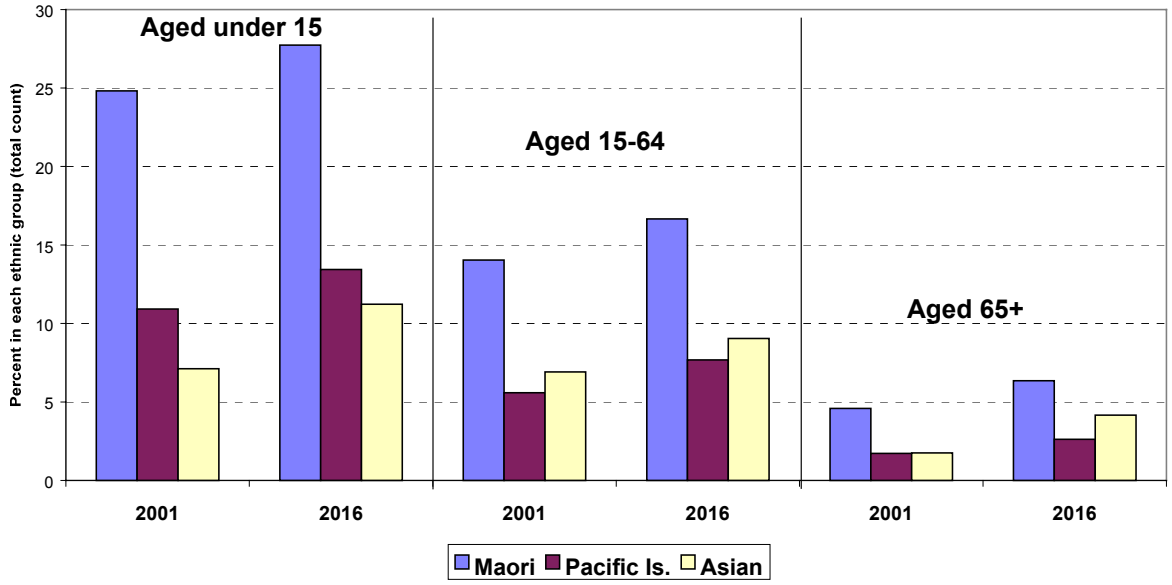
The ethnic composition of the New Zealand population has changed markedly over the last decade, the dominant European only group having declined from 82 percent to 75 percent of those who specified their ethnic affiliation (Appendix Table 1). The ethnic diversity of the population will continue to grow because of the younger age structures and faster growth of the non-European ethnic groups. In 1996, 15 percent of the population identified with the Maori ethnic group, 6 percent with Pacific Islands ethnic groups, and 5 percent belonged to Asian ethnic groups.[9] By 2016, Maori will make up 17 percent of the population, Pacific Islands people 8 percent, and Asians 9 percent.

Ethnic diversity is greatest among young New Zealanders. In 1996, 24 percent of children under 15 were identified as Maori, 10 percent Pacific Islands and 6 percent Asian. By 2016, these proportions will have grown to 28 percent, 13 percent and 11 percent, respectively (Figure 3).

Ethnic diversity is less pronounced among older New Zealanders but is rapidly increasing. In 1996, 4 percent of people aged 65 and over were Maori, 1 percent Pacific Island, and 1 percent Asian. By 2016, these proportions will be 6 percent, 3 percent and 4 percent, respectively (Figure 3).

Figure 3

Ethnic distribution of the population, by age group
Projections for 2001 and 2016



Source: Statistics New Zealand, 1996-based resident population projections, assuming medium fertility, mortality, migration and inter-ethnic mobility, and long-term annual net migration of: Total population, 5,000; Maori ethnic group, -500; Pacific Islands population, 1,000; and Asian population, 4,000. Maori, Pacific Islands and Asian projections are based on a total count of all those who identified with these ethnic groups at the 1996 census, whether or not they also identified with other ethnic groups.

Table 3 shows Maori and Pacific Islands people as a proportion of the population in different age groups over the next 50 years. It is projected that by the year 2051, the Maori ethnic group population will almost double in size to number around 993,000, or 22 percent of the total New Zealand population. The Pacific Islands population will more than double over the same period, to reach 13 percent of the total population in 2051.

Table 3

Maori and Pacific Islands people
as a proportion of the projected resident New Zealand population
by age group, 1996 to 2051

[9] Includes all those who identified with these ethnic groups, some of whom belong to more than one group.

Age (years)	1996	2001	2006	2011	2016	2021	2026	2031	2036	2041	2046	2051
						Maori						
						Percent						
0-16	24	24	25	26	27	29	30	31	32	33	35	36
15-24	19	20	21	22	23	24	25	26	27	28	29	30
25-44	14	15	16	17	18	19	20	21	22	23	24	25
45-64	9	9	10	11	12	13	14	15	16	17	18	18
65+	4	5	5	6	6	7	8	9	9	10	11	11
All ages	15	15	16	17	17	18	18	19	20	20	21	22
						Pacific Islands						
						Percent						
0-16	10	11	12	13	13	14	16	17	18	20	21	23
15-24	7	9	9	11	12	13	13	14	15	17	18	20
25-44	5	6	7	7	8	10	11	11	12	13	14	15
45-64	3	4	4	4	5	5	6	7	8	9	10	10
65+	1	2	2	2	3	3	3	4	4	5	5	6
All ages	6	6	7	7	8	9	9	10	11	12	12	13

Sources: Statistics New Zealand, 1996-based resident Maori ethnic group and Pacific Islands population projections, assuming medium fertility, mortality, migration and inter-ethnic mobility; 1996-based resident total population projections, assuming medium fertility and mortality, long-term net migration of 5,000 per year.
These projections are based on total counts of Maori and Pacific Islands ethnic groups; individuals may belong to both ethnic groups.

Regional variations in ethnic diversity

There are wide regional variations in the ethnic composition of the population. For example, among children, the proportion who are Maori ranges from 59 percent in Gisborne, 48 percent in Northland and 44 percent in the Bay of Plenty, to 12 percent in Tasman and Canterbury and 11 percent in Otago (Appendix Table 2). The ethnic diversity of the child population is most pronounced in the Auckland region, particularly in Central Auckland, where there are more Pacific Islands than Maori children and 15 percent of children are Asian. Children of solely European ethnic origin are now a minority in many parts of the North Island, including Central Auckland (42 percent), Southern Auckland (34 percent), and the Wellington city of Porirua (38 percent). Porirua, Southern and Central Auckland, and Tokoroa have the highest proportions of Pacific Islands children (Appendix Table 3).

Changes in the age structure of the population

Over the medium term (10-20 years), the number of children is expected to decline, growth in the main working ages will slow, and there will be a rapid rise in the number of older people. As a result, the age structure of the population will change dramatically, with proportionately more people in the older age groups. Population "ageing" is also occurring within each of these three broad age groups and this has important implications for social policy, which are outlined in the following sections.

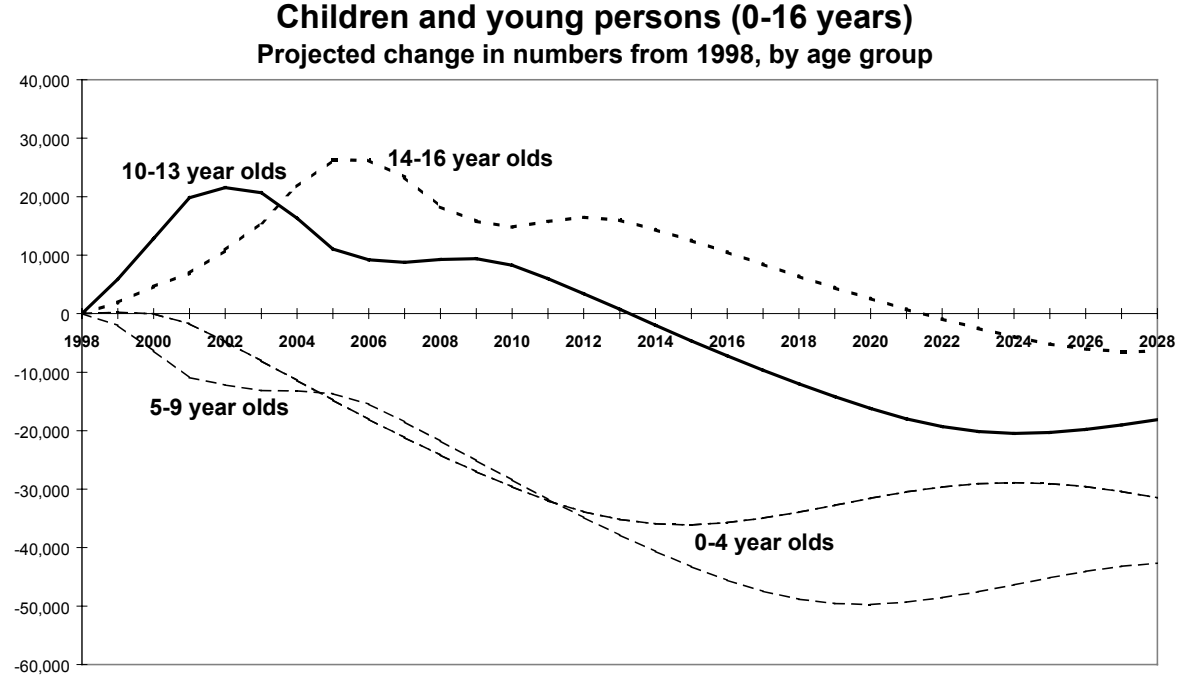
Children and young persons

The child population is ageing as the relatively large number of children born in the late 1980s and early 1990s moves out of middle childhood. By 2002, the number of 10-13 year olds is expected to be about 20,000 higher than in 1998, and two or three years later there will be a similar increase in the number of 14-16 year olds (Figure 4). In percentage terms, the increases will be more pronounced among Maori and Pacific Island children, and children in the Auckland urban area (Appendix Table 4). Nationally, the number of children under 10 will begin to decline from 1999, but will continue to rise in Auckland.

These trends have implications for the mix of services demanded of the Children, Young Persons and Their Families Service. Historically, demand for care and protection services has been associated with children under 14, while demand for youth justice services has been associated with those aged over 14.

Children under 15 years are a declining proportion of the population, having fallen from 30 percent to 23 percent over the past twenty years, and are projected to drop further to 19 percent by 2011 (Appendix Table 7).

Figure 4



Source: Resident population projections (1996 base), assuming medium fertility/mortality, net long-term annual migration of 5,000.

Working-age population

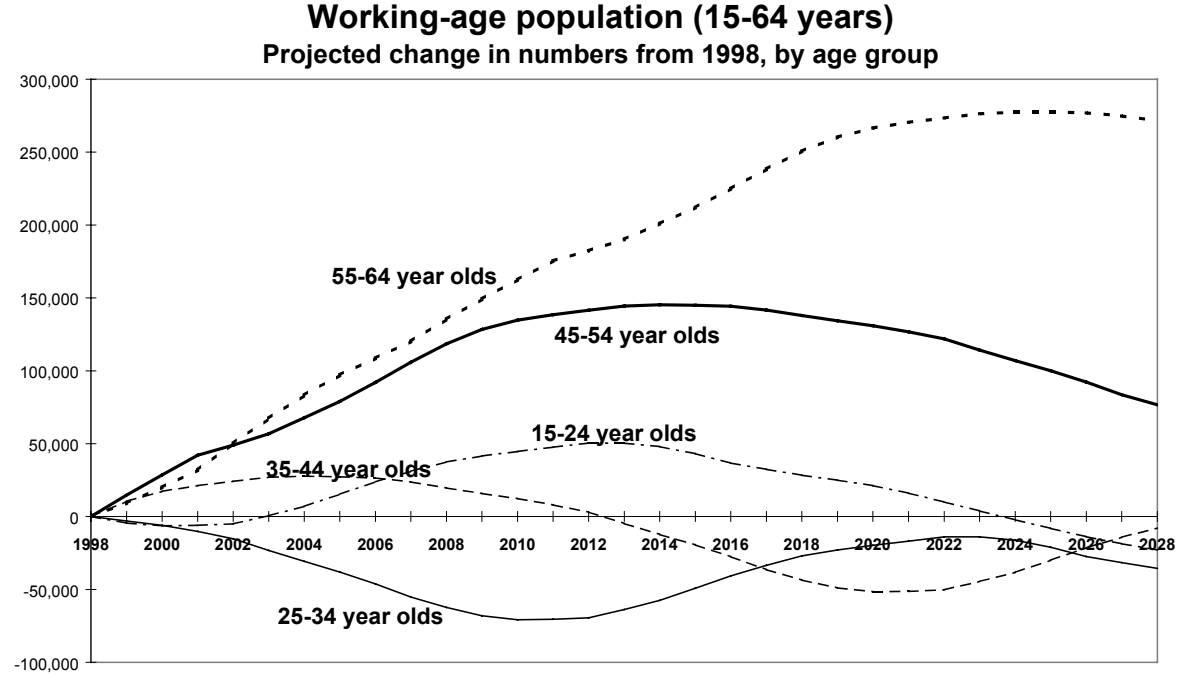
Over the next two decades, the age structure of the population aged 15-64 years will alter substantially. The proportion in the late working ages of 55-64 will increase rapidly from 13 percent in 1998 to 20 percent by the year 2017. Higher participation in tertiary education will further hasten the ageing of the labour force within this population.

Flows into the young working ages of 15-24 have declined in recent years as a result of the low birth rates of the late 1970s and early 1980s. Early in the new century, these flows will increase again (Figure 5). If current rates of benefit receipt for this age group remain unchanged, the number of young adults on benefits is likely to rise slightly as a result of this population growth.

Growth in the prime working ages of 25-54 is slowing and is expected to plateau by 2010. Within this age group, the number of people aged 25-34 (the peak years for childbearing among non-Maori) will start declining around the turn of the century, while the number aged 35-44 will continue to increase moderately over the next decade. These trends are likely to reduce the proportion of families with young children. The proportion of mothers employed may rise, reducing demand for the domestic purposes benefit, but increasing the demand for after-school child care.

Rapid growth in the number of older working age people will mean that by 2010, there will be 29 percent more people aged 45-54 and 51 percent more people aged 55-64 than there were in 1998. Consequently, the number of people whose ability to compete in the labour market has been reduced by age-related sickness, disability, long-term unemployment or responsibility for the care of others will rise. Thus, demand for income support for older working age people is likely to increase both before and after the baby-boom generation reaches 65.

Figure 5



Source: Resident population projections (1996 base), assuming medium fertility/mortality, net long-term annual migration of 5,000.

Older population

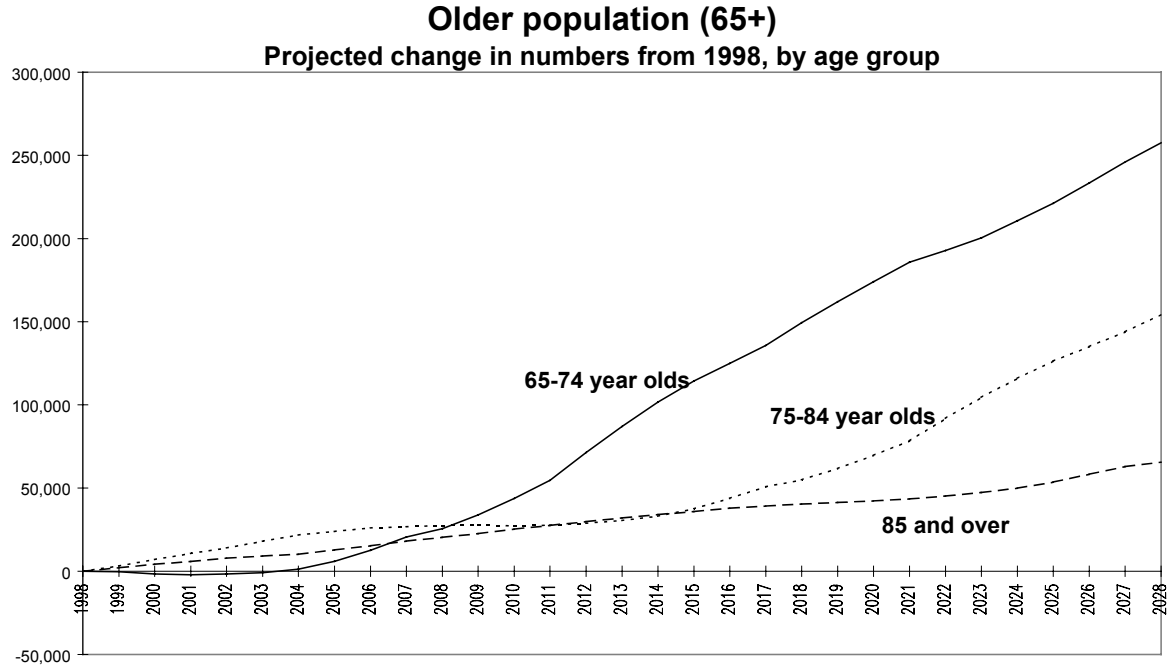
Like many other developed countries, New Zealand's population has been "ageing" as a result of declining birth rates and improvements in life expectancy in recent decades. Older people are a growing proportion of the population; the 65 plus age group made up 12 percent of the population in 1998, up from 9 percent in 1976 (Appendix Table 7). These proportions are expected to increase rapidly after the year 2011, as the large post-war baby boom generations enter the 65 plus age group, boosting it from 13 percent of the population in 2011 to 17 percent in 2021 and 21 percent in 2031.

The number of older New Zealanders is currently growing at a rate of around 1 percent per year. This growth rate will increase early in the new century and accelerate to over 3 percent per year after 2011 as members of the post-war baby boom generation begin turning 65. These increased numbers and proportions of older people present a major policy challenge, particularly in respect of retirement income support, health, and community support services.

Within the older population, it is the oldest group aged 85 or more that is growing the fastest (currently nearly 5 percent per year). The rapid growth of the very old population will intensify demand for services such as long-term residential care. In 1996, almost one in four people aged 85 or over lived in a residential home.

Women make up the majority of the older population and their predominance increases with age. In 1998, women accounted for 52 percent of 65-74 year olds, 60 percent of 75-84 year olds and 70 percent of those aged 85 and over. This gender imbalance means that older women are more than twice as likely as older men to live alone (37 percent compared to 17 percent) and twice as likely to be in residential care. Three in every four people living in residential homes in 1996 were women.

Figure 6



Source: Resident population projections (1996 base), assuming medium fertility/mortality, net long-term annual migration of 5,000.

Age structure by ethnic group

The age distribution of the main ethnic groups in New Zealand varies widely, with Maori and Pacific Island ethnic groups having much younger populations than those whose ethnic group is European only. Over half of all Maori and Pacific Islands people are aged under 25 years, compared with a third of solely European New Zealanders (Table 4). Asian New Zealanders have the highest proportion in the middle working ages, reflecting the impact of recent high levels of migration of people from Asian countries who are in these ages.

Higher levels of unemployment and sole parenting among Maori and Pacific Islands people can be partly explained by differences in age structure: higher proportions of these populations are in the ages most likely to experience unemployment or to have children.

Table 4

Age distribution by ethnic group
1996

	European only	Maori	Pacific	Asian
		Percent		
Under 15	19	38	35	25
15-24	13	19	19	21
25-44	30	29	30	37
45-64	23	12	12	14
65+	15	3	3	3
Total	100	100	100	100

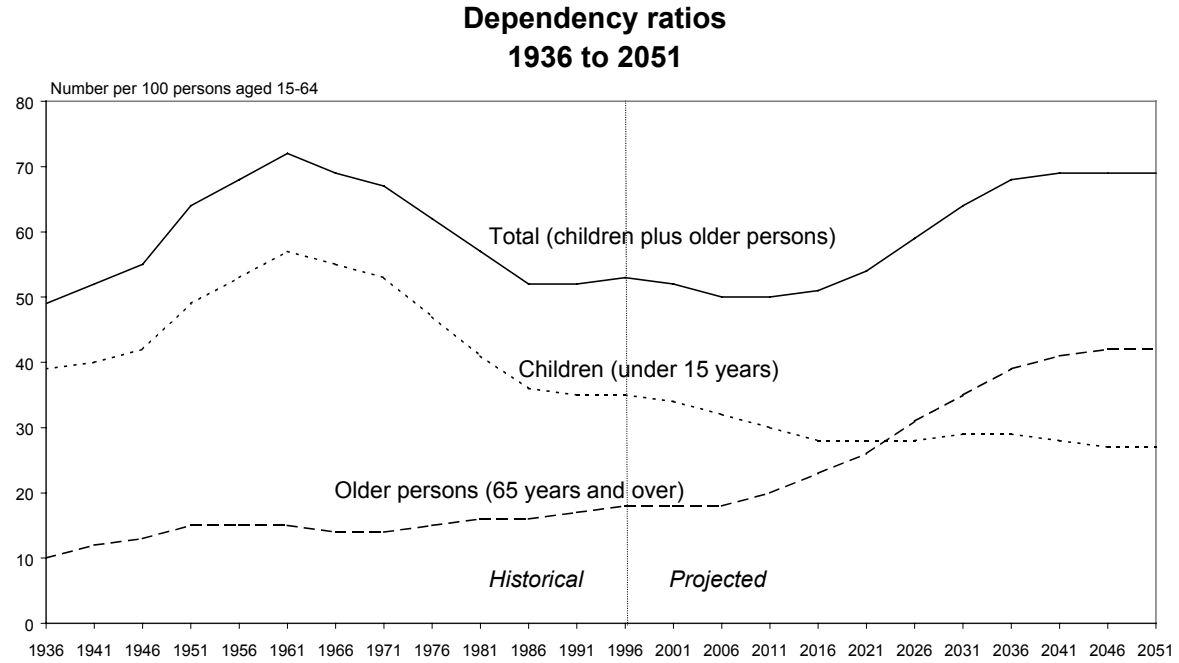
Source: SNZ, 1996 Census data, Supermap3 database.

Dependency ratios

Dependency ratios are summary measures of the age structure of populations and can take a number of different forms. The simplest version is the population-based dependency ratio, defined as the number of children plus the number of older people for every person in the main working ages. A weakness of this measure is that it gives equal weight to the resource demands imposed by the young and the old and does not take account of the number of people of working age who are dependent on income from the state or from other family members. However, it is useful as a guide to broad changes in levels of age-related dependence over the long term.

Child dependency has dominated for most of the post-war period, but this will reverse at the end of the first decade of the new century as members of the baby boom generation reach 65 and the ratio of children to adults continues to decline (Figure 7). However, a decline in this ratio does not necessarily mean reduced child dependence, as both family structures and the nature of family assistance have changed over time. In the years of the post-war baby boom, the costs of children were largely borne by parents, assisted by universal family benefits and a wage-fixing system that was said to provide sufficient for a man to support a dependent wife and children. Since the 1970s, the growing number of sole parent families and the introduction of wage supplementation have created new demands for state assistance.

Figure 7



Source: Statistics New Zealand (1997) *The Population Conference: Statistics for Presenters*, Table 1.10. Projections assume medium fertility and mortality and net annual migration of 5,000.

There are currently 18 people aged 65 and over for every 100 aged 15 to 64 years, and this ratio is expected to rise to 20 per 100 by the year 2011 under medium population projection assumptions. Beyond then, the older dependency ratio will increase rapidly to 2031, when there are expected to be 36 older people for every 100 adults in the main working ages (Appendix Table 8).

At the same time, the youth dependency ratio will have declined from its current level of 35 children under 15 for every 100 adults aged 15 to 64, to reach 29 per 100 by 2011. The youth dependency ratio is then expected to decline slightly in the period up to 2031, to 27-28 children per 100 adults of working age.

The total dependency ratio (youth plus older persons) is expected to decline in the first decade of the century from the current ratio of 52 children and older people per 100 aged 15 to 64, to 49 per 100 by 2011. This ratio is then expected to rise to 64 per 100 by the year 2031.

Dependency ratios are higher if only those persons in the labour force are counted in the denominator. Appendix Table 8 compares population-based and labour force-based dependency ratios for the period up to 2051.

Life expectancy

The life expectancy of New Zealanders is increasing: in 1986 a newborn boy could expect to live 71.1 years, a newborn girl 77.1 years; by 1996, these levels had improved to 74.3 and 79.6 years, respectively (Appendix Table 10). Most of the gains in life expectancy in recent years have been due to reductions in mortality at older ages, with reduced infant mortality playing a smaller role than in the past. Life expectancy in New Zealand remains below levels found in Japan, Australia, Canada, and many European nations.

The gender gap in life expectancy has narrowed over the past 20 years: a female born in 1976 could expect to live 6.4 years longer than a male; by 1996, this had reduced to 5.3 years. At age 65, men can expect to live a further 15.5 years and women, 19 years.

Historically, Maori life expectancy was much lower than non-Maori, but the gap has narrowed considerably over time. For example, in 1956, a newborn Maori girl had a life expectancy of 59 years, compared to the 74 years that a non-Maori baby girl could expect to live, a difference of 15 years. In 1996, the gap between Maori and non-Maori females at birth was 9 years.

Longer life expectancy means that savings accumulated during periods of employment will need to last longer. Gender and ethnic differences in life expectancy, employment and income need to be taken into account in developing retirement income policies which are equitable.

Sex ratio

Changes in the sex ratio can influence the probability of marriage and remarriage. For most of New Zealand's history, there have been more males than females in the population. Since the early 1970s, however, there has been a slow but steady fall in the sex ratio. The fall has been most obvious in the 25-44 year age group, where the ratio fell from 102 men per 100 women in 1976 to 95 per 100 in 1996. Gender differences in migration patterns are the most likely explanation for this change. For example, men made up just over half (53 percent) of New Zealand nationals aged 25-44 who left the country to live in Australia between 1993 and 1997.[10] Among people over 65, a narrowing of the gender gap in life expectancy has produced an increase in the ratio of men to women and it will continue to rise over the next decade (Appendix Table 9).

Sex ratio of single people

Among people not living with a spouse or partner, the ratio of men to women is much lower, and declines more quickly with increasing age. The tendency for men to marry or cohabit with younger women and higher male mortality at older ages are the main reasons for this pattern, though male-dominated out-migration may also be a factor. In 1996, there were 85 single men per 100 single women in the population aged 15 and over. While there were more single men than single women at younger ages, the ratio reversed in the thirties and steadily declined thereafter (Figure 8). There were 105 single men per 100 single women at ages 30-34; 93 at ages 35-39, but only 76 for those in their early fifties. This has implications for older sole mothers and formerly-partnered women on benefits: they may be less likely to leave the benefit system through repartnering than their younger counterparts.

Figure 8

Ratio of single men to single women, by age group
1996

Source: 1996 Census, Supermap3 database.

[10] Statistics NZ (1997) *The Population Conference: Statistics for Presenters*, Table 3.10.

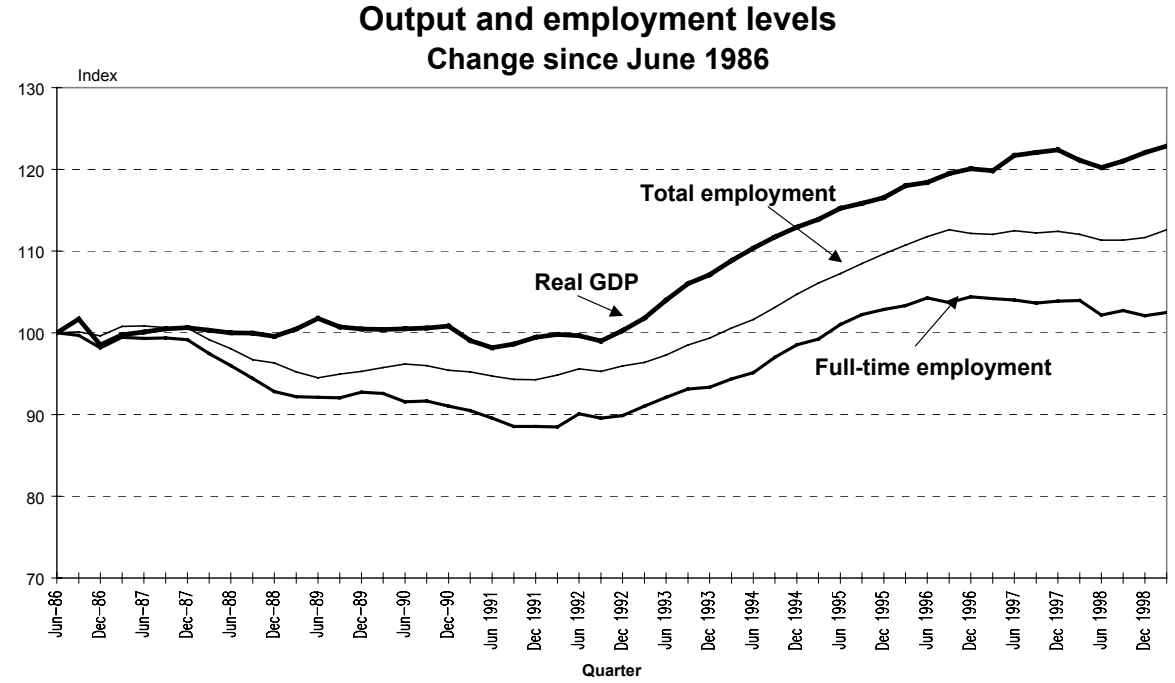
Economic performance and income

Economic growth and employment

The New Zealand economy has undergone marked changes over the last 15 years, output growth virtually stagnating between 1986 and 1992, then showing a strong recovery. The pace of growth slowed after June 1994. The economy contracted slightly in the first half of 1998 but had recovered to 1997 levels by December 1998.

Employment has followed a similar path, declining between 1987 and 1992, then recovering and resuming an upward trend before levelling off in 1996 and 1997. This pattern was strongly influenced by trends in full-time employment (Figure 9). The fall in employment triggered by the economic downturn in the first half of 1998 was also largely driven by a reduction in full-time employment.

Figure 9



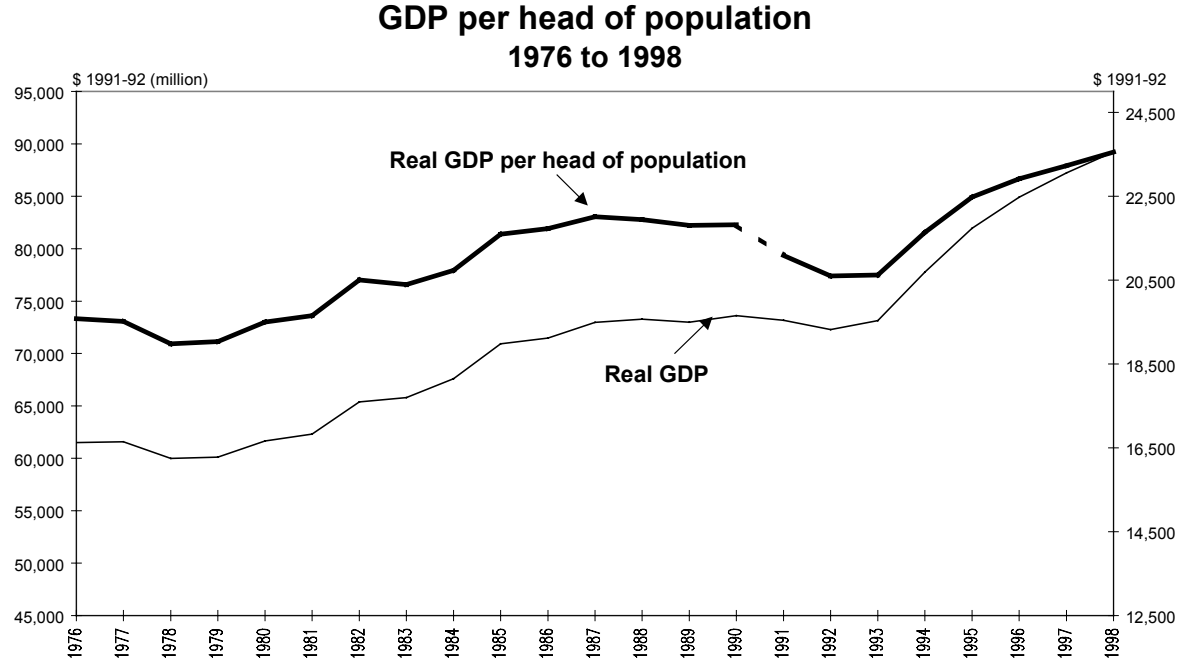
Sources: Statistics NZ, Quarterly seasonally-adjusted GDP (production-based) at constant 1991-92 prices; Household Labour Force Survey, seasonally-adjusted total and full-time employment.

Economic growth and per capita income

Output growth determines the size of the "economic cake" which underpins the economic well-being of the population as a whole. The share of output potentially available to each person - GDP per capita - declined in the early 1990s when population growth arising from higher fertility and net migration coincided with negative economic growth.[11] From 1993, both output and population grew rapidly; GDP per capita recovered its former level and resumed an upward trend (Figure 10).

New Zealand's per capita income stands at about 86 percent of the OECD average and is well below that of Australia, Japan and the USA.[12]

Figure 10



Sources: Statistics NZ, Annual Gross Domestic Product (production-based) at constant 1991-92 prices; estimated population as at 31 March (de facto 1976-90, resident 1991-98).

[11] The downward trend after 1990 is slightly exaggerated here as the estimated population in the denominator increased with the change from a de facto to a resident basis from 1991.
[12] *OECD Economic Surveys, New Zealand, 1998*, p14.

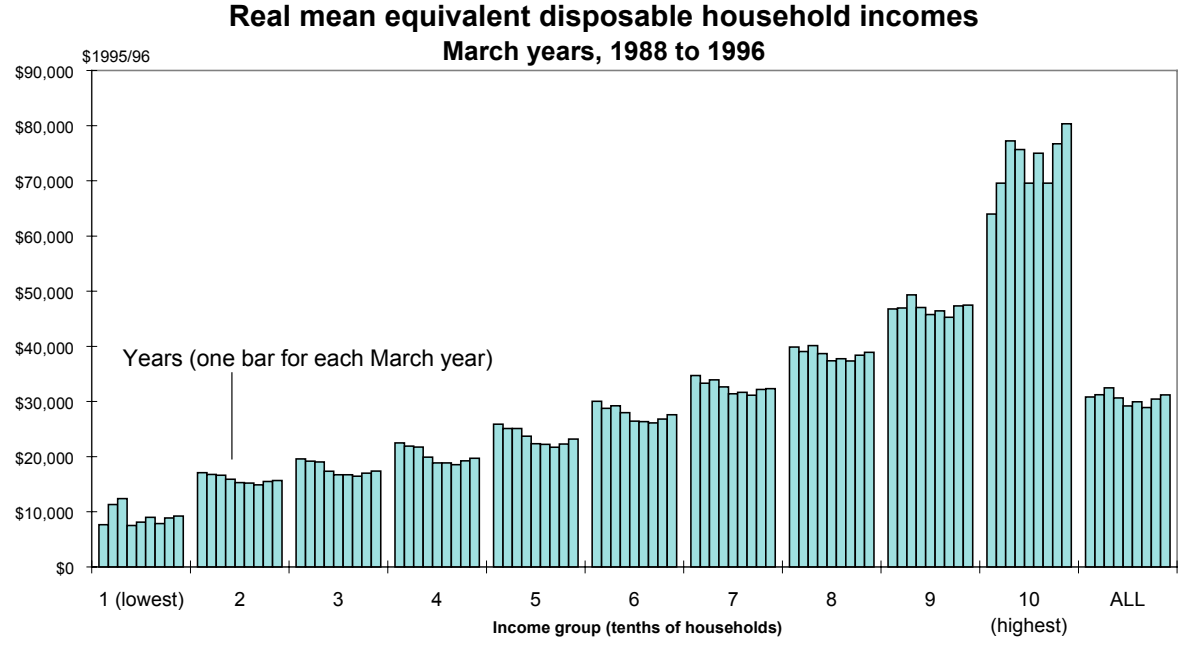
Income distribution

Both the tax/transfer system and the market have an important influence on the distribution of income. As family assistance and most social security benefits are targeted against family income, it is useful to consider the distribution of disposable (after tax) income on a family or household basis. Adjustment for household size and composition (the number of adults and children) is achieved by the use of an equivalence scale. In this analysis, households are ranked by their equivalent disposable income and divided into five or ten equal-sized groups (quintile or decile groups). The lowest income quintile group is the 20 percent of households with the lowest equivalent incomes; similarly, the lowest income decile group is the 10 percent of households with the lowest equivalent incomes. The methodology assumes that taxes are paid and transfers, such as Family Support, are received by eligible families.

Change in real disposable household income

Changes in the living standards of households at different points on the income distribution can be measured by tracking mean (average) equivalent disposable household income for each income group over time, adjusting for inflation. According to this measure, there was a decline in living standards for most income groups over the period 1988 to 1994, followed by a recovery. However, for decile groups two to eight, the recovery had not returned living standards to their 1988 levels by 1996 (Figure 11). The picture is less clear for the two groups at the extremes of the income distribution (the lowest and highest income decile groups). In the case of the first decile group, the trends can be affected by annual fluctuations in reported income losses (typically from self-employment); for the tenth decile group, they can be affected by a small number of very high incomes. However, it is clear that households at the highest end of the income distribution have a much higher standard of living relative to other groups and that the disparity has increased. In 1996, the mean equivalent disposable income of the tenth decile group was 1.7 times as high as the mean of the ninth decile group.

Figure 11



Source: Mowbray, M. (forthcoming) *Incomes Monitoring to 1996*. Wellington: Social Policy Agency.

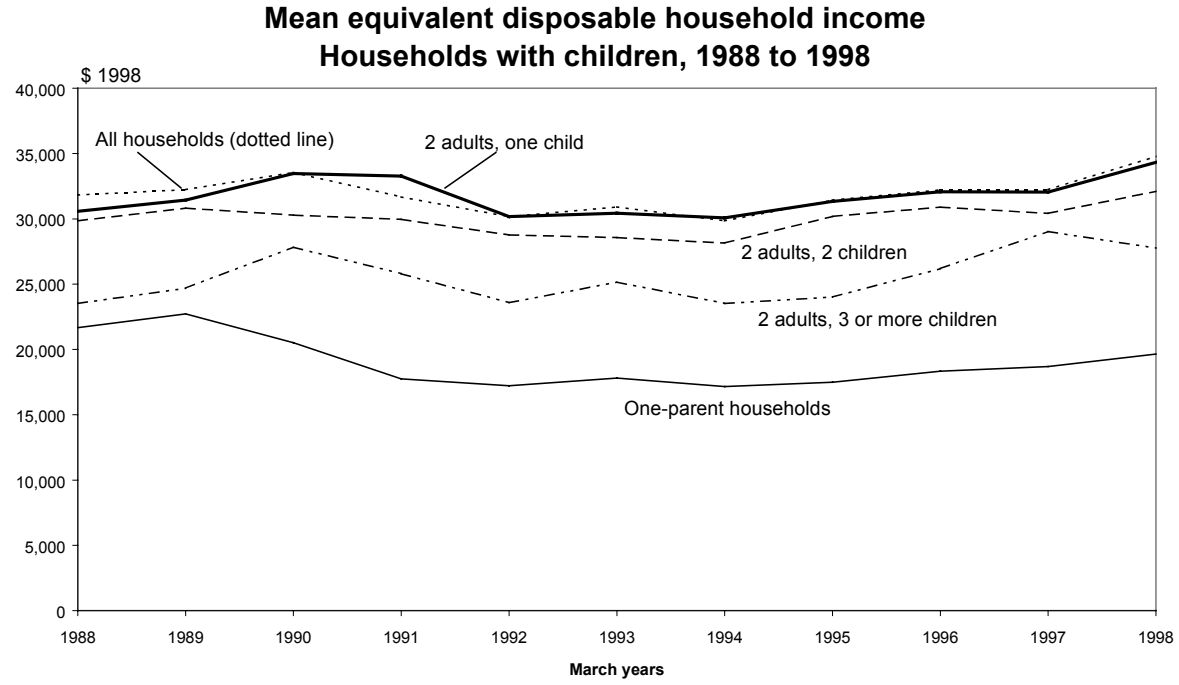
Changes in real disposable income for households with children

Households with children have lower equivalent incomes, on average, than those without children. Over the last decade, the most striking trend in the living standards of households with children is that for one-parent households, whose real disposable incomes declined steadily between March years 1989 and 1992 and have remained at a relatively low level (Figure 12). The income gap between one-parent and two-parent households has widened: for example, the ratio of the mean equivalent disposable income of households with two adults with one child and that of one adult with children, which stood at 1.4 in March years 1988 and 1989, increased to 1.9 in 1991. Although the gap lessened slightly in subsequent years, it was still wider in 1998 (1.7) than it had been a decade earlier.

A number of factors could account for the decline in the income of one-parent households after 1989. Firstly, on 1 April 1989, the benefit rate for sole parents with one child (who made up 55 percent of sole parents on DPB at that date) was increased by less than the rise in price inflation. This was done to restore relativity with the rates for those who had two or more children. Secondly, there was a decline in the employment rates of sole parents between 1986 and 1991 and DPB numbers increased by 55 percent over that period. Thirdly, the real value of family assistance declined over the late 1980s and early 1990s. Family Support was not increased between 1986 and 1993, except to compensate for the withdrawal of Family Benefit in 1991.[13]

In recent years, real incomes of households with children have risen above 1988 levels, with the exception of one-parent households. This is despite the rise in the employment of sole parents between 1991 and 1996 (see page 39). This suggests that in many cases, part-time work is making up the shortfall of income from benefits since the rate reductions in 1991.

Figure 12



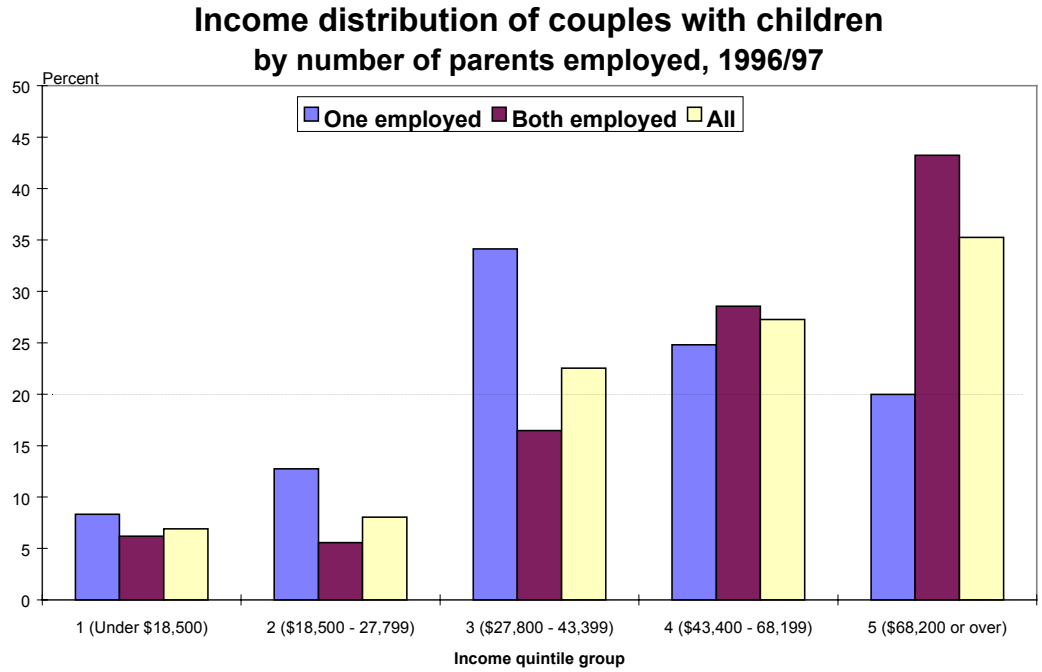
Source: Mowbray, M. (forthcoming) *Incomes Monitoring to 1996*, Figure 6, updated to 1998.

[13] The only increase was for the small number of children aged 16-18, which took effect on 1 April 1989.

Incomes of couples with children

The distribution of pre-tax income for couples with children varies widely according to the number of parents employed (Figure 13). While the majority (63 percent) of households with at least one parent employed had incomes of $43,000 or more in the year ended March 1997, the proportion was much lower for couples in which only one parent was employed (45 percent) than where both parents were employed (72 percent).

Figure 13



Source: Statistics NZ, Household Economic Survey.
NB: The incomes in this graph are not adjusted for the number and ages of children. Couples in which neither parent is employed are not included.

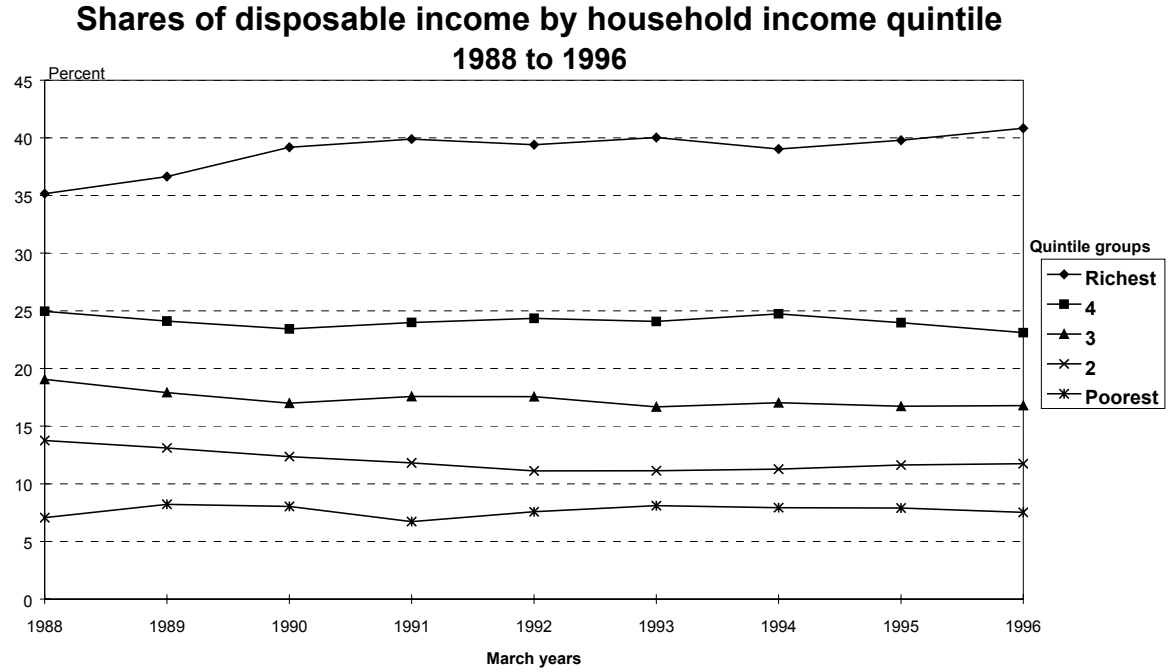
Distribution of disposable household income

A common method of measuring the distribution of income is to calculate the share of total disposable income received by each income quintile group. If income was distributed equally, each income quintile group would receive 20 percent of the total pool of disposable income. In New Zealand, the highest household income quintile group typically receives about five times the share of the lowest group.

Over the past decade, the distribution of disposable household income has become more unequal. In 1988, the highest income quintile group received 35 percent of disposable household income; by 1996, the share of this group reached 41 percent (Figure 14). Over the eight year period, the three middle income quintile groups received a declining share of disposable household income, while the share received by the lowest income quintile group remained between 7 and 8 percent, apart from a temporary decline in the year to March 1991.

The widening of the household income distribution can be partly attributed to higher levels of unemployment since the 1980s, reductions in the top personal income tax rate and reductions in the real rate of benefits and pensions. The growing concentration of employment in some households and unemployment in other households may have exacerbated these trends. Tax changes since the March 1996 year are likely to have contributed further to household income inequality because they favoured households with more than one earner with earnings subject to the top tax rate.

Figure 14



Source: DSW; Statistics NZ, Household Expenditure and Income Survey/ Household Economic Survey.

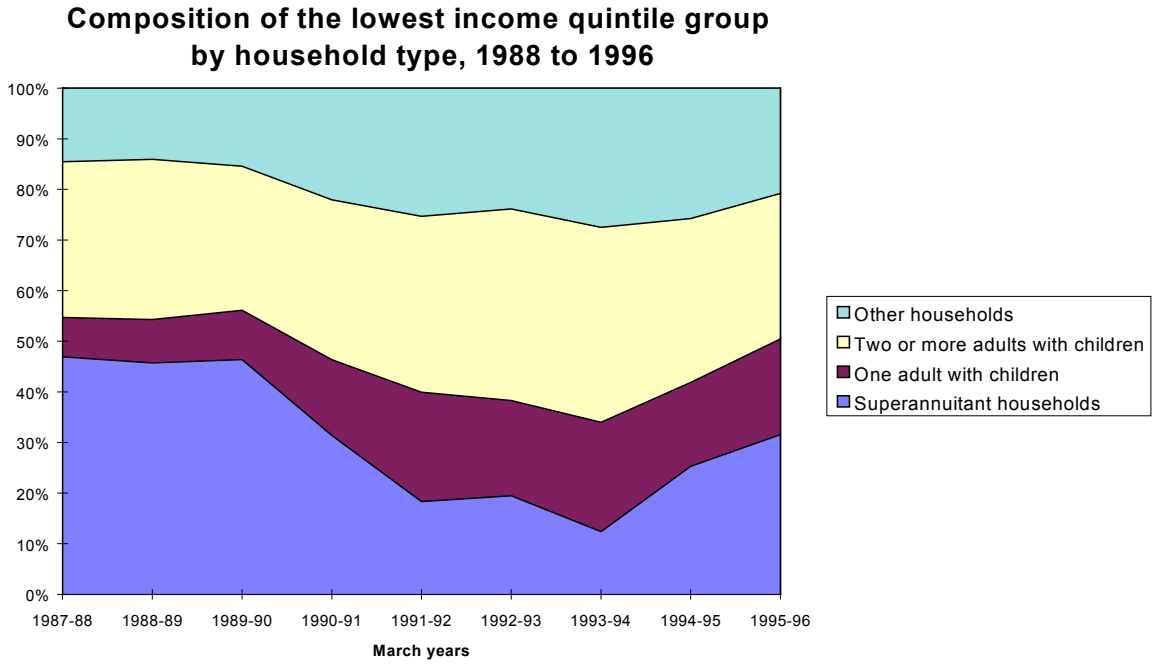
International evidence suggests that there are some people who move significantly through the income distribution over time, while others remain relatively static. While there has been some work done in New Zealand on income dynamics at an individual level, there is currently no data available that will allow analysis of household income dynamics (Statistics New Zealand, 1998, *New Zealand Now – Incomes*, p115).

Changing characteristics of low-income households

Over the decade to 1996, there was a change in the composition of households which fall into the bottom fifth of the income distribution (the lowest household income quintile group). In the late 1980s, superannuitant households made up nearly half of all households in the lowest equivalent income quintile group. In the early 1990s, superannuitant households fell to just under a third as other types of household began to replace them (Figure 15). One-parent households rose from 10 to 22 percent of the lowest income quintile group between March years 1990 and 1992. Over the same period, all households with dependent children rose from 38 to 56 percent of households in the lowest income quintile group; by 1994 they had increased further to 61 percent. In the following two years, households with children declined as a proportion of households in the bottom income quintile, but their representation remained relatively high (48 percent in 1996 compared to 38 percent in 1990). Moreover, they remained over-represented as only 40 percent of households contained children in 1996. One-parent households remained substantially over-represented. In the year to March 1996, one-parent households made up 7 percent of all households but 19 percent of households in the lowest income quintile group.

Higher fertility in the early 1990s and the associated shift from a two-earner to a one-earner household, or from a two-parent to a one-parent household, may explain part of this shift in the composition of the bottom income quintile. Other likely factors include increased levels of unemployment and part-time work, and reductions in the real level of benefits and in-work assistance for families with dependent children. The introduction in October 1990 of a higher rate of superannuation for older people living alone has also influenced the composition of the lowest income group.

Figure 15



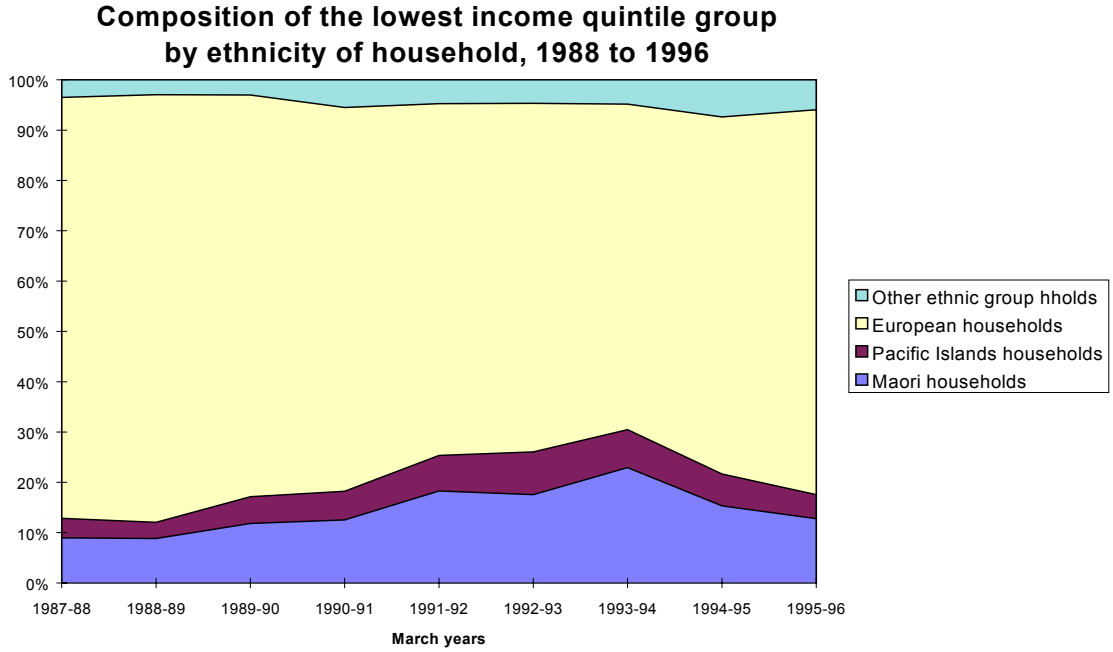
Source: Mowbray, M. (forthcoming) *Incomes Monitoring to 1996*, Table 13.

Ethnic disparities in household income

Ethnic disparities in the household income distribution increased in the early 1990s (Figure 16). In 1988, households in which there was a Maori adult present made up 9 percent of the bottom household income quintile group while those with Pacific Islands adult present made up 4 percent. By 1994, Maori representation in the bottom income group had almost trebled to 24 percent and Pacific Islands' had doubled to 8 percent. At this time, only 13 percent of all households were Maori households and 4 percent were Pacific Islands households. In the following two years, Maori and Pacific Islands representation in the lowest household income group fell to 13 percent and 5 percent, respectively, but this was still slightly higher than their representation among all households (11 percent and 4 percent, respectively in March year 1996).

The disproportionate impact of unemployment, sole parenthood, and benefit reductions on Maori and Pacific Islands households are the most likely explanations for their increasing representation in the lowest household income quintile in the late 1980s and early 1990s. At the beginning of the period covered, the proportion of Maori households in which there were no hours of work reported was lower than that for households with no Maori present (27 percent compared with 30 percent), reflecting the fact that households where Maori live are less likely to contain people who have retired. However, from March years 1991 to 1995, Maori households were more likely than other households to have no-one in paid work, the proportion reaching a peak of 44 percent in 1992, compared to 37 percent for non-Maori households (Mowbray, forthcoming, Figure 8).

Figure 16



Source: Mowbray, M. (forthcoming) *Incomes Monitoring to 1996*, Table 13.

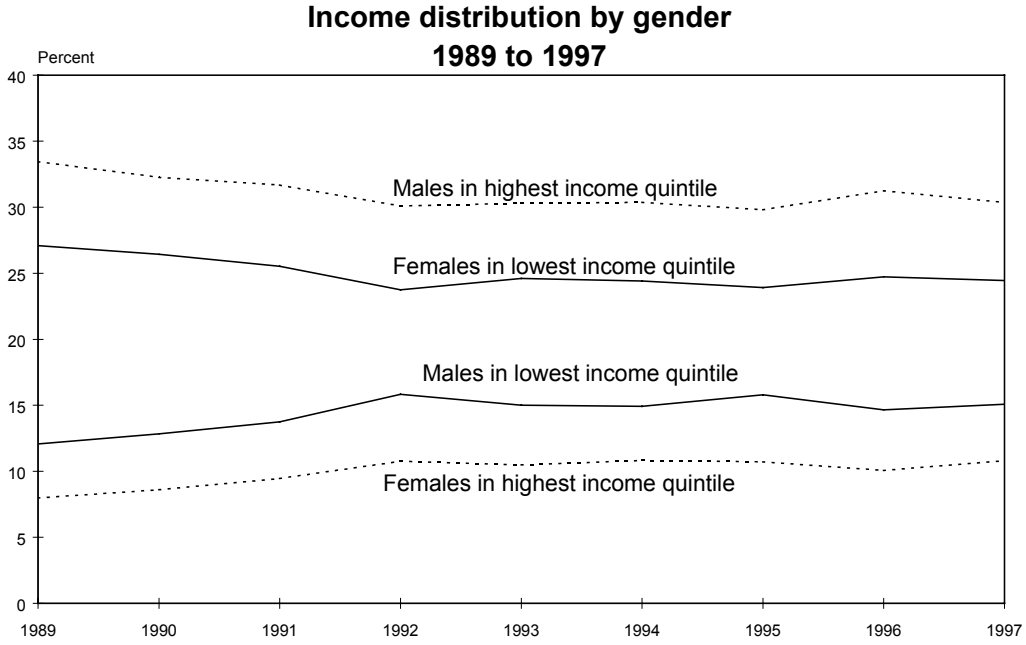
Gender disparities in personal income

The previous sections have dealt with the distribution of household income. This section on income distribution by gender is based on the personal income of individuals.

Women are much more likely than men to be in the lowest personal income quintile group but gender disparities have decreased over the last decade. Between March years 1989 and 1992, the proportion of women in the lowest personal income quintile declined from 27 to 24 percent, while for men, there was a rise in this proportion, from 12 to 16 percent (Figure 17). Conversely, the proportion of men in the highest personal income quintile dropped slightly, from 33 to 30 percent, while for women, there was a rise from 8 to 11 percent. These distributions remained fairly steady up to 1997.

Factors likely to account for these trends include the disproportionate impact on men of the decline in full-time employment in the period up to 1992; the introduction of the living alone rate of superannuation, which benefited mainly women; and an increase in the number of women with relatively high incomes.

Figure 17



Source: Statistics New Zealand, Household Economic Survey.

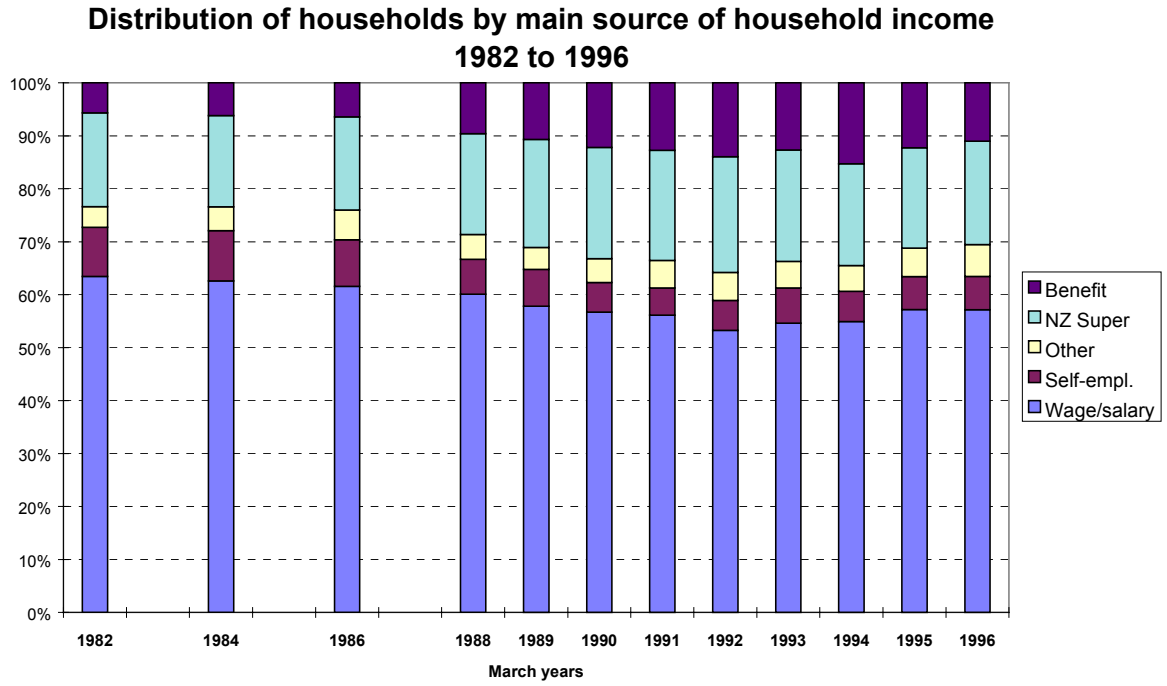
Sources of household income

Wages and salaries declined as the main source of household income between 1982 and 1994 (from 64 percent to 55 percent) but subsequently rose slightly to reach 57 percent in 1996. Similarly, the proportion of households relying on self-employment as their main source of income dropped from just under 10 percent in 1982 to 5 percent in 1991, recovering slightly to around 6 percent in the last few years of the period (Figure 18).

The proportion of households with government retirement income support (currently named New Zealand Superannuation) as their main income source rose to 22 percent in 1992, after which time the rising age of eligibility saw this proportion drop back to 20 percent by 1996.

Income-tested benefits for people in the main working ages were the main source of income for 6 percent of households in 1982. This proportion doubled by 1990 and reached 15 percent in 1994. It then declined for the rest of the period, dropping back to 11 percent by 1996 (Mowbray, forthcoming).

Figure 18



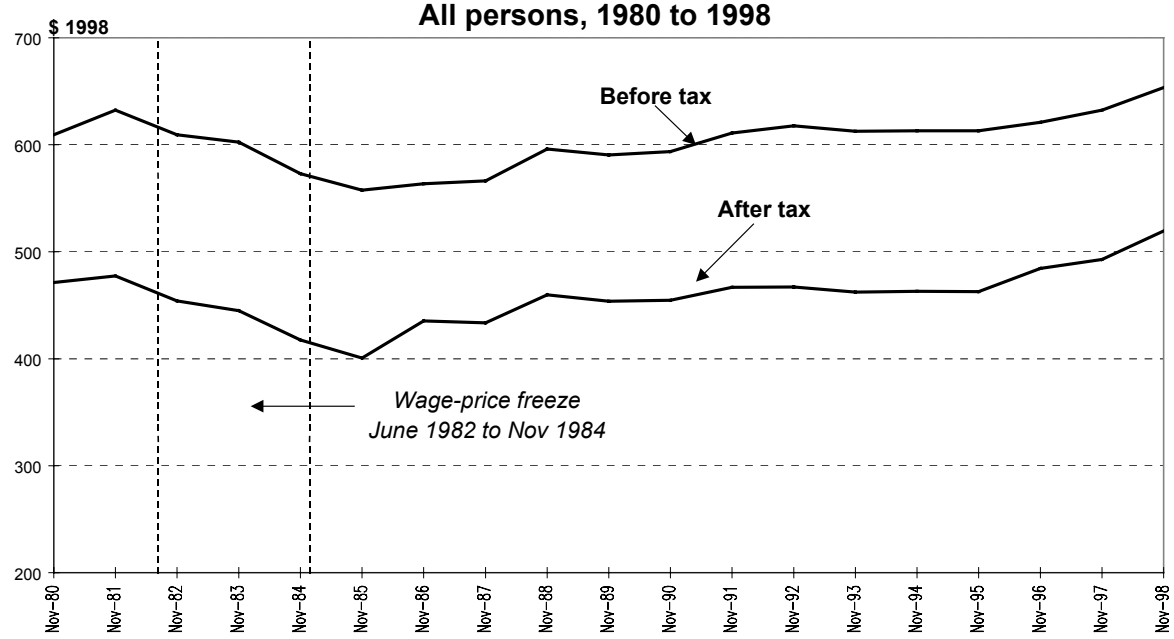
Source: Mowbray, M. (forthcoming) *Incomes Monitoring to 1996*, Table A11.

Labour market income

Since 1980, there have been major changes in the way wages are determined. The abolition of the Arbitration Court in 1987 ended the direct involvement of the state, and the introduction of the Employment Contracts Act in 1991 reduced the influence of national labour unions. However, government policy has influenced the net wages of earners through tax changes in 1986, 1988, 1996 and 1998. The impact of the 1986 and 1996 tax reforms is clearly apparent in the rise in real net wages at those dates (Figure 19).

Figure 19

Real gross and real net average ordinary-time weekly wages
All persons, 1980 to 1998

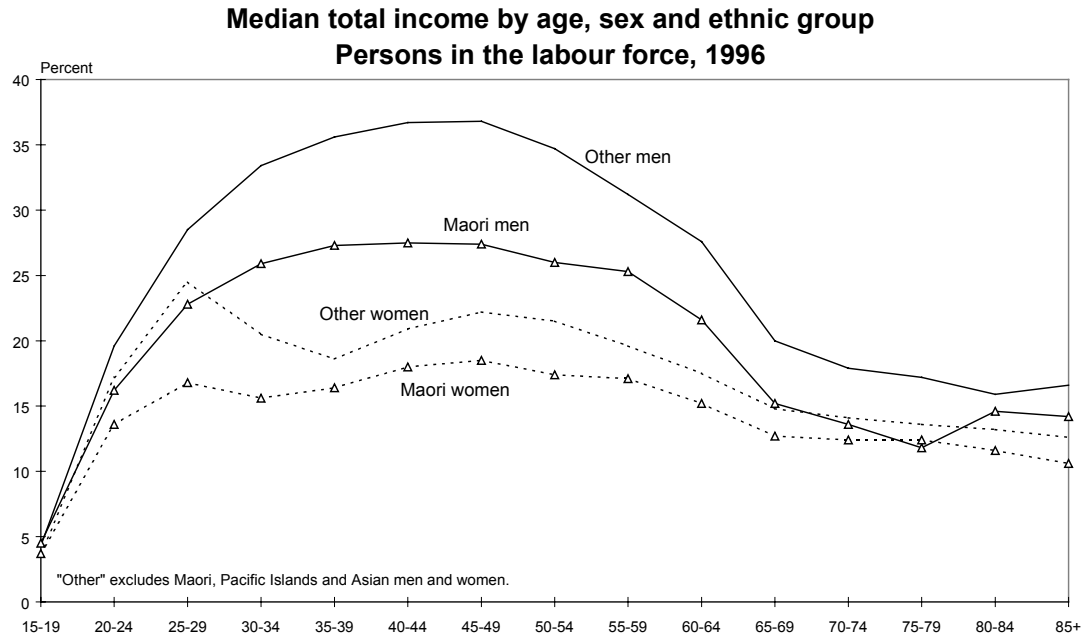


Source: Department of Labour/Statistics NZ, Quarterly Employment Survey; Statistics NZ, Consumers Price Index. After-tax wage derived by DSW.

Income by age

The incomes of people in the labour force tend to rise with age as they gain experience and seniority in their jobs. However, for women, this pattern is interrupted during the childbearing years. Figure 20 shows the median total income (from all sources) received by people who were either employed or unemployed and seeking work at the time of the 1996 Census, by age, sex and ethnic group. The relatively flat distribution of income by age for Maori women may reflect the relatively high proportions of Maori women who are sole parents receiving benefits. Different patterns of childbearing between Maori and other women may also be a factor.

Figure 20

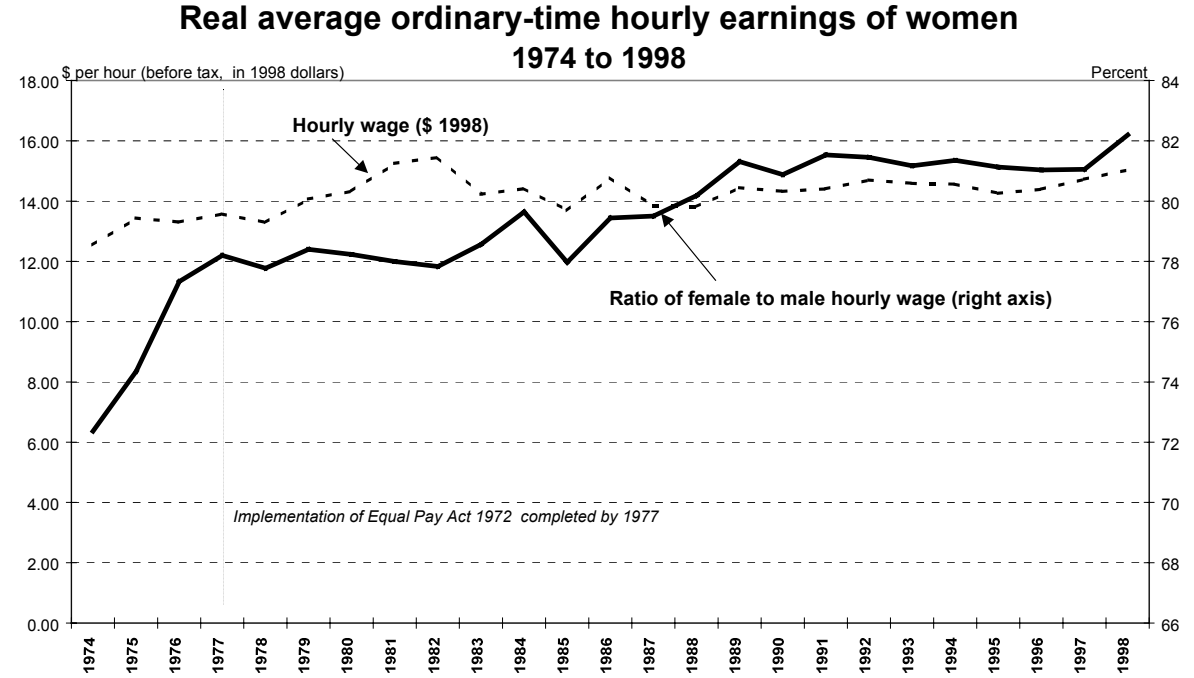


Source: Statistics NZ, Statistics for Presenters, Population Conference 1997.

Gender pay gap

The ratio of female to male wages has been monitored since the enactment of the Equal Pay Act 1972. During the period of implementation, the ratio increased from 72.4 percent in 1974 to 78 percent in 1977 (Figure 21). Since the late 1980s, the ratio has fluctuated between 80 and 82 percent.

Figure 21



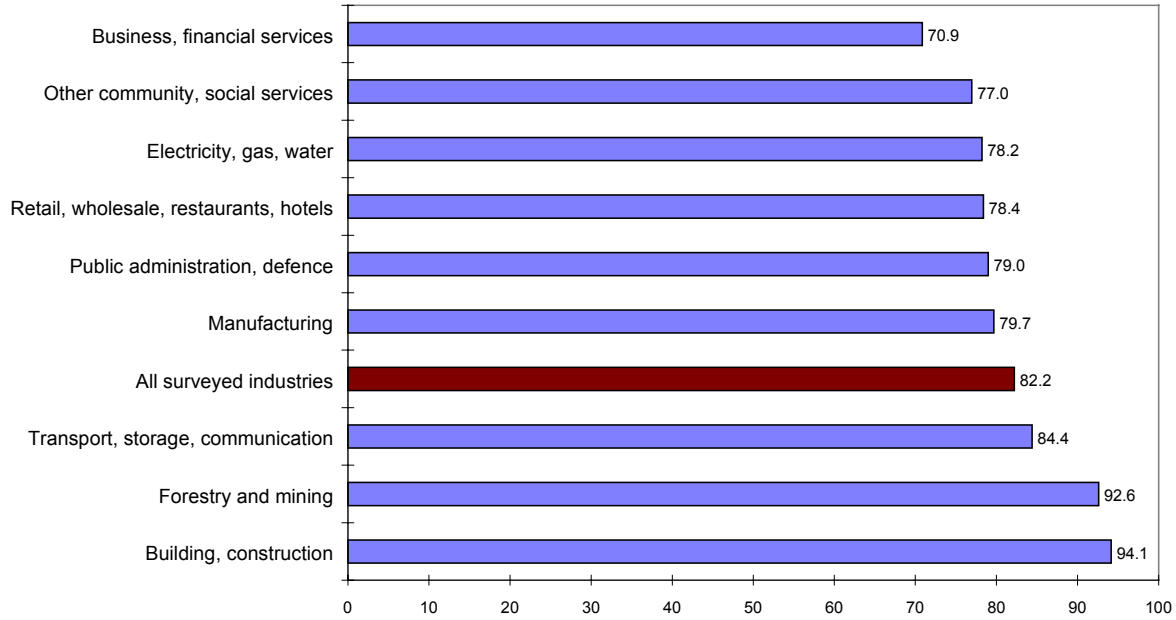
Source: Department of Labour/Statistics NZ, Quarterly Employment Survey.

The gender wage gap is greatest in the business and financial services industry, where women's wages are 71 percent of men's, and least in the forestry, mining and building industries, where few women are employed (Figure 22).

Figure 22

Gender pay gap, by industry, February quarter 1998

Average ordinary-time hourly earnings of females as a percentage of those of males



Source: Statistics NZ, Quarterly Employment Survey.

Labour market and benefit trends

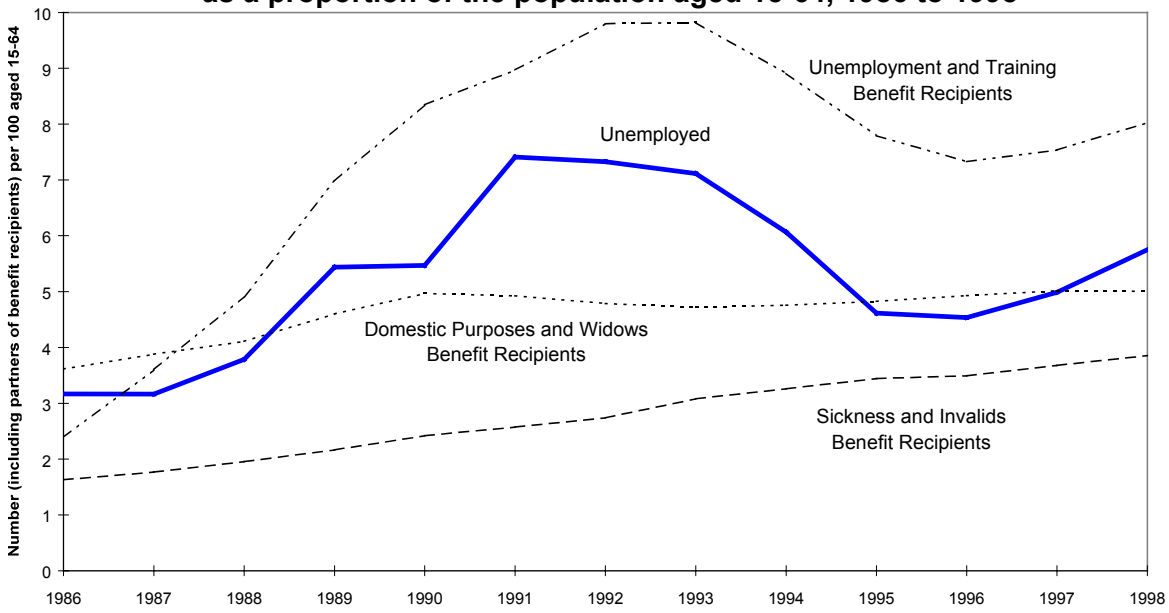
What happens in the labour market is one of the key determinants of the need for income support and the fiscal cost to Government of providing that support, and has important implications for the distribution of income. Labour market conditions also underpin the social well-being of individuals, families and communities. Lack of work has been associated with increased risk of marital disruption,[14] reduced likelihood of couple formation or couple stability,[15] and a range of indicators of reduced well-being.[16]

Unemployment and trends in benefit receipt

In the decade to 1996, unemployment rose and fell as the economy contracted and then recovered. In the last two years, unemployment has begun to climb once more. Trends in the proportion of the working aged population in receipt of unemployment and training benefits have followed these changes (Figure 23). Trends in other benefits appear less directly linked to unemployment. The rate of receipt of domestic purposes, for example, remained constant over the year to June 1998 in spite of rising unemployment. This was partly the result of a slight drop in DPB take-up rates among women under 35 over that period and population decline in the age group 20-34 years, which has the highest rates of DPB receipt.

Figure 23

Unemployed and benefit recipients as a proportion of the population aged 15-64, 1986 to 1998

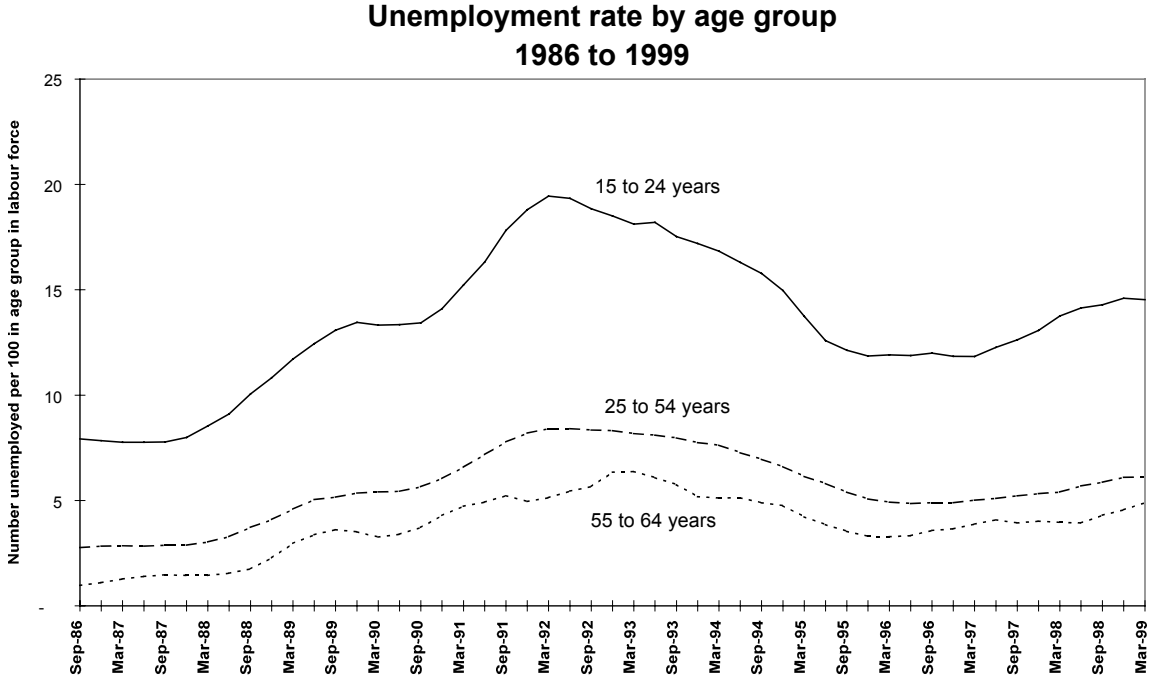


Source: SWIFTT; HLFS, March Quarters to 1989, June quarters 1990 onwards.

In the June quarter of 1998, 143,000 people were unemployed, up 20,000 from the June quarter of 1997. The corresponding unemployment rate increased from 6.7 to 7.7 percent for males and from 6.5 to 7.6 percent for females.[17] Those without qualifications were heavily affected by the increase, their unemployment rate rising from 10.4 to 12.8 percent over the year to June 1998. Those aged 15 to 24 continue to have by far the highest unemployment rate and have shown the largest increases in the recent period of unemployment growth (Figure 24).

[14] Hernandez, D.J. (1992) *Studies in Household and Family Formation: When Households Continue, Discontinue and Form.* US Bureau of the Census, Current Population Reports, Special Studies. Series P-23, No. 179, p.13.
[15] Callister (1998) "Some Geographic Dimensions of Being Work-rich and Work-poor: Changes between 1986 and 1996", in *Social Policy Journal of New Zealand*, Issue 11, December.
[16] Davey, J. (1998) *Tracking Social Change in New Zealand*. Wellington: Institute of Policy Studies.
[17] The unemployment rate is the number of unemployed as a percentage of those in the labour force (which comprises those employed and those who are unemployed and actively seeking employment).

Figure 24



Source: HLFS, unadjusted series, four-quarter average.

Unemployment varies widely by ethnic group. In June 1998, unemployment rates were 5.5 percent for European/Pakeha, 17.8 percent for Maori, 15.8 percent for Pacific Islands and 15.6 percent for the "other" ethnic group.[18] In part, these differences are linked to regional and local variations in employment and the concentration of the Maori and Pacific Island populations in areas with high unemployment. They are also associated with differences in qualification levels between ethnic groups and the relative youthfulness of the Maori and Pacific Island populations.

Growth in unemployment is forecast to rise to 7.8 by June 1999,[19] with implications for numbers requiring income protection, the costs of benefit expenditure, the caseload of Work and Income New Zealand, and demand for the active labour market programmes and other assistance it provides. There may also be an increased demand for services provided by the Children, Young Persons and their Families Service as a result of unemployment.

[18] Statistics New Zealand, *Hot Off The Press - Household Labour Force Survey* June 1998 Quarter; INFOS.
[19] NZIER Quarterly Predictions, March 1999.

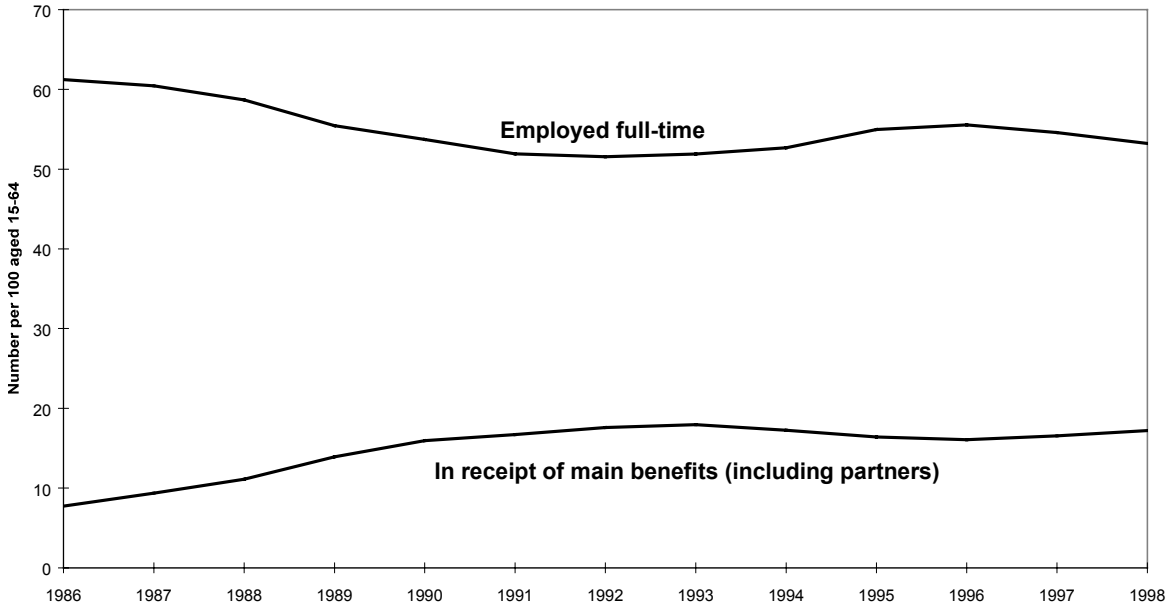
Full-time employment

In June 1998, the number of people aged 15-64 employed full-time was 15,300 higher than in 1986. However, over this period the population in these ages increased by 344,600, resulting in a fall in the proportion of this population employed from 61 percent in 1986 to 53 percent in 1998.[20]

For most working aged individuals and couples, full-time employment is key to meeting income needs. Over the last 12 years, changes in the need for income support have mirrored changes in full-time employment (Figure 25). Between 1986 and 1992, these trends were broadly symmetrical: there was a rise of 10 percentage points in the proportion receiving benefits and a decline of 10 percentage points in the proportion employed full-time. In the early to mid-1990s, the reduction in the proportion receiving benefits was subdued in comparison with the increase in the proportion employed full-time. This asymmetry has continued into the most recent period – there was a 2 percent decline in the proportion in full-time employment between 1996 and 1998, while the proportion receiving benefits grew by only 1 percent. In June 1998, 17 percent of the population aged 15-64 received one of the main income tested benefits, either as a primary recipient or a partner. This compares with 8 percent in 1986 and a peak of 18 percent in 1992-93.[21]

Figure 25

Employment and benefit status of the population aged 15-64 1986 to 1998



Source: DSW Annual and Statistical Reports (main benefits are unemployment, training, widows, domestic purposes, sickness and invalids benefit); SNZ, HLFS full-time employed aged 15-64, population aged 15-64, March quarters to 1989, June quarters 1990 onwards.

That net flows out of benefit receipt were lower than net flows into full-time employment when the economy recovered in the 1992-1996 period partly reflects the rise in the age of eligibility for New Zealand Superannuation, which increased numbers aged 60 and over receiving the main income tested benefits. It is also likely to reflect the selective regional, industrial and occupational impact of employment losses in the earlier period, and the quite different composition of the job growth that followed. There has been a shift in employment away from the goods producing sector towards the service sector, with strong growth in the business and financial services, wholesale and retail, and community social and personal services industry groups. Employment in manufacturing has fallen.

It is likely that these shifts explain, at least in part, the fortunes of different sub-groups of the population over the period, and have had implications for the present composition of the benefit recipient population.

[20] The figures in this section refer to the situation at the end of the fiscal year (31 March up to 1989, 30 June from 1990 onwards).

[21] Transitional Retirement Benefit is not included as one of the main benefits.

People with no formal qualifications increasingly found it difficult to enter and remain in work,[22] and have become more over-represented among the unemployed and among those not participating in the labour market. This over-representation is reflected in the qualifications of benefit recipients (Table 5), and presents challenges for the design of policy to assist these groups to enter and retain paid work.

Table 5

Percentage of population and benefit recipients with no formal qualifications by sex and ethnic group, 1996

	Total population aged 15-64	UB recipients	DPB recipients	SB recipients	IB recipients
Males	%	%	%	%	%
Total	**31**	**41**	**52**	**51**	**60**
European only	27	34	44	46	59
Maori	48	56	63	62	67
Pacific Island	48	54	59	62	62
Females					
Total	**30**	**35**	**48**	**46**	**60**
European only	27	28	41	41	59
Maori	46	48	57	54	66
Pacific Island	44	50	53	56	63

Source: Census, 1996

Maori and Pacific Island people were particularly disadvantaged by job losses in the late 1980s and early 1990s. Employment rates[23] for Maori fell faster than those for the European/Pakeha population between 1986 and 1992 and, although they rose at a faster rate between 1992 and 1995, the gap between Maori and European/Pakeha employment rates remains greater than in 1986 (Figure 26). In part, the gap is associated with differences in age structure, education, location, and, for women, rates of sole parenthood. In addition, at least for the 1986 to 1991 period, it also appears to reflect the greater severity of the impact of having no qualifications on Maori employment propensities.[24]

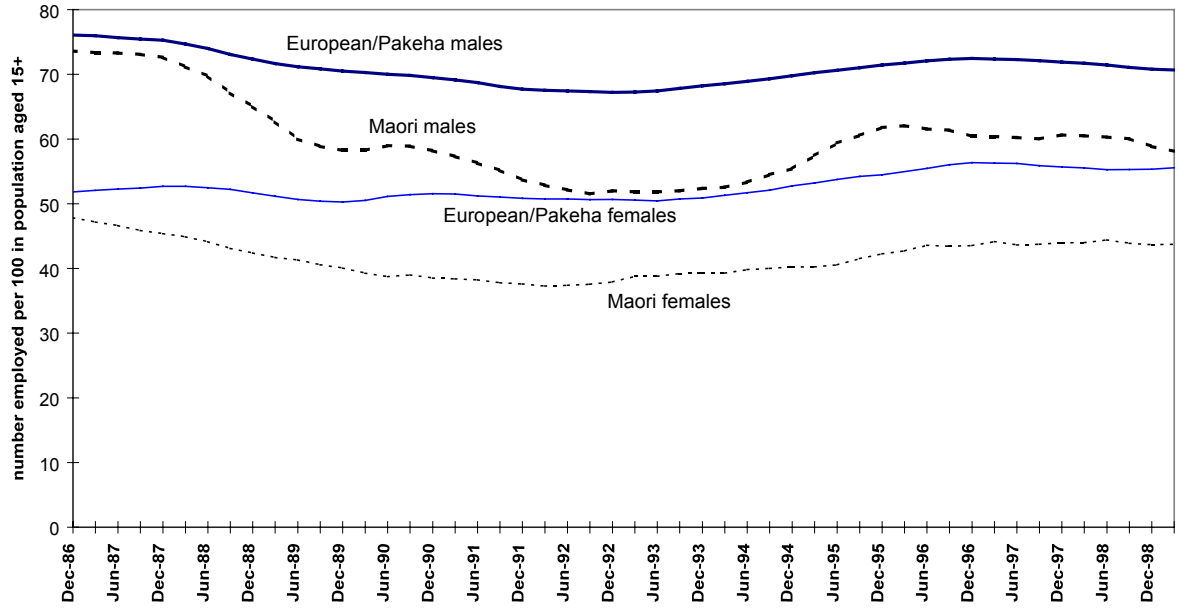
Figure 26

[22] Callister, P. (1998) "Work-rich" and "work poor" individuals and Families: Changes between 1986 and 1996. *Social Policy Journal of New Zealand*, Issue 10, June.

[23] The terms "employment rates" and "employment propensities" are used here to refer to the proportion of the population employed.

[24] Winklemann, L and Winklemann, R (1997) Determining the relative labour force status of Maori and non-Maori and non-Maori using a multinomial logit model, *New Zealand Labour Market Bulletin,* 1997:1. This study found that for samples from the 1981, 1986 and 1991 censuses, measured individual characteristics could explain approximately half the difference in Maori - non-Maori full-time employment for males and most of the difference for women. For women, sole parenthood reduced the likelihood of full-time employment by up to 40 percentage points.

Employment rates of Maori and European/Pakeha
1986 to 1999



Source: HLFS, four-quarter average.

The gap in employment rates has implications for the ethnic composition of the benefit recipient population. At the 1996 Census, Maori adults were twice as likely as non-Maori to have received an unemployment benefit in the last year, and three times as likely to have received a domestic purposes benefit, after adjusting for differences between the age structures of the two populations.[25]

Reductions in full-time employment between 1986 and 1996 affected males more than females. The proportions of men employed full-time fell across all working-age groups except 60-64 year olds.

Falling participation in the labour market by prime-aged males and workers with lower qualifications is common to a number of OECD countries. One of the possible explanations is changes in employer and employee responses to ill health and disability,[26] which may have lowered the likelihood of being employed for people with poor health or disabilities. Another possible cause is the long-term effects of high unemployment and lengthy benefit receipt on the health of those affected. Findings from a UK longitudinal study suggest that among lone parents, there is a strong association between the experience of material hardship and likelihood of developing health problems.[27] These explanations may partly help to explain the sustained growth in rates of receipt of sickness and invalids benefits over the last decade (see Figure 23). They also suggest that reversing these trends will present significant challenges.

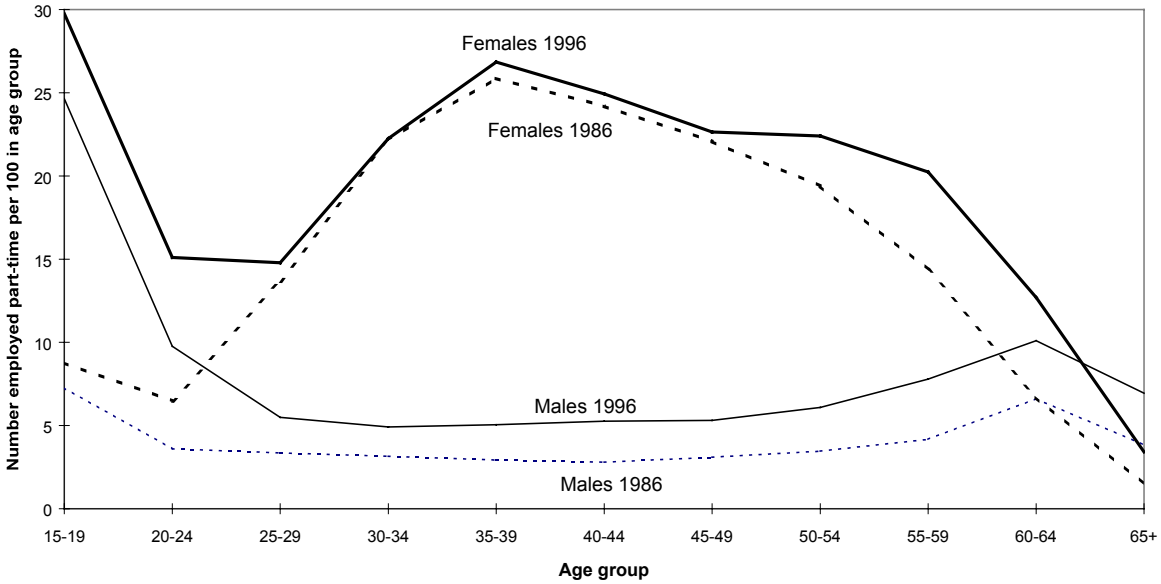
Part-time employment

In contrast to trends in full-time employment, part-time employment has grown relatively steadily in recent years. Part-time employment now accounts for 24 percent of employment, compared with 17 percent in 1986. This increase is likely to be partly associated with the expansion of the services sector. Young people aged under 25, females aged 50 and over, and males aged 55 and over showed the most marked increases in part-time employment rates between 1986 and 1996 (Figure 27). The number of men in part-time employment more than doubled. Females far outnumber males in part-time employment but, like males, are still more likely to work full-time than part-time at all ages between 20 and 64 years.

Figure 27

[25] Statistics NZ (1998) *New Zealand Now - Maori,* p. 84.
[26] Dixon, S. (1996) Labour Force Participation over the last ten years, *Labour Market Bulletin,* 1996:2.
[27] Ford, R. Marsh, A and Finlayson, L (1998) *What Happens to Lone Parents*, Department of Social Security Research Report No. 77, HMSO.

Part-time employment rates by age group and sex
1986 and 1996



Source: Census

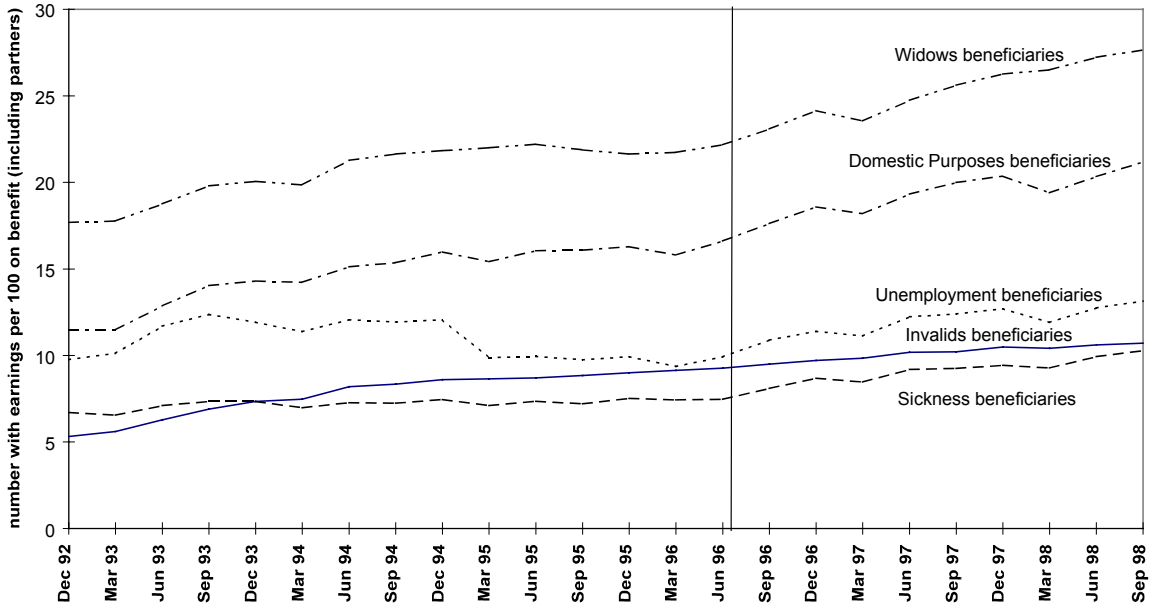
Benefit recipients' participation in part-time employment, inferred from declared earnings, has shown significant growth both prior to and since the introduction of measures to encourage greater part-time employment (Figure 28). The proportion of benefit recipients (including partners) declaring earnings from employment increased from 12 percent in the June quarter of 1996 (just prior to the introduction of the abatement and first round tax changes) to 14 percent in the June quarter of 1998. This growth was faster than the overall rate of increase in employment. It is estimated that benefit recipients with earnings increased from 11 to 15 percent of the total population employed part-time over the two years.[28]

The 1996 abatement reforms created greater part-time employment incentives for widows and domestic purposes benefit recipients and their response is reflected in higher growth in the proportion declaring earnings (Figure 28). The proportion of DPB recipients declaring earnings over the level of the income exemption ($80 per week after 1 July 1996) almost doubled between mid-1996 and November 1998, from 7 percent to 13 percent.

Figure 28

[28] Statistics New Zealand, *Household Labour Force Survey;* SWIFTT.

Proportion of benefit recipients declaring earnings
Quarterly, 1992 to 1998



Source: SWIFTT

Recipients of widows benefit are the most likely to declare earnings (28 percent at August 1998), followed by domestic purposes benefit recipients (21 percent)[29] and then unemployment benefit recipients and their partners (13 percent). There are substantial ethnic differences. For example, while 26 percent of Pakeha/European DPB recipients declared earned income at August 1998, the proportions were 15 and 11 percent respectively for Maori and Pacific Island recipients. This partly reflects the greater propensity of Maori and Pacific Island sole parents to have young children and to have more than one child, raising greater childcare related barriers to employment. It is also likely to reflect differences in educational attainment and concentration in areas with few work opportunities and limited services to support employment,[30] and raises questions about the most effective combination of policies for these groups.

Self-employment

While the proportion of the adult population self-employed has remained relatively stable over the last 12 years, self-employment as a share of total employment has increased as employment rates have fallen. In the June quarter of 1998, 24 percent of males and 12 percent of females in employment were self-employed compared with 21 and 11 percent respectively in 1986. Maori and Pacific Island people are much less likely than European/Pakeha to be self-employed.

While the resilience of self-employment over the period could be viewed as disguising a degree of under-employment,[31] its significance as a share of total employment may have implications for the design of policy to assist benefit recipients into paid work.

Labour force participation

Labour force participation rates measure the proportion of the working aged population that is either employed or unemployed. Changes in labour force participation tend to parallel employment changes.[32] People are drawn into the labour market as the employment situation improves and chances of getting a job increase.

[29] Compared to domestic purposes beneficiaries, widows beneficiaries tend to be older and less likely to have children.
[30] Callister (forthcoming) *Some Spatial dimensions of being "work-rich" and "work-poor": Changes between 1986 and 1996*, Paper submitted to the Social Policy Journal of New Zealand.
[31] Davey, J. (1998) *Tracking Social Change in New Zealand.* Wellington: Institute of Policy Studies, p. 6.
[32] Dixon, S. (1996) Labour Force Participation over the last ten years, *Labour Market Bulletin,* 1996:2.

Long-term trends in labour force participation for two groups have particular implications for work and income policy.

Women

For women, the likelihood of being in the labour force has steadily risen. Analysis of women's labour force participation by birth cohort shows that younger generations of women are less likely than previous generations to withdraw from the labour market between the ages of 25 and 34, tend to withdraw later as the peak age for childbearing has increased, and are more likely to return subsequently to high levels of participation in their forties.[33]

The extension of work related obligations to domestic purposes and widows benefit recipients and spouses of recipients of other benefits without young children has in part been in response to these trends, and is likely to further reinforce them. The work test changes will alter the client base for active labour market services. Newly work tested groups are less likely to have formal qualifications, and less likely to have recent work experience than other job seekers. Many will have sole care of children and demand for childcare and out of school care services and subsidies is likely to increase as a result.

As younger generations of women age, they may be more likely to be employed than the current generation of older working age women. This may impact on the likelihood of older working aged couples receiving income from benefits, as well as the rates of benefit receipt among women alone. However, the size of the older working aged population is projected to grow as the baby boom generation ages, and this may mean that there is no reduction in numbers in receipt of benefits.

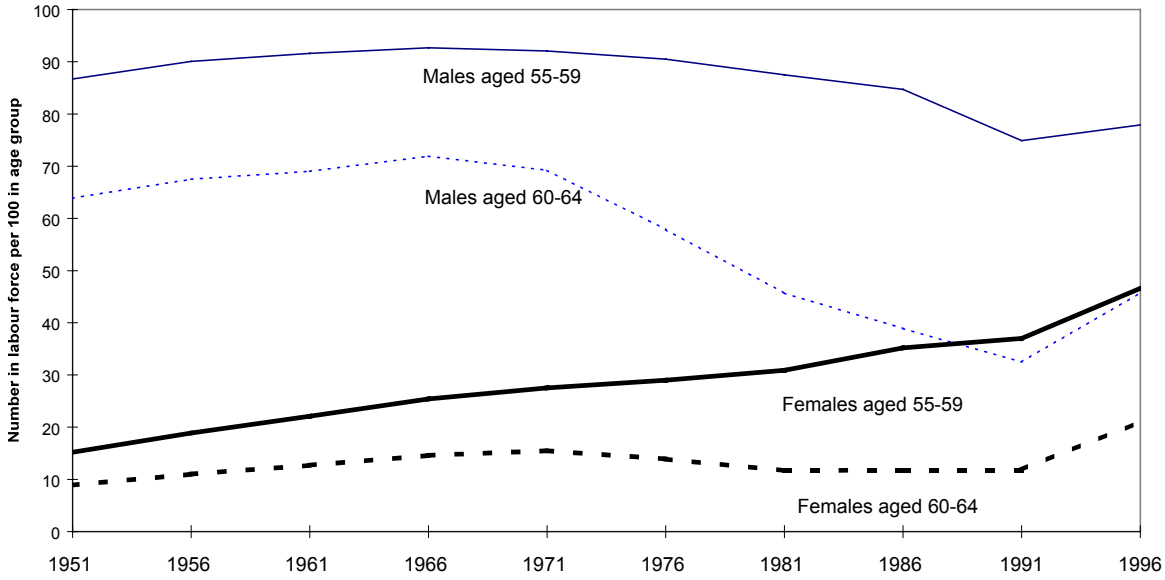
[33] Statistics New Zealand (1993) *All About Women in New Zealand*, p82.

Older people of working age

For people in their early sixties, participation rates have increased since the age of eligibility for retirement income support began rising in 1992 (Figure 29). Between 1971 and 1991, the labour force participation rates of people in this age group declined, particularly around the introduction of National Superannuation in 1977. Labour force participation appears likely to continue to rise as the age of eligibility approaches 65, although current economic conditions may have a limiting effect. These trends will impact upon the costs of income support for this age group, and may influence the amount of private provision for retirement made by future retirees.

Figure 29

Labour force participation rates of older working aged people 1951 to 1996



Source: Census
Note: For the purposes of historical comparison, labour force participation is defined here as working 20 hours or more per week or unemployed and seeking work.

Employment trends of parents with dependent children

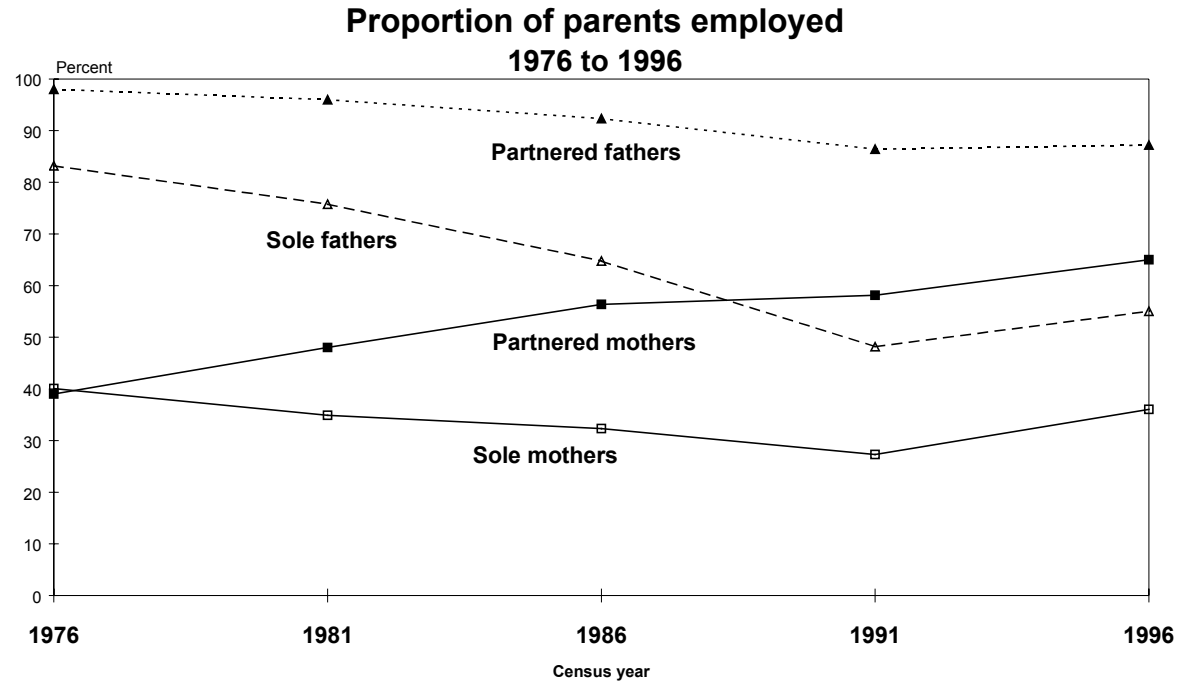
Secure parental employment may improve family functioning by reducing stress and other negative effects that unemployment and underemployment can have on parents. It also enables most families to avoid poverty and its attendant risks to children.[34]

Employment trends among parents living with dependent children have changed markedly in the past twenty years, declining during the 1980s but showing some recovery in the five years to 1996. At the time of the 1976 Census, almost all partnered fathers were employed, as were 4 in every 5 sole fathers, while 2 in 5 mothers had a paid job (Figure 30). Over the decade to 1986, employment rates increased for partnered mothers but declined for other parents, particularly sole parents. This occurred in the context of rising unemployment and a decline in real wages that was triggered by the wage-price freeze imposed between June 1982 and November 1984.

When unemployment rose sharply in the late 1980s, all categories of parents were affected. Employment among sole parents and partnered fathers declined, and the upward trend for partnered mothers virtually stalled. The 1996 Census indicated that there has been a recovery in the employment rates of all categories of parents, reflecting the economic recovery of recent years. However, fathers are still less likely to be employed than they were a decade ago.

The gap between the employment rates of sole and partnered mothers grew from 13 to 31 percentage points between 1981 and 1991 but had reduced slightly, to 29 percentage points, by 1996.

Figure 30



Source: Dominick, Rochford, Robb (1988); Rochford (1993); Statistics NZ, unpublished census data.

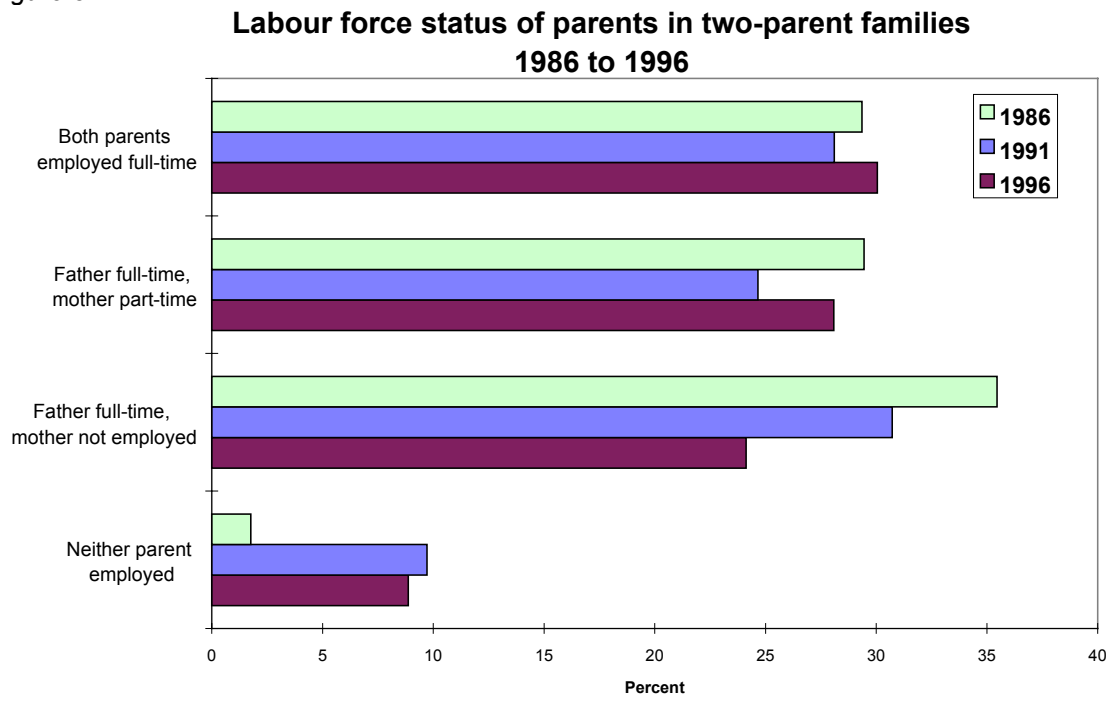
[34] Federal Interagency Forum on Child and Family Statistics (1997) *America's Children: Key National Indicators of Well-being*, p18.

Employment patterns of couples with dependent children

A decade ago, the most common employment pattern for couples with dependent children was for the father to work full-time and the mother to stay at home. About a third of two-parent families were in this category in 1986 (Figure 31). In the late 1980s, there was a drop in parental employment and the proportion of two parent families with neither parent employed rose sharply, from 2 percent to 10 percent. In the five years to 1996, employment of couples recovered, and the proportion with both parents employed full-time reached 30 percent. This is now the most common pattern for couples with children. However, there were still 9 percent of couples with neither parent employed. Thus, the last decade has seen the development of "work rich" and "work poor" two-parent families.[35]

When sole parents without employment are included, the proportion of families with no parent employed in 1996 increases to 23 percent, or over 105,000 families. This is slightly fewer than in 1991, when there were 107,000 families with no parent employed (25 percent of families), but still much higher than in 1986 when there were 57,000 families in this situation (14 percent).

Figure 31



Sources: 1986 Census, Series C Report 13, *Families*, Tables 3, 6 (families with children under 16); 1991 Census, *New Zealanders at Home*, Table 24; 1996 Census, *Families and Households*, Table 20.

[35] Callister, P. (1998) "'Work-rich' and 'work-poor' individuals and families: Changes in the distribution of paid work from 1986 to 1996", in *Social Policy Journal of New Zealand*, Issue 10, June.

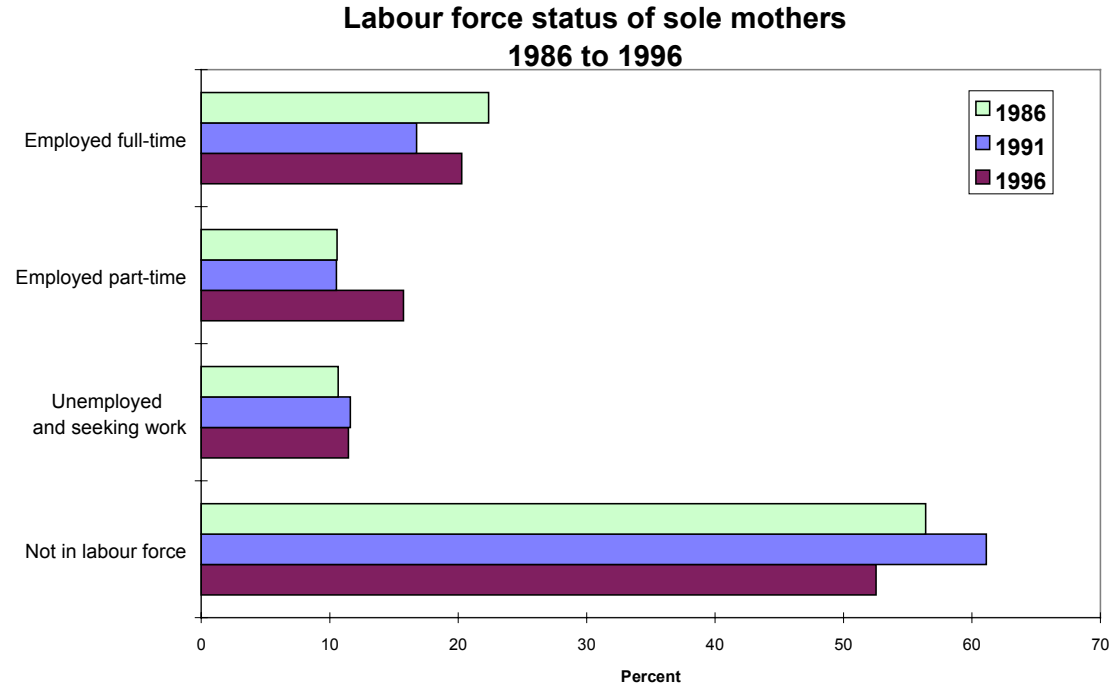
Labour force status of sole mothers

Sole parents, particularly sole mothers, have relatively low rates of employment and it has been the aim of policy in recent years to increase them. Raising the participation of sole parents in paid work is likely to improve their incomes and increase their attachment to the labour market, assisting them to become independent of the benefit system.

Over the five years to 1996, there was a large increase in the proportion of sole mothers employed part-time, and full-time employment almost recovered to 1986 levels (Figure 32). In total, 36 percent of sole mothers were employed in 1996 (20 percent full-time, 16 percent part-time). Among sole mothers employed part-time, the majority (55 percent) worked for less than 15 hours a week.

In all, nearly half (47 percent) of sole mothers were in the labour force in 1996, either employed or unemployed and actively seeking work. The proportion that was not in the labour force dropped from 61 percent in 1991 to 53 percent in 1996. These trends reflect the increasing employment opportunities for sole mothers as the economy recovered after 1992, as well as the declining value of benefits following the rate reductions of 1991.

Figure 32



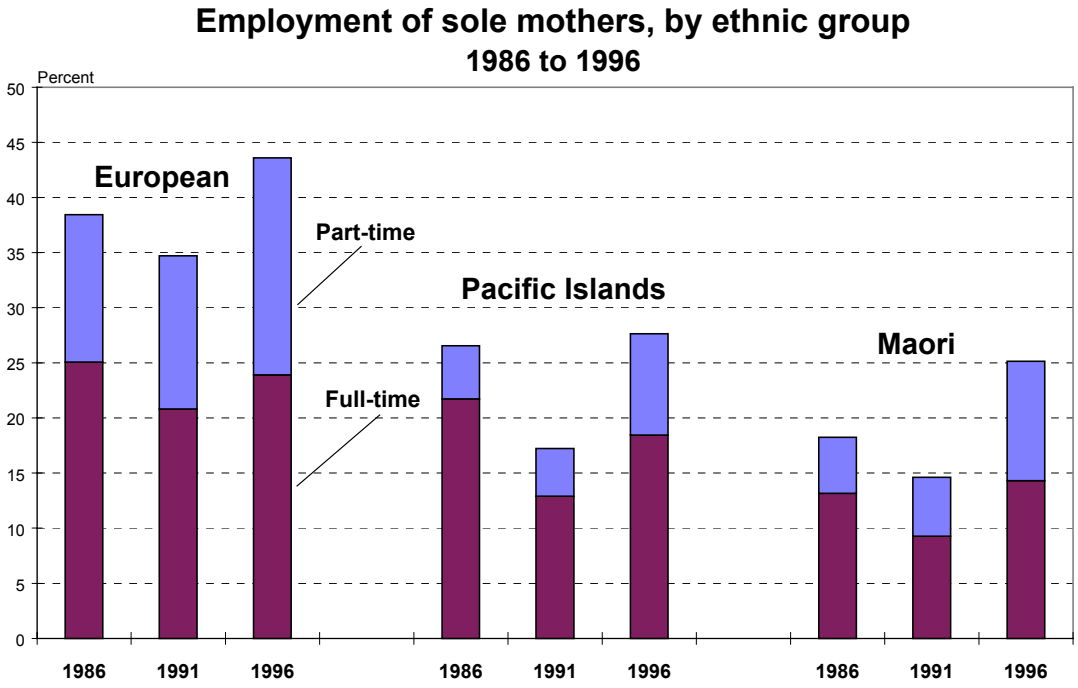
Sources: 1986 Census, unpublished data; 1991 Census, *New Zealanders at Home*, Table 23; 1996 Census, *Families and Households*, Table 25.

The proportion of sole parents not employed (either unemployed or not in the labour force) can be used as a guide to the level of total reliance on income-tested benefits by sole parents over time. By this measure, total reliance on benefit was at its highest point in 1991 and has declined since, from 73 percent to 64 percent for sole mothers, and from 52 percent to 45 percent for sole fathers (Appendix Table 11).

Ethnic differences in sole mothers' employment

There are marked ethnic differences in the employment of sole mothers: in 1996, only 25 percent of Maori sole mothers and 28 percent of Pacific Islands sole mothers were employed, compared with 44 percent of European sole mothers. This reflects the fact that Maori and Pacific Islands mothers are less likely than European mothers to have qualifications, are more likely to be young, to have young children, to have larger families and, in the case of Maori, to live outside a main urban area. These characteristics place them at a disadvantage in the labour market and partly explain their over-representation among benefit recipients. However, while these ethnic differences remain substantial, the large increase in sole mothers' employment that occurred between 1991 and 1996 was experienced by each of these ethnic groups (Figure 33, Appendix Table 12). For each ethnic group, part-time employment has increased faster than full-time employment.

Figure 33



Source: Statistics NZ, 1986, 1991, 1996 Censuses, unpublished tables.

Employment of mothers by age of youngest child

The likelihood of mothers working full-time increases with the ages of children (Figure 34). Full-time work predominates among mothers whose youngest child is aged at least 8 or 9 years. The pattern is similar for both sole and partnered mothers. However, partnered mothers with young children are much more likely to work part-time than full-time.

While partnered mothers are more likely than sole mothers to work full-time at all children's ages, it is interesting to note that among those with children of secondary school age, only half are employed full-time.

In total, 65 percent of partnered mothers of dependent children were employed in March 1996, compared with 36 percent of sole mothers.

Figure 34

Proportion of sole and partnered mothers employed by age of youngest child, 1996

Source: Statistics NZ, unpublished 1996 Census data.

Trends in the employment of mothers of young children

Administrative reforms of the education sector in 1989 introduced a universal funding formula that gave parents greater choice over the early childhood education service they used. Since then, growth in the number of childcare services has been faster than for other services, doubling between 1990 and 1997. This has facilitated an increase in employment among mothers of young children. Over the five years to 1996, the proportion of mothers with babies under 1 year who were in paid employment rose from 23 to 31 percent. Among mothers with children aged 1-4 years, employment rates rose from 37 percent in 1991 to 49 percent in 1996. These increases were more pronounced for sole mothers than for partnered mothers Appendix Table 13).

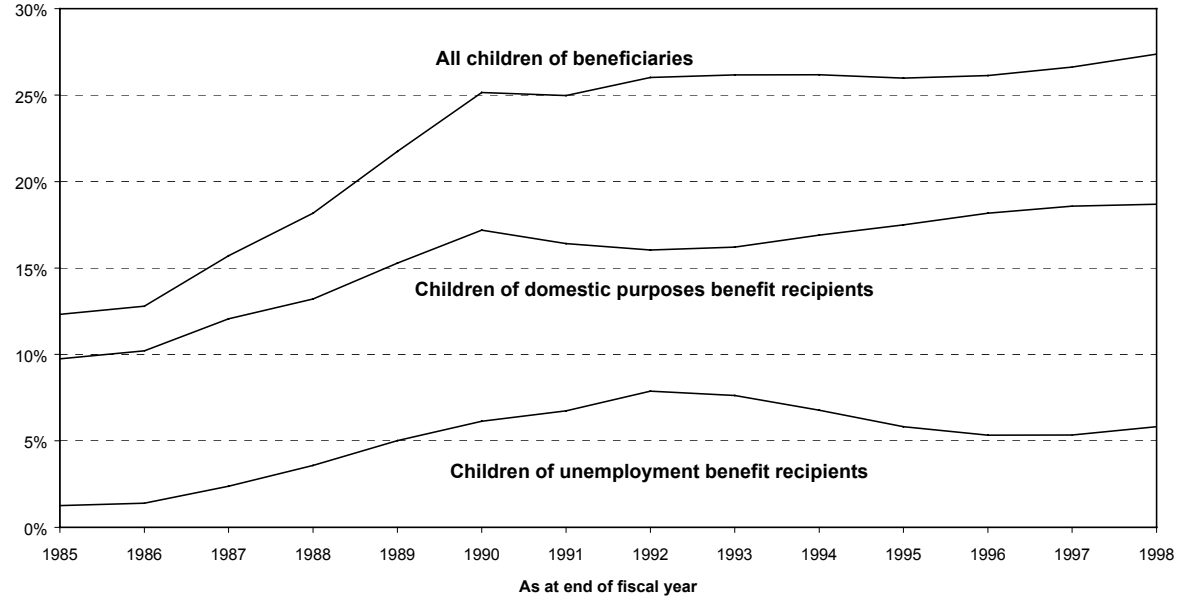
Children with a parent on benefit

Growth in parental unemployment since the 1980s is reflected in the number of children with a parent on benefit. Between 1985 and 1992 the proportion of children under 18 years of age with a parent on benefit more than doubled, from 12 percent to 26 percent. In the last two years, this proportion has increased slightly and in 1998, it stood at 27 percent (Figure 35).

Children of sole parents on DPB make up the majority of children in families receiving benefits (68 percent in 1998). However, the number of children with parents on other benefits, particularly unemployment benefit, has increased substantially since the mid-1980s. In the year to June 1998, there was a slight decline in the proportion of children under 5 with a parent on DPB and a slight increase in the proportion whose parents received unemployment benefit (see Appendix Table 14).

Figure 35

Children of benefit recipients as a proportion of children under 18
1985 to 1998



Source: DSW Annual Reports, Statistical Information Reports; Statistics New Zealand, age estimates as at 31 March, 30 June (resident population estimates from 1991).

Since 1995, increases in both the number and the proportion of children with a parent on benefit have occurred only among children over 5 years of age. The largest increase in recent years has occurred among those in the oldest age group; between the end of June 1997 and 1998, the number of 15-17 year olds with a parent on benefit rose by 13.5 percent. As a proportion of young people aged 15-17, they increased from 16.3 to 18.5 percent (Appendix Table 14). There is a possible explanation for this rise in the withdrawal of income support for 16 and 17 year olds at the beginning of 1998. This may have had the effect of prolonging the period of financial dependence for some young people, so that they continued to qualify as the dependent children of parents receiving a benefit. Some may have remained longer at school.

Families with dependent children[36]

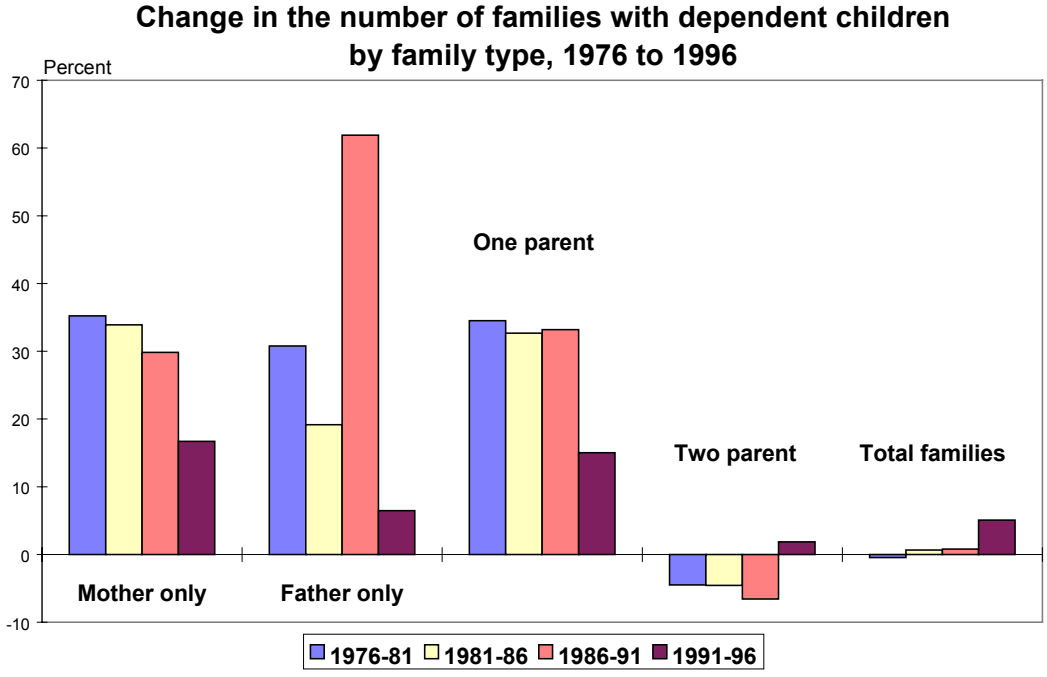
Families with dependent children have traditionally been a key group of interest to the Department of Social Welfare. Families are the structures through which social services are delivered and eligibility for income support and family assistance is determined. Longer periods spent in education, high youth unemployment and more sole parenting mean that families with young adult children may be more in need of services and support than in the past. However, the main emphasis of policy continues to be on families with children under 18 who are not financially independent.

Trends in the number of families with dependent children

The number of families with dependent children barely changed in the decade to 1986, reflecting the low fertility rates of that period, as well as the "ageing" of existing families as children moved into early adulthood. Since 1986, higher numbers of births and new migrants have increased the number of these families by 6 percent, most of the increase occurring after 1991 (Figure 36). In 1996, there were 472,668 families with dependent children.

During the period 1976 to 1991, the number of two-parent families declined, while one-parent families increased by around a third in each intercensal period. Between 1991 and 1996, there was a 2 percent rise in the number of two-parent families and growth in the number of one-parent families was halved to 15 percent (Appendix Table 15).

Figure 36



Source: Statistics NZ, published and unpublished Census tables (see Appendix Table 15).

[36] The statistics in this section refer to families with any dependent children, whether or not they also included adult children. In the 1996 census, a dependent child is defined as a person aged under 18 years and not in full-time employment. In previous censuses, a dependent child is a child under 16 years of age, or 16-18 years old but still at school.

As a result of these trends, the proportion of families with one parent more than doubled between 1976 and 1991 (from 10 percent to 24 percent), but increased more slowly in the following five years. In 1996, there were 126,585 one-parent families and they made up 27 percent of all families with dependent children.

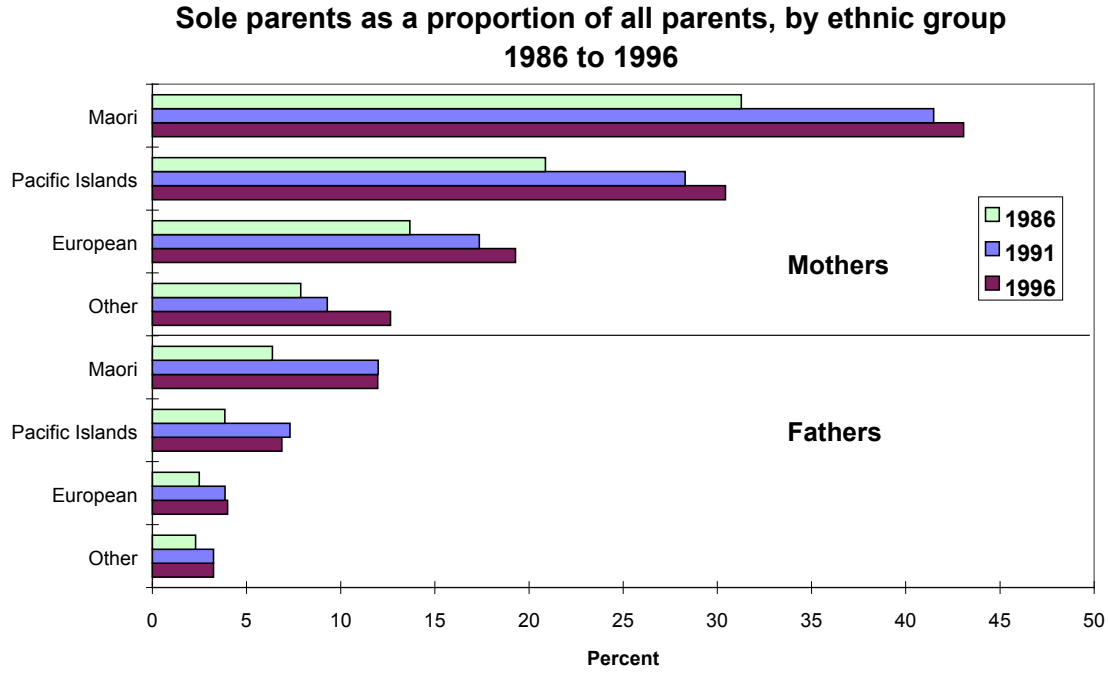
The vast majority of one-parent families are headed by a sole mother (85 percent). Between 1986 and 1991, the number of sole fathers grew nearly twice as fast as the number of sole mothers (by 62 percent, compared to 33 percent), reducing the female proportion to 84 percent. However, in the five years to 1996, the number of sole fathers increased by just 6 percent, while the increase for sole mothers over that period was 17 percent.

Ethnic differences in sole parenthood

The likelihood of being a sole parent varies widely by ethnic group, with Maori and Pacific Islands parents being more likely to be their children's sole resident parent than those from European or other ethnic groups. In 1996, 43 percent of Maori mothers were sole mothers, as were 30 percent of Pacific Island mothers, 19 percent of European mothers and 13 percent of mothers from other ethnic groups (Figure 37). The increase in sole motherhood between 1991 and 1996 was slight compared to the sharp rise in the late 1980s, when the proportion of sole mothers rose from 31 to 41 percent among Maori, from 21 to 28 percent among Pacific Islands mothers, and from 14 to 17 percent among European mothers (Appendix Table 16).

Fathers living with their children are less likely than mothers to be sole parents. In 1996, 12 percent of Maori fathers, 7 percent of Pacific Islands fathers, 4 percent of European fathers and 3 percent of those from other ethnic groups were living with their children but not the other parent. Of all parents living with their children in 1996, 24 percent of mothers and 5 percent of fathers were sole parents (Appendix Table 16).

Figure 37

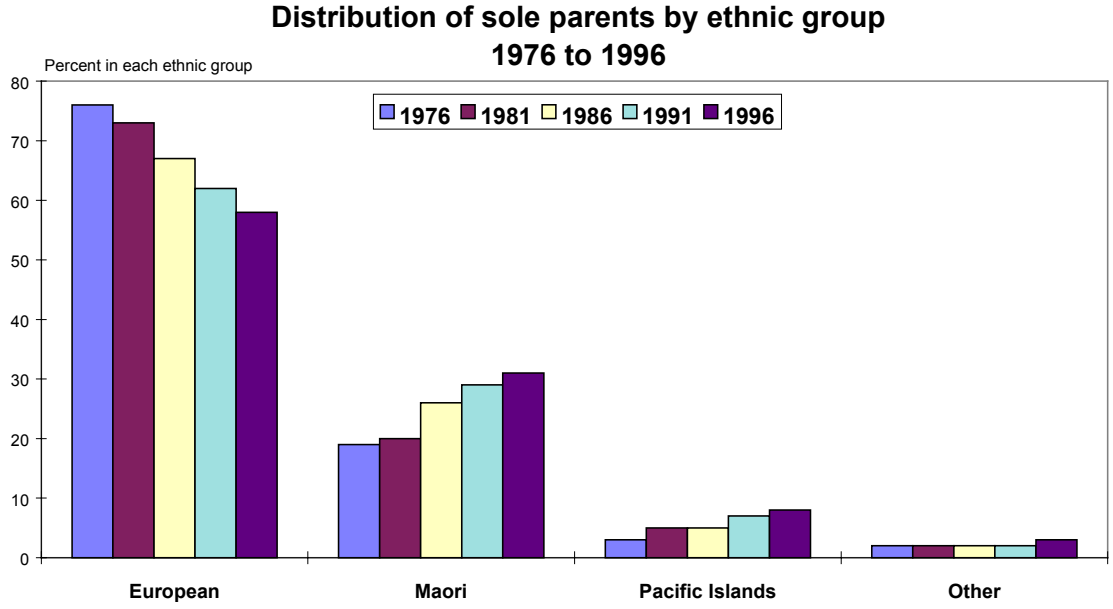


Source: Statistics New Zealand, unpublished census data.

Ethnic distribution of sole parents

Changes in the ethnic distribution of sole parents may help explain changes in the propensity for sole parents to be employed. Since Maori and Pacific Islands ethnic groups are disproportionately affected by unemployment, a growing proportion of these ethnic groups among sole parents is likely to have a downward influence on their levels of employment. Over the past twenty years, the proportion of sole parents who are European has declined from 76 to 58 percent, while the proportion who are Maori has increased from 19 to 31 percent (Figure 38). In 1996, 7 percent of sole parents were Pacific Islands parents (up from 3 percent in 1976) and 3 percent were from other ethnic groups.

Figure 38



Source: Rochford (1993); Statistics NZ, unpublished census data.

Families with youngest child under five

The employment of mothers is strongly influenced by the age of their youngest child. Over the period 1976 to 1991, the proportion of sole parents with a child under five increased from 33 percent to 42 percent, then declined slightly to 41 percent in 1996. Maori and Pacific Islands sole parents are more likely than their European counterparts to have a youngest child under five (51 percent, 52 percent, and 35 percent, respectively, in 1996). Sole mothers are twice as likely as sole fathers to have pre-school children (44 percent, compared to 22 percent), but only slightly more likely than partnered mothers (43 percent).

Number of children

Sole parents have fewer children, on average, than married or cohabiting parents. In 1996, 51 percent of sole parents had just one child, compared to 34 percent of couples with dependent children. Pacific Islands and Maori sole parents tend to have larger families than other sole parents: in 1996, 26 percent and 23 percent, respectively, had three or more children, compared with 15 percent of Europeans.

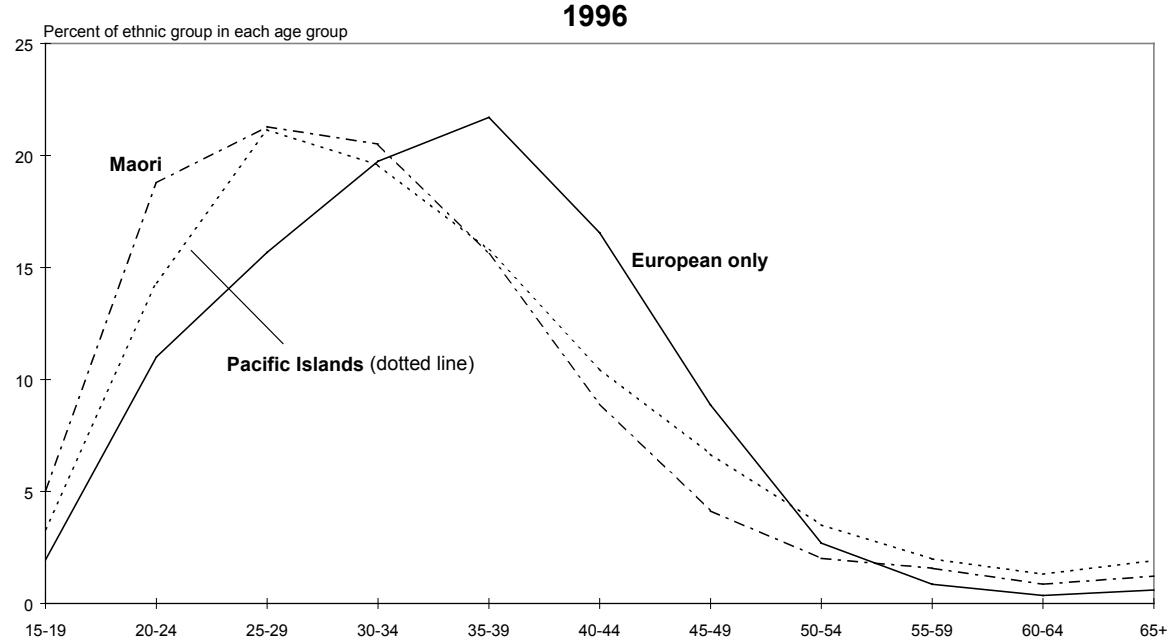
Age of sole parents

In 1996, 3 percent of sole mothers were teenagers, 31 percent were in their twenties, and two-thirds (66 percent) were aged 30 or over. European sole mothers have an older age profile than Maori or Pacific Islands sole mothers, reflecting their tendency to have children at an older age (Figure 39). Nevertheless, the proportion of Maori sole mothers in their teens was small (5 percent) and the majority (55 percent) were aged 30 or more. Among Pacific Islands sole mothers, 3 percent were under 20 and 61 percent over 30, while comparative figures for European sole mothers were 2 percent and 71 percent, respectively.

Sole fathers are older, on average, than sole mothers, with 83 percent aged 30 or more in 1996. About 1 in 4 Maori and Pacific Islands sole fathers were aged under 30, compared with 1 in 8 European sole fathers.

Figure 39

Age distribution of sole mothers, by ethnic group 1996



Source: Statistics NZ, unpublished data from the 1996 population census. Includes persons in parent role.

International comparisons of the incidence of sole parenthood

New Zealand has a relatively high incidence of sole parenthood, whether the comparison is made between sole parent households or sole parent families (which may be living in a household with others). The most recent comparable figures available for sole parent families are: United States, 32 percent (1996); New Zealand 27 percent (1996); United Kingdom, 21 percent (1996); Australia, 21 percent (1997); Canada, 19 percent (1996).[37]

[37] Sources: US, Bureau of the Census, Family Groups with Children Under 18, Current Population Survey, Table FM-2; NZ, SNZ, 1996 Census, *Families and Households*, Tables 12, 22, families with dependent children; UK, Office of National Statistics, *Social Trends 28*, 1998, p45, families with dependent children; Australia, ABS Family Survey (Cat. No. 4442.0), families with children under 18; Statistics Canada, 1996 Census, Dimension Series Cat. Nos. 94F0009XDB96042, 94F0009XDB96048, families with never-married children under 18.

Children and their families

Living circumstances of children

Family resources and the amount of parental attention available to children are likely to be greater where there are two parents. The decline in the resources available to children and the cost to the state of providing substitute economic support are the main reasons why changes in family structure over the past thirty years have been viewed with concern by policy makers.

Under the age of 17, most children live with both of their parents. In 1996, there were 903,861 children under 17 living with their parents, 76 percent of whom lived with two parents, 21 percent with their mother only, and 3 percent with just their father.

Of those children living with one parent, most live with their mothers (87 percent in 1996). The proportion living with their fathers varies from 8 percent for sole parents' children under 5 years, to 20 percent for sole parents' children aged 14-16. Boys are more likely than girls to live with their father.

Many children live in households where there are other adults besides their parents, particularly Pacific Islands and Maori children, young children, and children in one-parent families. In 1996, 49 percent of Pacific Islands babies under 1 year lived in households with more than one family, as did 35 percent of Maori babies and 14 percent of babies from European or other ethnic groups.[38] Children in one-parent families are more likely than those in two-parent families to live in extended families. For example, in 1996, 28 percent of Maori children under 15 with sole parents lived in extended families, compared to 14 percent of Maori children in two-parent families.[39]

In 1996, there were 38,500 children (5 percent of children under 15) who were not living with either of their parents, a similar number and proportion to that recorded in 1991. Most such children live with other relatives or siblings.

Trends in the number of children living with one parent

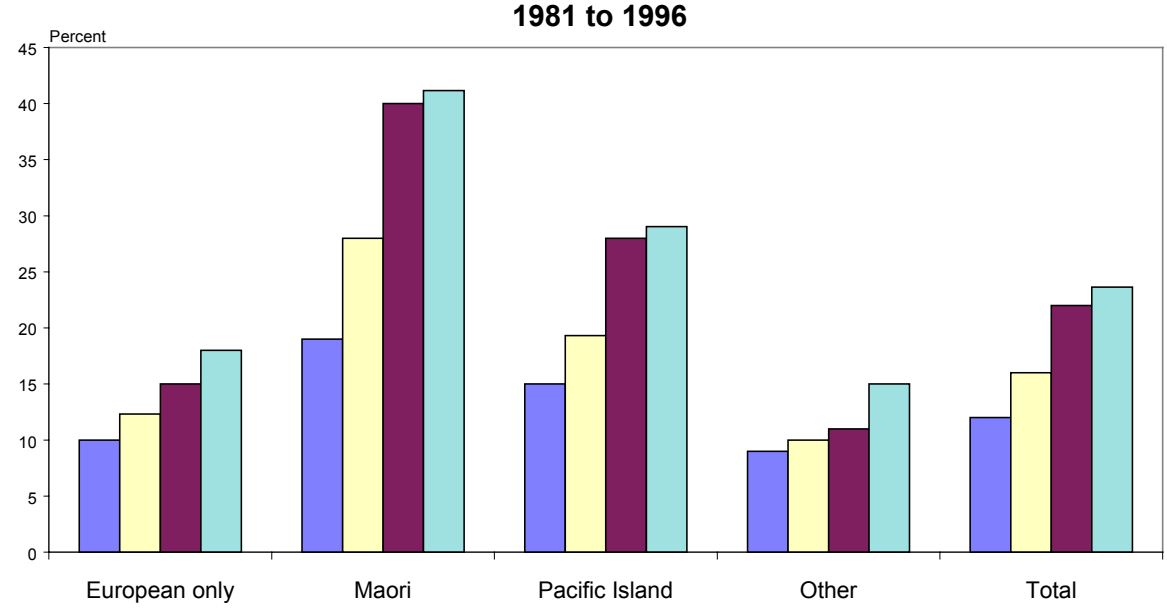
During the 1980s, the proportion of children under 15 years of age who were currently living with just one parent almost doubled (from 12 percent in 1981 to 22 percent in 1991). The rate of increase was greatest among Maori and Pacific Island children. Forty percent of Maori children lived with just one parent in 1991, more than double the proportion 10 years earlier (19 percent). Over the same period, the proportion of Pacific Island children living with a sole parent increased from 15 to 28 percent. Comparative figures for European children were 10 percent in 1981 and 15 percent in 1991.[40]

In the five years to 1996, this upward trend slowed, bringing the proportion of children living with one parent in 1996 to 41 percent for Maori, 29 percent for Pacific Islands children, and 17 percent for European children (Figure 40).

Figure 40

[38] Davey, J. (1998) *Tracking Social Change in New Zealand: From Birth to Death IV*, Tables A2.1, A3.
[39] Statistics New Zealand (1998) *New Zealand Now - Maori*, p37. An extended family is defined here as a group of related people who live together in the same household.
[40] Statistics New Zealand, (1995) *New Zealand Now - Children*, p18.

Children living in one-parent families, by ethnic group
1981 to 1996



Source: Statistics New Zealand (1995) *New Zealand Now - Children*, p18; unpublished data from the 1996 Census.
Note: Figure refers to children under 15 years of age. For all dependent children under 18 years living with one parent, see Appendix Table 13.

Among older dependent children (those aged 15-17 who are not in full-time employment), there was a similar increase in the proportion living with just one parent over the decade to 1996 (Appendix Table 17).

Childhood experience of living with one parent

Census statistics on children and their families can only provide a snapshot at a point in time; they underestimate the extent to which children and parents experience life in a one-parent family. A longitudinal study of 1,265 children born in Christchurch in 1977 found that 36 percent had spent a period of time in a one-parent family by the age of 16, with the majority (79 percent) entering one-parent families as a result of parental separation and divorce.[41] In the last 15 years, many more children have entered one-parent families and so the proportion of children spending part of their childhood with one parent will have increased.

While most children continue to enter one-parent families through parental separation, increasing numbers are living with one parent in their first year of life. The proportion of babies under one year who were living with a sole mother rose sharply from 7 percent in 1981 to 19 percent in 1991, then more slowly to reach 21 percent in 1996.[42] The increase in the 1980s was more dramatic for Maori (from 13 percent in 1981 to 40 percent in 1991), but there was no change in the five years to 1996 (still 40 percent). Comparable figures for Pacific Islands babies were: 13 percent in 1981, 27 percent in 1991, and 29 percent in 1996 (Appendix Table 18).

[41] Fergusson, D. M. (1998) "The Christchurch Health and Development Study: An Overview and Some Key Findings", in *Social Policy Journal of New Zealand,* Issue 10, June, pp158.
[42] Davey, J. (1998) *Tracking Social Change in New Zealand: From Birth to Death IV*, Table A3.

Children born to single mothers

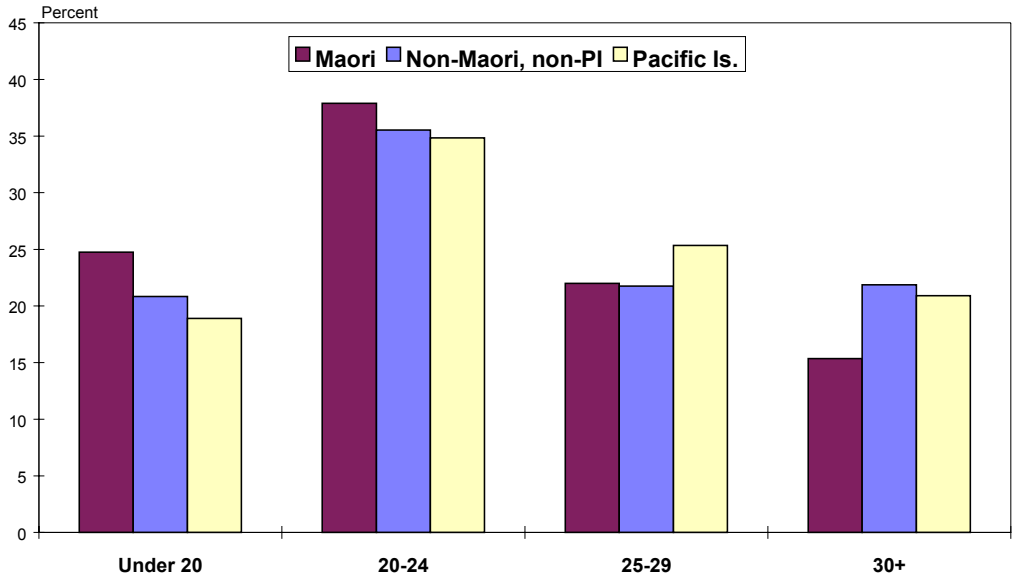
There is no accurate measure of the extent to which children enter one-parent families at birth. A high proportion of ex-nuptial births occurs to two parents who are living together but are not legally married. Between 1988 and 1995, almost half of all ex-nuptial birth registrations included the names of both parents living at the same address. Most (but not all) of the remaining ex-nuptial births will have occurred to single mothers. However, it is not possible to determine the exact proportion as the numbers depend on the willingness of birth parents to disclose their living arrangements and this may be affected by changes in income support and child maintenance policies. The following statistics should therefore be viewed with caution.

In 1996, 57 percent of ex-nuptial births (13,686) had no resident father on the birth registration form. Half of the mothers (50 percent) were Maori, 13 percent were Pacific Island and a third (34 percent) were neither Maori nor Pacific Island. The largest group of these mothers (36 percent) was in their early twenties, 23 percent were in their teens and 18 percent were aged 30 or over. Maori mothers in this situation had a slightly younger age profile, with 25 percent aged under 20 (Figure 41).

The likelihood of a newborn child having no father resident varies by mothers' ethnicity and age. In 1996, such children accounted for 24 percent of all births, 53 percent of births to Maori women, 31 percent of births to Pacific Island women, and 12 percent of births to non-Maori, non-Pacific Island women. They made up 70 percent of children born to women under 20, 43 percent of those born to women aged 20-24, 18 percent of those born to women aged 25-29 and 10 percent of those born to women aged 30 or over.[43]

Figure 41

Age distribution of mothers of ex-nuptial births with no resident father, by ethnic group, 1996



Source: Statistics New Zealand, unpublished birth data.

[43] Ex-nuptial birth statistics are not available by birth order; therefore, these births are not necessarily first births and they do not represent the formation of new families.

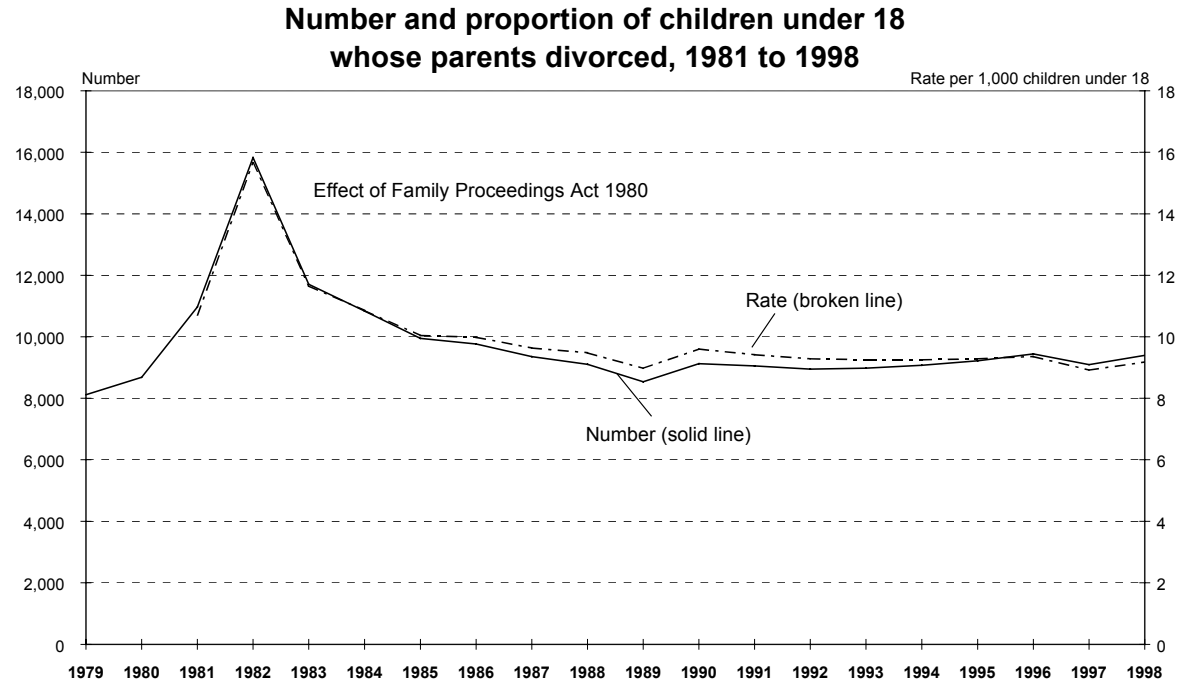
Parental separation and divorce

Despite the increase in the number of children entering sole parent families at birth, parental separation is still the major route into sole parenthood. There is no accurate measure of the extent to which couples with dependent children separate. Divorce rates are a poor indicator because they exclude cohabiting couples and those who separate informally. In addition, more than half of divorcing couples have no children under 18. There is some evidence of the relative size of this group from benefit statistics: sole mothers who were previously living with a spouse or partner made up 66 percent of all sole mothers on the domestic purposes benefit at the end of June 1998.

In 1998, there were 9,401 children whose parents divorced, representing 9.2 per 1,000 children under 18 years. The numbers and the rate increased sharply with the introduction of "no fault" divorce in 1981, but have remained relatively steady over the past decade (Figure 42). There are no figures available for the number of children whose parents separate informally or leave de facto relationships.

Children aged 10-17 years are more likely than younger children to have their parents divorce. In 1996, the rate at which children were involved in divorce was 10.9 per 1,000 for children aged 10-17, compared to 8.5 per 1,000 for children aged 0-9 years. While the number of children under 10 affected by divorce grew by 8 percent between 1991 and 1996, this was in line with population growth for this age group and the rate per 1,000 children aged 0-9 was the same in 1996 as in 1991 (8.5).

Figure 42



Source: Statistics NZ, Divorce Statistics; mean population estimates, year ended December.

Outcomes for children who live with one parent

The Christchurch Child Health and Development study found that, as a group, children reared in one-parent families have higher levels of exposure to social and economic disadvantage, family dysfunction, stress and impaired or compromised parenting and childrearing. However, these factors are often present prior to parental separation rather than being a consequence of separation. Collectively, the findings suggest that single parenthood in the absence of social or family disadvantage is not a factor that makes a major contribution to childhood risk.[44] An exclusive focus on changes in family structure as a cause of disadvantage can obscure the fact that many two-parent families are also subject to social and economic disadvantage.

[44] Fergusson, D. M. (1998) "The Christchurch Health and Development Study: An Overview and Some Key Findings", in *Social Policy Journal of New Zealand,* Issue 10, June, pp158,171.

Social work services to children, young people and families

In the year to June 1998, there were just over 23,600 care and protection notifications to the Children, Young People and their Families Service (CYPFS). On a population basis, this represented 29 notifications per 1,000 children aged 0-13 years. This rate has been relatively constant over the past few years. It is important to note that the number of notifications can be affected by the level of resources made available, and by administrative changes. Between June 1994 and June 1995 years, there was a change in the notification categories used and notifications not directly related to care and protection (which came under the heading of "general welfare inquiries") were subsequently excluded from the statistics. This contributed to the sharp drop in the number of notifications between 1994 and 1995 (Table 6).

Table 6

Care and protection notifications
1992 to 1998

Year ended June	Notifications received	Rate per 1,000 popn 0-13 years
1992	24,861	33.3
1993	28,756	38.1
1994	30,552	40.0
1995	24,290	31.4
1996	23,046	29.3
1997	23,246	29.1
1998	23,652	29.4

Sources: DSW Statistical Information Reports; Statistics NZ, resident population estimates, year to 30 June.

Of all care and protection notifications in the year to June 1998, 77 percent required further action by CYPFS social workers. All cases accepted for investigation are assigned an urgency rating of critical (requiring same day response), very urgent (response within 2 days), urgent (response within 7 days) and low urgency (response within 28 days). Of the notifications accepted for further investigation in 1998, 15 percent were regarded as 'critical', 11 percent as 'very urgent', 40 percent as 'urgent' and 36 percent as 'low urgency'.

Care and protection notifications are also grouped into the categories of physical abuse, sexual abuse, emotional abuse, neglect, self-harm behaviour, problem behaviour/relationship difficulty, and not found. Of the completed investigations in 1998, 20 percent were associated with physical or sexual abuse. A further 24 percent were cases of emotional abuse or neglect and 22 percent were behavioural or relationship difficulties.

Family Group Conference services

Care and Protection Family Group Conferences (FGC) bring together, in a statutorily defined process, members of the family, whanau, or family group, with professionals and others to consider the needs of the child and to agree to decisions, recommendations or plans to address the child's care or protection needs. Plans formulated by a FGC must be reviewed, either by reconvening the FGC or by a less formal process. In the year to June 1998, there were 3,378 FGC outcomes in New Zealand. Of this group, 2,987 or (88 percent) were cases where an FGC agreement had been reached.

Youth Justice Family Group Conferences are convened to address the offending behaviour of children and young people. They bring together in a statutorily defined forum, members of the family or whanau, with the law enforcement officer and the victims, to agree on how the young person will be made accountable. The effort is directed towards diverting the young person from the formal Court system. In the year to June 1998, there were 6,307 youth justice FGC outcomes. Of this group, 5,216 or 83 percent were outcomes where agreements had been reached.

Ethnicity of CYPFS clients

Maori children and youth are highly over-represented among the clients of the Children, Young Persons and Their Families Service. While Maori made up 24 percent of children at

the 1996 Census, they made up 42 percent of care and protection cases and 53 percent of youth justice cases that came to the attention of the Children, Young Persons and Their Families Service in the year to June 1998 (Table 7).

Table 7

Ethnic distribution of Children, Young Persons and Their Families clients*
Year to June 1998

	Care and Protection clients	Youth Justice clients	Total CYPFS clients
		Percent	
Maori	42	53	44
Pacific Islands	9	10	9
Non-Maori, non-Pacific Islands	49	36	47

Source: SWis.
*Clients with either an output with an open date or a sign off date in the year.
Excludes those with no ethnic information recorded.

CYPFS clients whose parents receive benefits

In 1996, researchers in the Social Policy Agency investigated the extent to which families coming to the notice of CYPFS were also clients of the Income Support service.[45] They found that children of benefit recipients were over-represented among CYPFS clients: they made up 59 percent of children who were the subject of care and protection notifications and 51 percent of young people who were the subject of youth justice notifications. The expected proportions in each group were 27 percent and 19 percent, respectively.

The researchers noted that, although the results of this study provide evidence that the children of benefit recipients are more likely to come to the notice of CYPFS than are children generally, this does not imply that they come to notice because their caregivers are on benefit. In other words, a causal relationship between parental benefit receipt and notification was not established. Moreover, only a small minority of the children of benefit recipients (estimated at less than 6 percent in one year) becomes the subject of CYPFS notifications. Therefore, it cannot be said that the children of benefit recipients are highly likely to become CYPFS clients.

[45] Rochford, M. and Walker, B. (1996) "The Benefit Status of Caregivers of Children and Young People who Come to the Notice of CYPFS", in *Social Policy Journal of New Zealand*, Issue Seven, December, pp207-218.

Youth offending[46]

The Children, Young Persons, and Their Families Act 1989 places an emphasis on diverting young people from formal prosecution processes in court, and using the family group conference as a means of making decisions about young offenders. As the majority of young offenders are no longer prosecuted in formal court proceedings, court statistics do not give an accurate picture of overall trends in offending by young people. However, some indication of trends in offending by young people is available from police apprehension statistics.[47]

14-16 year olds apprehended by the Police

Trends in the number of apprehensions by police show that juvenile crime increased over the decade to 1997, but at a slower rate than crime among adults. The number of apprehensions involving 14-16 year olds increased by 31 percent over the decade to 1997, compared to a 36 percent increase among adults. Young people under 17 years of age make up about one in five offenders apprehended by police.

The majority of apprehensions of 14-16 year olds relate to dishonesty offences (52 percent in 1997). There was a period of sustained growth in the number of apprehensions of 14-16 year olds for dishonesty offences through the 1990s, but the number dropped sharply in 1997. However, the number recorded in 1997 was 13 percent higher than it was had been in 1988 Among adults, the increase was 14 percent.

Apprehensions of 14-16 year olds for violent offences increased significantly in the four years from 1992 to 1996 before dropping slightly in 1997. Over the decade, there was a 77 percent increase in the number of apprehensions for violent offences by young people, compared to an 87 percent increase among adult offenders aged 17 or older.

Apprehensions for property damage offences increased more rapidly among young people than among adults over the decade (by 137 percent and 57 percent, respectively). The opposite was the case for property abuse offences, which increased by 56 percent for 14-16 year olds and 69 percent for adults.

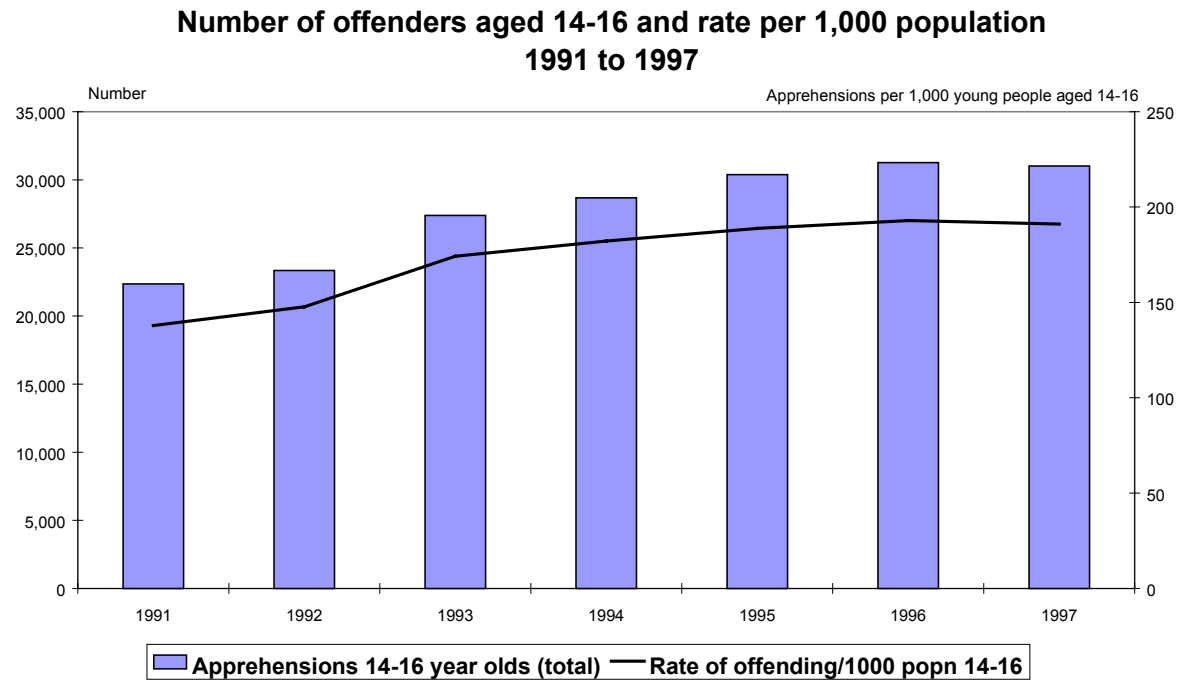
Rates of youth offending since 1991

In 1997, the number of youth apprehensions was 39 percent higher than in 1991, while the resident population aged 14-16 was the same size. Thus, on a population basis, the apprehension rate per 1,000 population aged 14-16 years also increased by 39 percent, from 139 per 1,000 in 1991 to 191 per 1,000 in 1997 (Figure 43). Rates of apprehension are highest for dishonesty offences, followed by drugs/anti-social offences, property damage and violence (Figure 44). However, the increase in apprehension rates between 1991 and 1997 was highest for administrative offences (though from a very low base), followed by property damage, violence, and drug and anti-social offences.

Figure 43

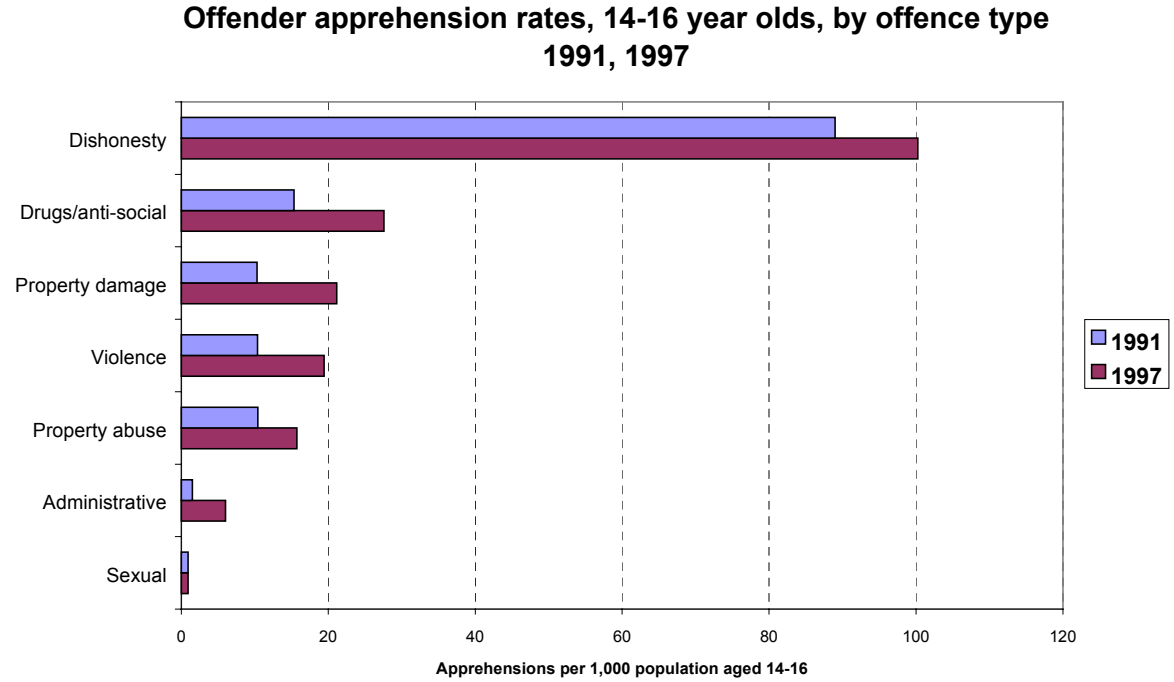
[46] This section draws on a Ministry of Justice report, Spier, P (1998), *Conviction and Sentencing of Offenders in New Zealand: 1988 to 1997*. Offender apprehension rates were calculated by the Social Policy Agency.

[47] Care must be taken in interpreting trends in crime data. An increase in the number of youth offences and prosecutions may reflect an increase in reporting rates, demographic changes which increase the size of the pool of potential offenders, or changes in policing practice or priorities.



Source: Spier, P (1998) *Conviction and Sentencing of Offenders in New Zealand: 1988 to 1997,* Table 5.1, p77, Ministry of Justice; Statistics NZ, resident population estimates by age, year to 31 December. Resident population estimates are not available prior to 1991.

Figure 44



Source: Spier, P (1998) *Conviction and Sentencing of Offenders in New Zealand: 1988 to 1997,* Table 5.1, p77, Ministry of Justice; Statistics NZ, resident population estimates by age, year to 31 December. Resident population estimates are not available prior to 1991.

Ethnic differences in offender apprehension rates

Maori youth are far more likely to be apprehended by the police than other youth: in 1995, the rate per 1,000 population aged 0-16 was 107 for Maori, 52 for Pacific youth, and 28 for other youth.[48]

Court statistics on young offenders

The passage of the CYP&F Act 1989 resulted in an immediate and substantial drop in the number of court cases involving young offenders, from 8,193 in 1989 to 2,352 in 1990. Since 1990, there has been a slowly increasing trend in the number of cases involving the prosecution of young people, which reached 4,111 in 1997. This was the highest number of cases since the CYP&F Act was introduced, but 57 percent less than the number in 1988.

There are wide variations in juvenile offending by gender, ethnicity and age and these are reflected in prosecution statistics. Males accounted for 84 percent of prosecutions involving young people that were finalised in 1997. More than half (55 percent) were Maori, a further 34 percent were New Zealand European, and 10 percent were Pacific young people. Sixteen-year-olds accounted for the largest proportion of cases (47 percent) involving an appearance in the Youth Court in 1997 (Table 8).

Table 8

Gender, ethnicity and age of young people involved in court cases finalised in 1997, by outcome of prosecutions

	Proved[1]		Not proved		Total	
Gender	**Number**	**%**	**Number**	**%**	**Number**	**%**
Male	1,609	85.2	1,827	82.8	3,436	83.9
Female	280	14.8	379	17.2	659	16.1
Total	1,889	100	2,206	100	4,095	100.0
Ethnicity						
NZ European	576	31.7	782	36.6	1,358	34.3
Maori	1,053	57.9	1,111	52.0	2,164	54.7
Pacific Is.	172	9.5	212	9.9	384	9.7
Other	18	1.0	31	1.5	49	1.2
Total	1,819	100	2,136	100	3,955	100
Age						
14 years	137	7.2	192	8.7	329	8.0
15 years	440	23.2	512	23.2	952	23.2
16 years	896	47.2	1,028	46.5	1,924	46.8
17-19 years[2]	426	22.4	477	21.6	903	22.0
Total	1,899	100	2,209	100	4,108	100

Source: Spier, P. (1998) *Conviction and Sentencing of Offenders in New Zealand: 1988 to 1997*, Table 5.3, p79, Ministry of Justice.

1. Proved cases are those that resulted in a conviction in the District or High Court, a Section 19 discharge, or were proved in the Youth Court.
2. Offenders aged 17-19 at the time of sentencing who had their first court appearance for the case in the Youth Court, presumably because they were aged under 17 when they offended.

[48] Statistics New Zealand (1996) *New Zealand Now – Crime*, p38.

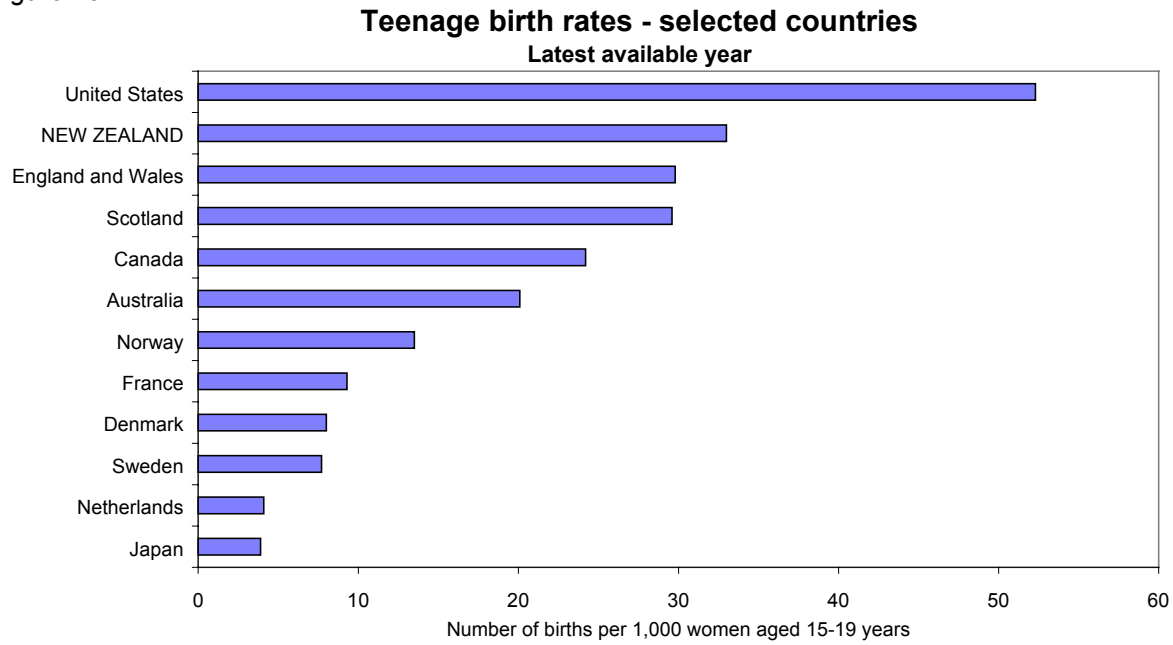
Family formation trends

Teenage childbearing

Research from the United States indicates that bearing a child during adolescence is associated with long-term difficulties for the young woman, her child, and society. These consequences are often attributable to the poverty and other adverse socio-economic circumstances that frequently accompany early childbearing. Compared with babies born to older mothers, babies born to adolescent mothers, particularly young adolescent mothers, are at higher risk of low birth weight and infant mortality. For the mothers, giving birth during adolescence is associated with limited educational attainment, which in turn can reduce future employment prospects and earnings potential.[49] Early reliance on income support is not only likely to have long-term negative impacts on the economic well-being of such mothers and their children; it also increases fiscal costs.

New Zealand has relatively high teenage fertility rates but they are considerably lower than those in the United States (Figure 45). In 1997, the number of births per 1,000 women aged 15-19 was 33 in New Zealand, compared with 52.3 in the United States. Despite this large difference, many of the factors associated with childbearing at a young age are likely to hold true for New Zealand. For example, a recent New Zealand study found a strong association between education, employment and teenage pregnancy: those who ceased their education at an early age, who started work early or had never been employed, were much more likely than other women to have been pregnant in their teens.[50]

Figure 45



Source: Statistics New Zealand, *Demographic Trends 1998*, Tables 2.10, 2.11; US National Centre for Health Statistics, National Vital Statistics Report, v47, no18, Tables 4, 18. Years are: 1997 for the United States and New Zealand; 1996 for Australia, Denmark, England and Wales, the Netherlands, Norway, Scotland and Sweden; 1995 for Canada and Japan; 1991 for France.

[49] Federal Interagency Forum on Child and Family Statistics (1997) *America's Children: Key National Indicators of Well-being*, p32.

[50] Dharmalingam, A., Pool, I., and Hillcoat-Nalletamby, S. (1997) "First Sexual Intercourse and Teenage Pregnancy in New Zealand", Paper presented at the Annual Meeting of the Population Association of America, Washington, DC, 27-29 March 1997. Hamilton: University of Waikato Population Studies Centre.

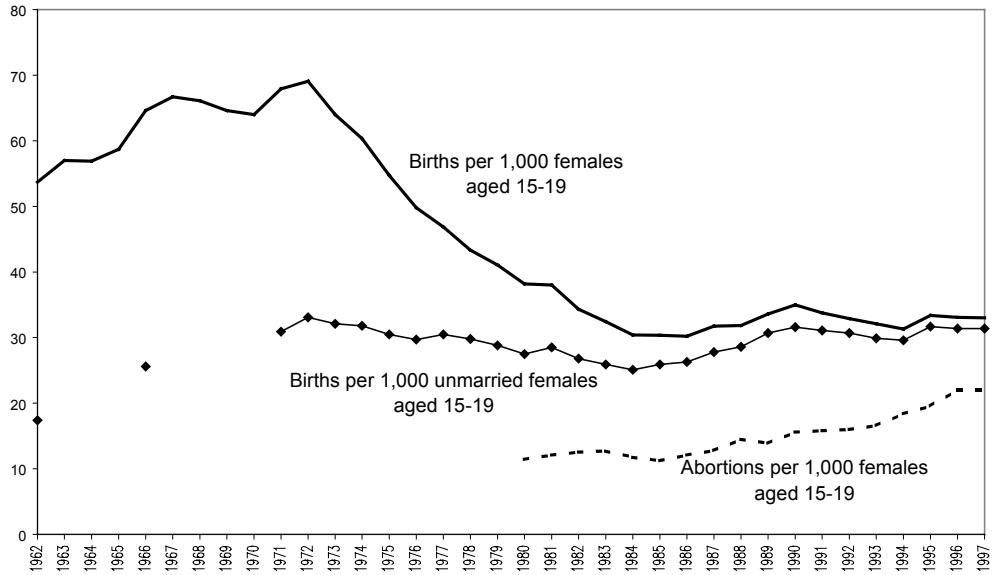
Trends in teenage childbearing

Over the past 25 years, increased access to contraception and abortion and rising participation in post-compulsory education have reduced the likelihood that very young women will have children. Fertility rates for 15-19 year olds fell rapidly during the 1970s from a peak of 69.1 per 1,000 in 1972 to a low point of 30.2 per 1,000 in 1986. The decline was most marked for births within marriage, reflecting the sharp reduction in "shot-gun" marriages during the 1970s as new methods of birth control reduced the number of unplanned pregnancies and births. In the late 1980s, teenage fertility rates increased slightly to reach 35 per 1,000 in 1990. However, this rise was not sustained. There was a small increase between 1994 and 1995, but the rate has since stabilised at a level slightly higher than it was in 1986 (Figure 46). There were 4,401 births to women under 20 years of age in 1997, representing a rate of 33 births per 1,000 women aged 15-19 years.

Among unmarried women under 20, fertility rates almost doubled during the 1960s to reach a peak of 33.1 per 1,000 in 1972, then declined gradually over the 1970s to reach 25.1 per 1,000 in 1984. Teenage ex-nuptial birth rates rose during the late 1980s to peak at 31.6 in 1990, and have since fluctuated around that level (31.4 per 1,000 unmarried women aged 15-19 in 1996 and 1997). As teenage marriage is now extremely uncommon in New Zealand, almost all births to women under 20 are ex-nuptial births.

Figure 46

Teenage birth and abortion rates
1962 to 1997



Source: Statistics New Zealand, *Demographic Trends 1998*, Tables 2.11, 2.12, 7.3.

Teenage births and abortion

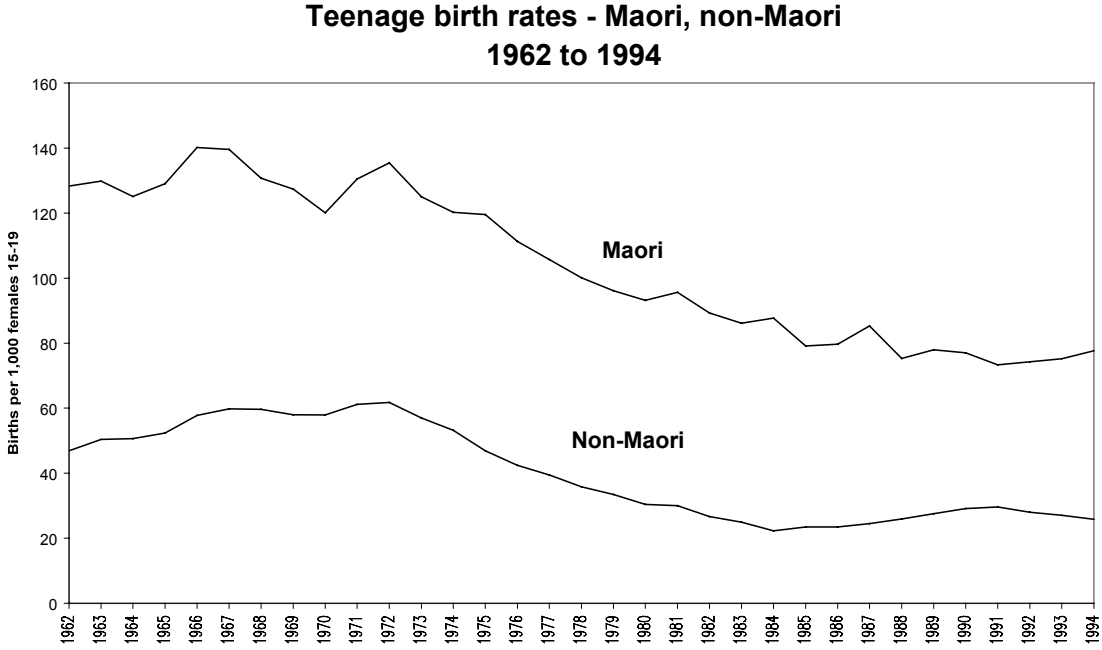
The upturn in teenage childbearing in the late 1980s occurred in a number of countries, and was particularly strong in the United States, where it has been linked to shifts in the ethnic composition of the teenage population and declines in abortion.[51] In New Zealand, the general trend in teenage abortion rates has been upward over the last decade (Figure 46). The number of abortions per 1,000 women aged 15-19 has increased from 12.1 in 1986 to 22.0 in 1997. Abortion rates for women aged 20-24 have also increased, from 17.6 in 1986 to 32.8 in 1997.[52]

Teenage childbearing among Maori

Although Maori fertility rates have declined at all ages over the past 25 years, the decline has been less marked for women under 20 and there remains a considerable gap between Maori and non-Maori teenage birth rates (Figure 47). In part, this reflects the fact that Maori women undertake childbearing at a relatively young age; they are less likely than non-Maori women to have children in their early thirties (Figure 48). However, it also reflects the relative lack of educational and labour market success experienced by young Maori women.

In 1997, Maori women under 20 were four times as likely as non-Maori women to have a baby. There were 82.6 births per 1,000 Maori women aged 15-19, compared with 19.9 per 1,000 for non-Maori women. Nearly one in five Maori women who gave birth in 1997 was aged under 20 (18 percent), compared with one in twenty non-Maori women (5 percent).[53]

Figure 47



Source: Statistics New Zealand, births, estimated mean female population by single year of age, Maori, non-Maori, 1962 to 1995.
From 1 September 1995, a new ethnic question was asked on the birth registration form. As a result, birth data by ethnic group after 1994 are not compatible with earlier years and are not included in the chart.

[51] Sonenstein, F.L. and Acs, G. (1995) "Teenage Childbearing: The trends and their implications", in Sawhill, I.V., *Welfare Reform: An Analysis of the Issues*, The Urban Institute.
[52] Statistics New Zealand, *Demographic Trends 1994, 1998,* Table 7.3. Figures for 1997 are provisional.
[53] Statistics New Zealand, *Demographic Trend 1998*, revised Table 2.11; unpublished birth data.

Births to young adolescents

In 1997, there were 1,415 births to females under 18 years, of which 48 occurred to girls under 15. This represents a rate of 10.8 births per 1,000 females aged 13-17, about half the level it was in the early 1970s (around 22 per 1,000). The young adolescent fertility rate for Maori in 1997 was 30.9 per 1,000 females aged 13-17, nearly six times higher than the non-Maori rate (5.3 per 1,000). Young Maori adolescents accounted for 61 percent of young adolescents under 18 years who gave birth in 1997, and 88 percent of those under 15.

Regional differences in teenage childbearing

The likelihood that a young woman will bear a child in her teens varies considerably throughout New Zealand. The highest teenage fertility rates occur within parts of the Bay of Plenty, and the central, eastern and northern parts of the North Island (Appendix Table 19). The local authority area with the highest teenage fertility rate is Kawerau, where in 1995-97 there were 102.2 births to females under 20 for every 1,000 females aged 15-19, three times the national figure of 34.2 for that period.[54] However, the number of births to teenage mothers in Kawerau is small (29 in 1996). The local authority area with the largest number of teenage births in 1996 was Manukau City (460), where the teenage fertility rate was also higher than average, at 44.4 births per 1,000 females aged 15-19.

Teenage childbearing and benefit numbers

Evidence from a study of patterns of benefit use shows that sole parents who enter the benefit system as teenagers have a greater risk of receiving a benefit for a long and continuous period.[55] Among sole parents with a child under 1 year granted a domestic purposes benefit or emergency maintenance allowance in 1993, 43 percent of teenage entrants spent all of the following 5 years continuously on benefit, compared with 34 percent of entrants aged 20-24 and 36 percent of all entrants with a youngest child under 1 year.[56] Other factors likely to be important in explaining this association are the high representation of Maori among teenage sole parents and differences between teenage and other sole parents in qualification levels and employment experience.

If teenage fertility rates do not decline over the next five to ten years, there will be a rise in the number of births to teenagers as the large group of children born in late 1980s and early 1990s pass through their mid-to-late teens. For example, under medium population projection assumptions, and assuming a continuation of the 1997 teenage fertility rate of 33 births per females aged 15-19, the annual number of children born to teenagers will begin rising around 2003, from about 4,400 per year to reach nearly 5,000 during the years 2006-2010. Given the longer benefit duration of teenage sole parents, this is likely to produce a small but sustained rise in benefit numbers.

[54] Calculated as the average annual number of births to females under 20 in 1995-97 in each local authority area, per 1,000 females aged 15-19 in each of these areas at the 1996 Census. This produces a national figure that differs slightly from the official rate cited on pages 57 and 58 for females under 20 (33.0 per 1,000). The latter is based on the estimated mean female population for the year ended December.

[55] Social Policy Agency, 1993-1998 Benefit Dynamics dataset, provisional tables.

[56] However, a higher proportion (45 percent) of those aged 35-39 with a child under 1 at grant remained continuously on benefit for the following 5 years.

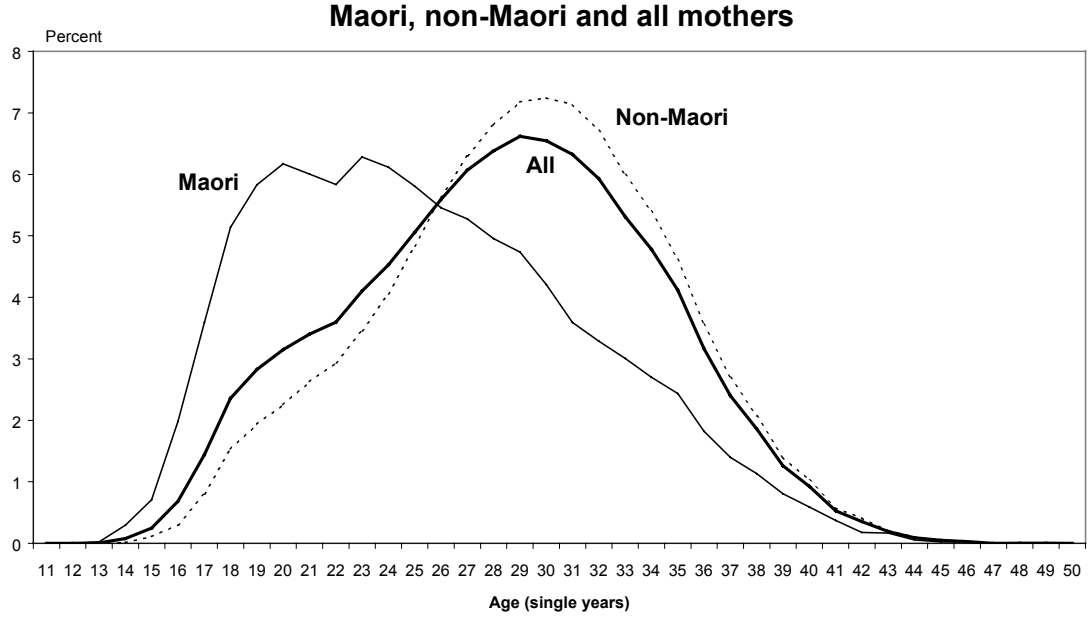
Older parenting

The mothers of children born in the 1990s are older, on average, than those born two or three decades ago. The median age of women having their first birth within their current marriage has risen from 22.6 years in 1971 to 29.1 years in 1996. There is no comparable statistic for women having a first birth outside marriage as birth order is not recorded for ex-nuptial births. However, the median age of women having an ex-nuptial birth (first or subsequent) has also risen over time, from 20.9 years in 1971, to 25.2 in 1997. Taking all births into account (nuptial, ex-nuptial, first and subsequent births), the median age of women giving birth has risen from 24.8 years in 1971 to 29.0 years in 1997 (Appendix Table 20).

Figure 48 shows the different childbearing patterns by age for Maori and non-Maori women who had children in 1997. Almost half (48 percent) of Maori women giving birth that year were aged under 25, compared with a fifth (20 percent) of non-Maori women. At the other end of the age range, 9 percent of Maori mothers and 17 percent of non-Maori mothers were aged 35 or older.

Figure 48

Age distribution of women who gave birth in 1997
Maori, non-Maori and all mothers



Source: Statistics New Zealand, unpublished birth data.

Marriage at older ages

Over the past twenty years, there has been a shift away from the pattern of early marriage that developed during the 1950s and 1960s. First marriage rates for women aged 16-19 have dropped from 95.4 per 1,000 never married women in 1971, to 6.5 per 1,000 in 1996. Among 20-24 year old women, first marriage rates have declined from 314.1 per 1,000 never married women in 1971, to 47.8 per 1,000 in 1996. The median age of first-time brides has increased from an historically low age of 20.8 years in 1971 to 26.5 years in 1996. Over the same period, the median age of men marrying for the first time has risen from 23.0 to 28.3 years (Appendix Table 21). In 1996, 28 percent of women and 38 percent of men aged 30-34 had never married; in 1971, these proportions were 6 percent for women and 12 percent for men.

Cohabitation

Declining marriage rates have to some extent been compensated by an increase in cohabitation. However, the proportion of women living with a partner, married or cohabiting, has declined over time. In 1996, 53 percent of women aged 15-44 were living with a spouse or partner, down from 61 percent in 1981 (Table 9).

Of those women living with a partner, an increasing proportion are cohabiting, rather than living in a legal marriage partnership. In 1996, almost a third of women in their early twenties were living with a partner (32 percent) and a clear majority of these women (61 percent) were not married to their partner.

Maori women are less likely than women in general to live with a partner and when they do so, they are more likely to be cohabiting. In 1996, 42 percent of Maori women aged 15-44 were living with a partner; for 39 percent of these women, the marriage was not registered.[57]

Cohabitation is associated with higher levels of relationship breakdown than legal marriage, and the increase is likely to have influenced the growth of sole parenthood over time. Furthermore, as cohabiting couples with children tend to have, on average, a more disadvantaged socio-economic profile than their married counterparts,[58] they may be more likely to qualify for income support when their relationships break down. In 1996, 13 percent of couples with dependent children were cohabiting.

Table 9

Proportion of women living with a partner, by age
1981 to 1996

	Age group				
	15-19	**20-24**	**25-34**	**35-44**	**15-44**
Percentage of women who are married or cohabiting:					
Total					
1981	8	51	81	85	61
1986	5	42	74	81	57
1991	6	35	68	77	54
1996	6	32	63	73	53
Maori					
1991	8	32	52	63	41
1996	9	32	52	62	42
Percentage of partnered women who are cohabiting:					
Total					
1981	57	20	7	4	10
1986	72	28	10	5	12
1991	83	45	16	8	17
1996	86	61	24	11	23
Maori					
1991	89	63	30	15	33
1996	89	71	40	21	39

Source: Statistics New Zealand, 1981, 1986, 1991, 1996 Censuses, Supermap database.

Households and living arrangements

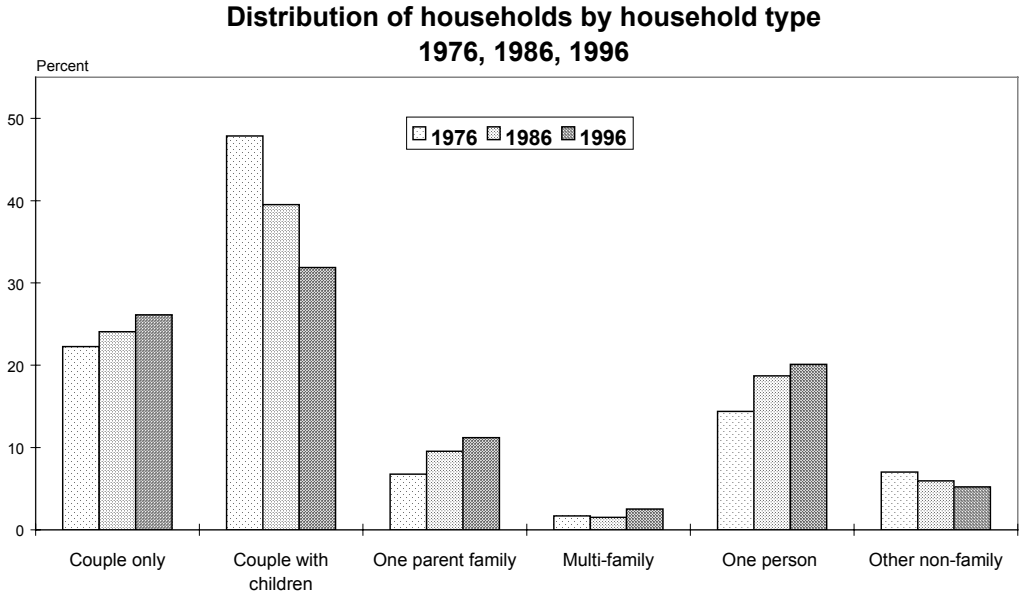
Since the mid-1970s, there has been a substantial change in the structure of New Zealand households. Between 1976 and 1996, the proportion of households containing couples with children declined from 48 to 32 percent, one parent households increased from 7 to 11 percent and one person households rose from 14 to 20 percent (Figure 49).[59]

[57] Maori customary marriages were recognised in law until 1951 and few Maori registered their marriages before then. Marriage registration data has not been available separately for Maori since the passage of this legislation. Census data is the only source of statistics on the proportion of Maori who are married. As census information is self-reported, it may not be an accurate measure of registered marriage.

[58] Statistics NZ (1994) *New Zealand Now - Families.*

[59] In this household analysis, "children" are people of any age who live with a parent but no partner or children of their own. The figures for family households in the first paragraph and in the chart include households where a family shares their accommodation with other individuals.

Figure 49



Source: Statistics NZ, Census of Population and Dwellings.

More families are sharing accommodation with other families, rather than setting up their own separate household. While the proportion of households containing more than one family is small (3 percent), the number of such households increased from just under 20,000 in 1991 to 32,000 in 1996, a rise of 62 percent. Altogether, there were 191,000 people living in multiple-family households by 1996.

A further 55,000 families with children shared their dwelling with other individuals, a rise of 10 percent since 1991. In 1986, there were 44,000 families in this situation. The number of one-parent families sharing accommodation with other individuals increased by 43 percent between 1986 and 1991, and another 5 percent in the five years to 1996.

These trends may reflect changes in access to affordable housing, as well as the growth of long-term unemployment and sole parenthood. The rapid increase in the number of new migrants in the mid-1990s is also likely to have contributed to the number of families in shared accommodation. Between 1986 and 1996, the proportional increase in the number of people living in multiple-family households was greatest for people of Asian ethnicity.[60]

[60] Statistics New Zealand, *New Zealand Now – Housing*, p50.

Ethnic differences in household composition

The household circumstances of individuals vary widely by ethnic group (Table 10). This is partly because of ethnic differences in age structure and family size. However, economic and cultural factors are also likely to influence living arrangements. New Zealanders whose only ethnic group is European, who have an older age profile, are the most likely to live on their own (9 percent), while Asians have the highest proportion in couple-with-children households (62 percent). Pacific Islands people living in New Zealand are the most likely to live in multi-family households (22 percent) and the least likely to live as couples without children (5 percent). Maori have the highest proportion living in one parent households (25 percent).[61]

Pacific Islands, Maori and Asian New Zealanders are the most likely to live in households where a family with children shares accommodation with other individuals (18, 14 and 13 percent, respectively, compared to 5 percent of Europeans).

Table 10

Distribution of population by household type and ethnic group 1996

Household type	European only	Maori	Pacific Island	Asian	Other	Total
	Percent					
Couple only	25	9	5	10	12	20
Couple with children	48	45	52	62	58	47
One parent family	10	25	16	9	13	12
Multi-family	3	12	22	12	6	5
One person	9	4	2	2	4	8
Other non-family	5	4	2	5	7	5
Not classifiable	1	0	0	0	0	3
Total	100	100	100	100	100	100

Source: 1996 Census, *Families and Households*, Table 3.

Extended family households

Extended families were defined in the 1996 census as a group of related people living within the same household and consisting of a family and other related people, or two or more related families, with or without other related people. In 1996, there were 67,000 extended families in New Zealand, 71 percent of which contained at least one dependent child. Pacific Island people were the most likely to live in extended families, with 41 percent in this situation. Similar proportions of Maori and Asian people lived in extended families (23 percent), while Europeans were the least likely to do so (6 percent).[62]

[61] This includes children identified as Maori who may live with a non-Maori parent, as well as adult children living with an older, widowed parent.

[62] Statistics NZ, *New Zealand Now – Families and Households*, p14; *1996 Census, Families and Households*, p17.

Living arrangements by age, gender and employment status

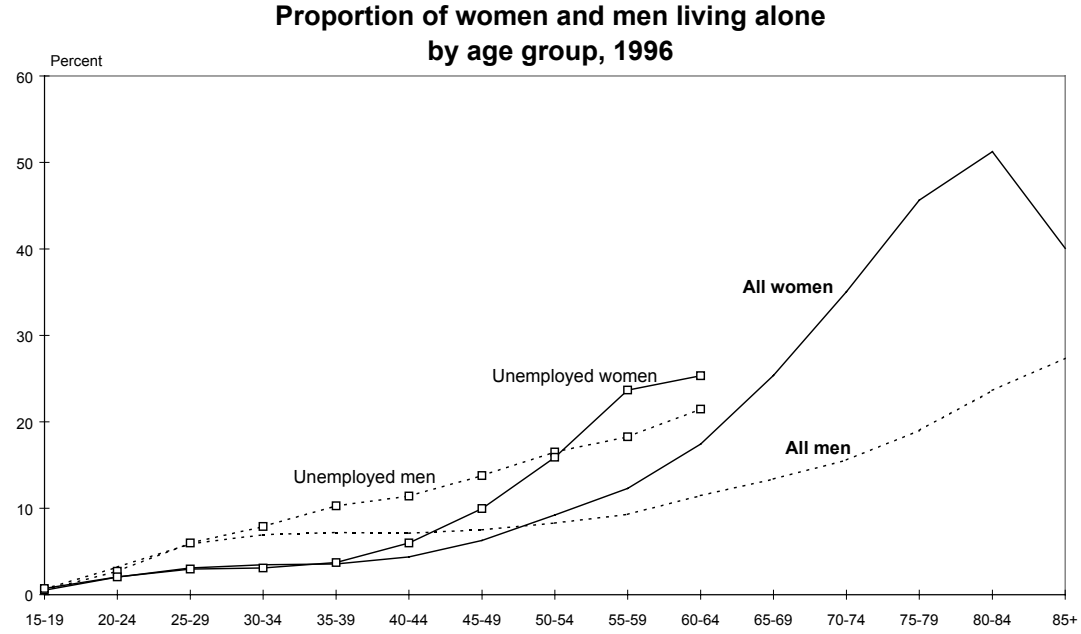
Over the past decade, the proportion of young adults who live with their parents has declined for those aged 15-19 (from 77 to 72 percent), and risen slightly for those aged 20-24 (from 31 to 33 percent). In 1996, just over half (53 percent) of all 15-24 year olds were living with their parents (56 percent of males and 49 percent of females).

Unemployed 15-24 year olds were slightly more likely than young adults in general to live with their parents (59 percent of unemployed males and 51 percent of unemployed females). The difference by employment status was greater at older ages: for example, 17 percent of unemployed men aged 25-44 lived with a parent, compared with 9 percent of all men of that age (Appendix Table 22).

Between the ages of 20 and 49, men are more likely than women to live alone, while the reverse applies at ages 50 and over (Figure 50). This gender pattern also holds for the unemployed, with men more likely than women to live alone only under age 55. In 1996, 24 percent of unemployed women aged 55-64 lived alone, compared with 19 percent of unemployed men of that age (Appendix Table 22).

Unemployed people under the age of 35, who made up two-thirds of the unemployed in 1996, are no more likely to live alone than adults in general up to that age. Beyond middle adulthood, however, unemployed people have a higher propensity to live alone than other men and women (Figure 50).

Figure 50



Source: Statistics NZ, 1996 Census, Supermap3 database.

Unemployed women are more likely than employed women to live with children, and much more likely than unemployed men to do so: in 1996, 71 percent of unemployed women aged 25-44 lived with their children, compared with 41 percent of unemployed men (Appendix Table 22). This reflects the impact of unemployment and family breakdown on low-income individuals and families, and the greater likelihood that children live with their mothers after family breakdown.

Living circumstances of older people[63]

Most people over the age of 65 years live independently in their own homes, either with a spouse or on their own. Older men are much more likely than older women to live with a spouse or partner and the disparity increases with age. In 1996, the proportion of 65-74 year olds living as part of a couple was 77 percent for men and 55 percent for women. Almost two-thirds of men aged 75-84 were living with a spouse or partner, compared with 28 percent of women, while for those aged 85 and over, the proportions were 40 percent and 8 percent, respectively. This pattern reflects the fact that husbands tend to be older than wives and that, on average, women live longer than men.

In 1996, women made up 74 percent of the 121,077 older people living alone. A small number of older people live with relatives. At the time of the census, 47,220 respondents aged 65 or over said they usually lived with their children, 5,043 lived with siblings and 23,823 were living with other relatives.

In 1996, there were 19,929 people aged 65 or over (4.9 percent of the older population), who said that their usual residence was a residential home. Women made up three in every four of those living in residential homes. The likelihood of living in a residential home increases with age: only 1.3 percent of people aged 65-74 and 5.7 percent of those aged 75-84 lived in a residential home, compared with 24.5 percent of those aged 85 and over. Residential homes have increasingly taken the place of hospitals in providing long-term care. In 1996, fewer than 2 percent of older people were in hospitals, public or private. This compares with 4.3 percent in 1966.

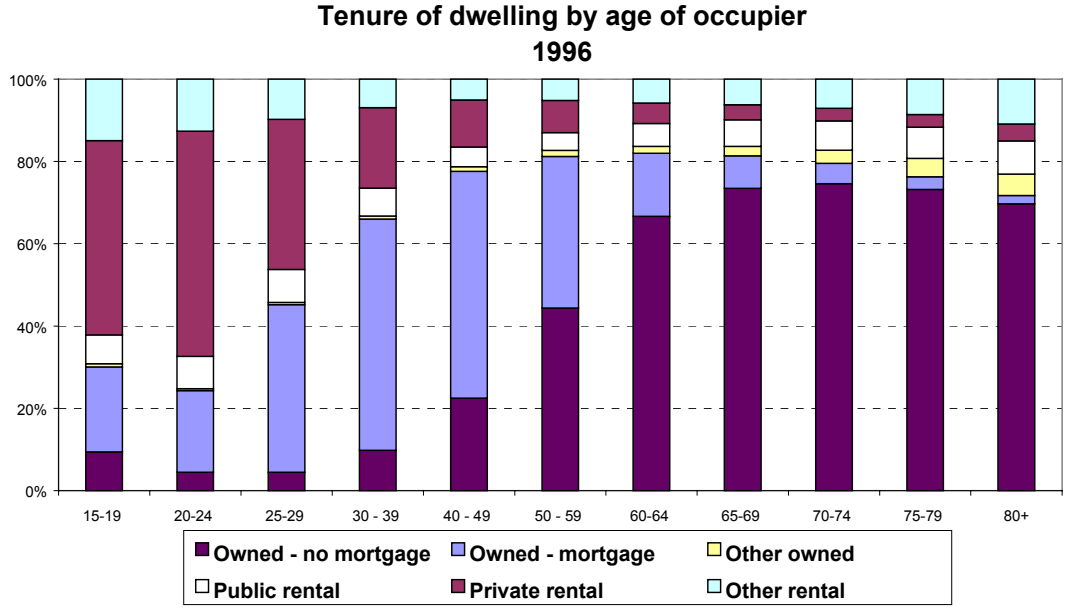
[63] Statistics New Zealand (1998) *New Zealand Now - 65 Plus*, pp41-47.

Housing and housing assistance

Adequate housing is a basic necessity and underpins the well-being of individuals, families and communities. Housing costs represent a large component of household spending (34 percent for households who owned with a mortgage in 1996; 29 percent for renters; 13 percent for households who owned mortgage-free).[64] Changes in expenditure on housing can affect spending on other essential items, such as food and health care, and this can have major implications for the maintenance of living standards. Affordability of housing is therefore an important issue in social policy.

For much of this century, governments fostered home ownership through low-interest loans and the capitalisation of family benefit. As a result, New Zealand has a relatively high level of home ownership (higher than the United Kingdom and Canada, but lower than Australia).[65] The legacy of these policies is reflected in the high proportion of older people who own their homes outright (Figure 51). In 1996, more than three-quarters of people aged over 65 lived in mortgage-free homes.[66]

Figure 51



Source: Statistics New Zealand, unpublished 1996 Census table.
"Other owned" = owned, mortgage not specified; "other rental" = rented free and rented, landlord not specified.

Home ownership has been an important means of saving in New Zealand and in recent years, it has also become a means of obtaining credit to finance current spending. Increasingly, retired people who can convert housing equity into income will have an advantage over those who have neither savings nor owned housing; the latter will be obliged to rely entirely on government retirement support.

Historically, governments sought to improve the housing conditions of families who could not afford to buy through the provision of rental housing on a large scale, subsidised by means of income-related rents. The private rental sector has therefore been relatively under-developed in New Zealand. In 1996, dwellings rented privately accounted for 15 percent of all dwellings.

Changes in housing tenure[67]

Over the ten years to 1996, the proportion of households living in owned housing (with or without a mortgage) declined slightly, from 73.7 percent to 71.5 percent. The decline occurred among households with a mortgage, which fell from 41.9 percent of households in 1986 to 38.1 percent in 1996. Conversely, households owning

[64] Statistics NZ (1999) *New Zealand Now – Housing*, pp66,67
[65] Ibid., p42.
[66] Ibid., p34.
[67] Statistics NZ (1998) *New Zealand Now – Housing*, pp29-40.

without a mortgage increased from 31.8 in 1986 to 33.4 percent in 1996. The proportion of households renting increased slightly from 23.5 percent in 1986 to 24.6 percent in 1996. The small proportion of households living in rent-free dwellings increased from 2.9 percent in 1986 to 3.9 percent in 1996.

The decline in the proportion of households with a mortgage may be attributed, in part, to the effect of house prices increasing by nearly twice as much as household incomes between 1986 and 1996. This is especially likely to affect first home buyers who do not benefit from selling existing homes at higher prices, and those moving into areas which have experienced greater house price increases than the area from which they are moving. For example, house prices in the Auckland region rose by 148.9 percent in the 10 years to June 1996, compared with the 123.7 percent increase for the whole of New Zealand.

Other factors contributing to the fall in the proportion of households with a mortgage are the ageing population and a shift to more single income households, the latter associated with later marriages and a higher number of divorces. A trend towards later home buying is evident among younger adults: the proportion of 25-29 year olds living in homes owned with a mortgage was smaller in 1996 (at 42.6) than in 1991 (50.2 percent).

Housing tenure by ethnic group

Ethnic group is an individual characteristic which may vary between members of a household; it is therefore not very meaningful to assign an ethnicity to a household. Instead, this section refers to the proportion of adults of each ethnic group living in the main tenure types.

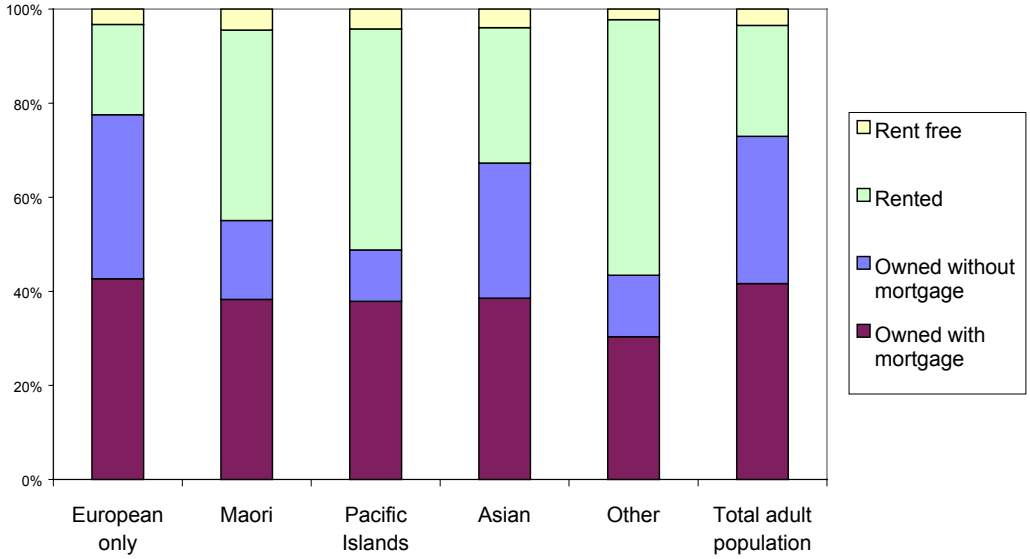
Maori and Pacific Islands adults are much more likely to live in rental housing than European adults. In 1996, 40.5 percent of Maori adults were living in rental housing, compared with 47 percent of Pacific Islands adults, 19.2 percent of European adults and 28.8 percent of Asian adults. In part, this reflects the younger age structure of the Maori and Pacific Islands ethnic groups: younger people are more likely to live in rented homes than owned homes.

Living in rental housing became more common among Maori with the urban migration of the post-war period, when many Maori moved into newly built state housing estates. Subsequent housing mobility (from rental to owned housing) has been slow to develop. Nevertheless, the fall in the proportion of adults living in owned housing between 1986 and 1996 was smaller for Maori than for other ethnic groups.

Among adults in 1996, 38.3 percent of Maori, 37.9 percent of Pacific Islands people, 42.7 percent of Europeans, and 38.6 percent of Asians lived in homes owned with a mortgage. The proportion of each group living in homes owned outright was more varied: European, 34.9 percent; Asian 28.7 percent; Maori, 16.7 percent; Pacific Islands 10.9 percent (Figure 52)

Figure 52

Tenure of dwellings lived in, by ethnic group of adults 1996



Source: Statistics New Zealand (1998) *New Zealand Now – Housing*, Figure 4.10, p39.

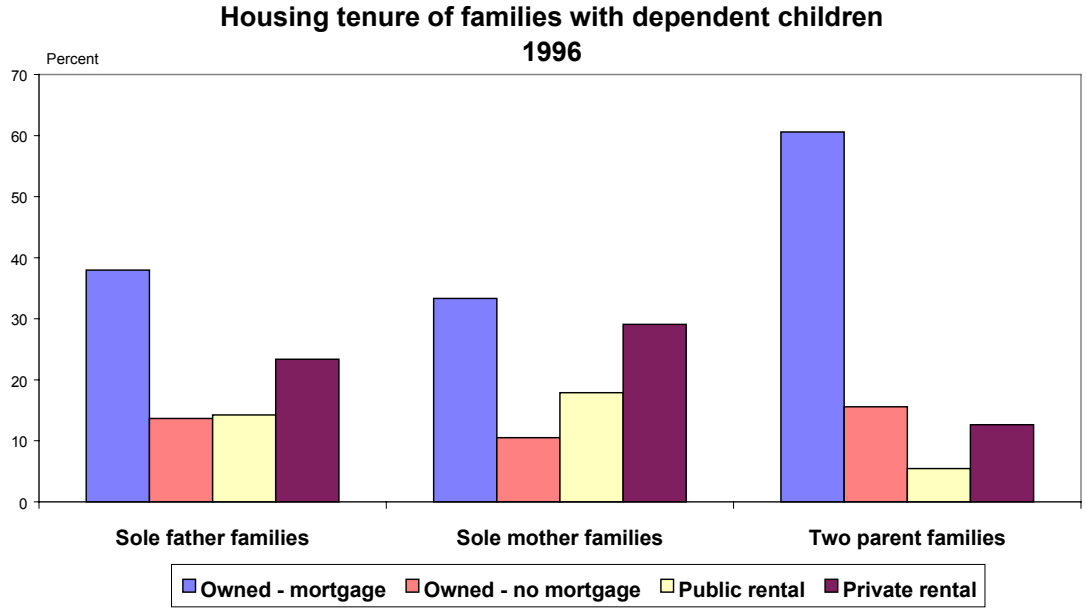
Housing tenure by family type[68]

There are large differences between two-parent and one-parent families in the proportion living in owner-occupied housing (Figure 53). In 1996, 60.6 percent of couples with dependent children were living in homes owned with a mortgage, and another 15.6 percent in homes that were owned outright (76.2 in total). In comparison, only 43.8 percent of sole mothers with dependent children lived in owner-occupied housing; (33.3 percent in mortgaged housing and 10.5 percent in homes owned outright). Sole fathers were more likely than sole mothers to live in owner-occupied housing (51.7 percent in total, 38.0 in mortgaged housing, 13.7 percent in homes owned outright).

Among families with dependent children who live in rental housing, the majority rent from the private sector. In 1996, 12.6 percent of couples with dependent children, 29.1 percent of sole mothers and 23.3 percent of sole fathers lived in privately rented housing. Another 5.5 percent of couples, 17.9 percent sole mothers, and 14.3 percent of sole fathers lived in public rental housing.

[68] This section is based on an analysis of unpublished statistics from the 1996 Census by the Social Policy Agency.

Figure 53



Source: Statistics New Zealand, unpublished 1996 Census tables.

Occupancy rates[69]

Occupancy rates in New Zealand have been falling throughout the twentieth century, the period of most rapid decline being between 1966 and 1991.[70] A further small decline brought the occupancy rate to a low of 2.8 by 1996. Household size is projected to decrease further over the longer term, reaching about 2.5 people per household by 2031.

The growth of one-person households has had the greatest influence on the overall decrease in occupancy rates. This is not simply an effect of an ageing society: it is also a significant trend in younger and middle adulthood. For example, people aged 30-54 years were more likely to live alone in 1996 (6.4 percent), than those in the same age group in 1986 (4.8 percent).

The vast majority of people who live on their own live in dwellings with more than one bedroom, reflecting the predominance of the three-bedroomed house in New Zealand and the fact that housing stock changes more slowly than household structure. In 1996, only 19 percent of sole occupants lived in one-bedroomed dwellings. The highest proportion was recorded in the Wellington and Central Auckland Urban Zones (32 percent and 28 percent, respectively), where there has been strong growth in the development of inner-city apartments.[71]

Crowded housing

New Zealand does not have an agreed definition of crowded housing, or a contemporary official statistic or index with which to measure it. In a recent analysis of census data, using frameworks and models used in other countries, Statistics New Zealand presented a range of

[69] From Statistics New Zealand (1999) *New Zealand Now – Housing*, Chapter 5.

[70] The occupancy rate is a measure which describes the relationship between housing stock and the changing social structure. It is defined as the total number of occupants usually resident in permanent private dwellings divided by the total number of occupied permanent private dwellings.

[71] 1996 Census, Supermap3 database.

measures and trends which illustrate some of the issues to be considered in the development of a crowding measure.

The simplest measures of crowding compare the number of people in a household with the number of rooms or bedrooms. Some measures make a distinction between adults and children, counting a child under 10 as equivalent to half an adult. A refinement of this formula counts each individual in a couple as one half. Thus the crowding index formula becomes:

$$\frac{[1/2\ (\text{no. of children under 10 yrs}) + (\text{no. of couples}) + (\text{all others aged 10 and over})]}{\text{number of bedrooms}}$$

According to this measure, New Zealand households became less crowded, on average, over the 10-year period 1986 to 1996, the index value declining from 0.70 to 0.64. The simpler ratio of people to bedrooms (unadjusted for age or couple status) also showed this trend, falling from 1.01 to 0.93 over the same period. A falling occupancy rate, combined with an increasing dwelling size (as measured by number of bedrooms), resulted in falling crowding levels. In Auckland, while occupancy rates rose slightly over the 10 years, dwelling size increased sufficiently to produce a continuing fall in crowding levels, according to this measure. It is necessary to look beneath this high level of aggregation to find evidence of situations that could be defined as crowding.

The Canadian National Occupancy Standard sets the bedroom requirements of a household according to the following criteria: there should be no more than two people per bedroom; parents or couples share a bedroom; children under five years of either sex, and children under 18 of the same sex, may share a bedroom (however, a child aged 5-17 should not share a bedroom with a child under 5 of the opposite sex); single adults 18 and over and any unpaired children require a separate bedroom.

Using the Canadian model, Statistics New Zealand identified 69,200 New Zealand households (5.7 percent) which required one or more additional bedrooms to accommodate its occupants adequately in 1996. Of this group, 52,500 households required just one extra bedroom, leaving 16,700, or 1.4 percent of all households, with a requirement for two or more additional bedrooms. The latter group represented 115,300 people, or 3.4 percent of the New Zealand resident population. The following section on crowded households is based on this group.

Characteristics of crowded homes

Crowding tends to be concentrated in certain regions and among particular social groups: families with children (particularly young children); renters, Maori and Pacific Islands ethnic groups; the unemployed, people on low incomes, and people receiving income support.

A majority of crowded households (54.3 percent) contained one family and about half of these included other people who were not members of the immediate family. Another large proportion (41.5 percent) comprised more than one family sharing accommodation. Almost all crowded homes (90 percent) contained children and nearly 60 percent included young children under 5 years. In all, there were just over 50,000 children under 18 living in crowded households in 1996, representing 5.3 percent of all children in New Zealand.

Crowded households occupied homes that were smaller on average (2.8 bedrooms, compared to 3.0 for all households) and more likely to be rented than owned. The proportion of crowded households paying rent (51.4 percent) was more than twice the national average of 24.6 percent.

There is considerable regional variation in the proportion of households which meet the above definition of crowding (needing two or more additional bedrooms). In 1996, the Gisborne region had the highest proportion (2.5 percent), followed by the Auckland region (2.4 percent). Crowded homes were least likely to be found in the Otago and Southland regions (both 0.4 percent). Of the larger population centres, Southern Auckland had the highest proportion of crowded homes (4.5 percent), followed by Porirua (3.2 percent) and Central Auckland (2.6 percent). Crowding is less common in rural areas.

Maori and Pacific Islands people, who together represent 20.1 percent of the resident population, are highly over-represented among those defined as living in crowded conditions. In 1996, 74.6 percent of people living in crowded homes identified as belonging to Maori or Pacific Islands ethnic groups. The Pacific Islands group included 18,600 Samoan people (23.7 percent of the Samoan population living in New Zealand). Rates were also high for Tokelauan people (31.2 percent), and for the Tongan (27.1 percent), Niuean (21.0 percent) and Cook Islands (18.6 percent) ethnic groups. The 42,100 Maori living in crowded housing represented 8.8 percent of the Maori ethnic group. In contrast, only 0.7 of people with sole European ethnicity lived in crowded homes.

Cultural attitudes and economic conditions are two primary factors which account for the extreme variation in crowding levels between ethnic groups. Extended family living, which is most common among Pacific Islands people, is associated with higher levels of crowding. In 1996, one in five people living in extended family households shared a crowded home.

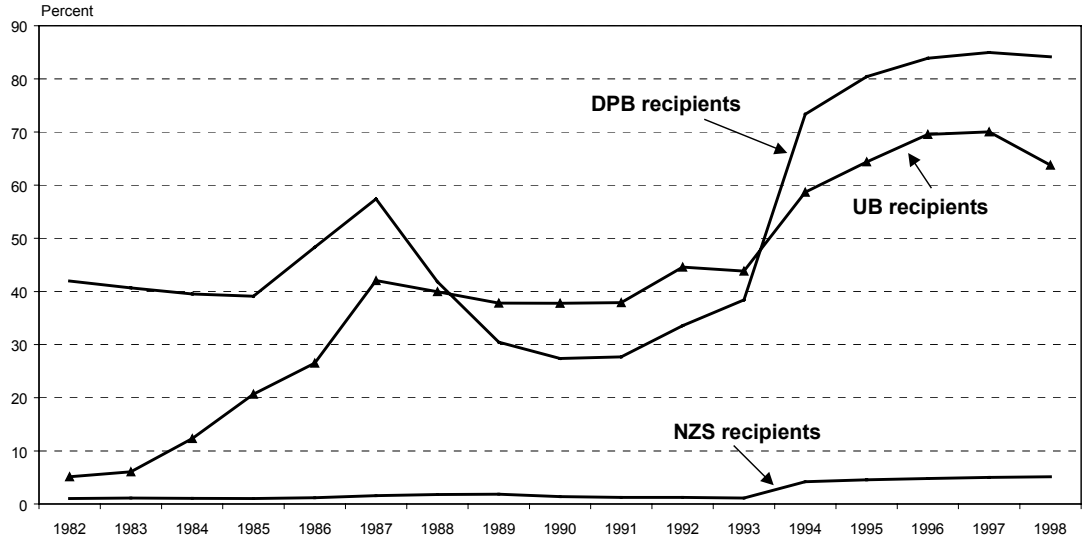
Unemployment rates were two to four times higher than average for people living in crowded accommodation (depending on their age and sex) and income levels tended to be lower. More than half of adults in crowded homes had received income support (other than New Zealand Superannuation) in the 12 months prior to the 1996 Census, compared with fewer than one in five adults in the population as a whole. Low personal income levels may encourage people to share housing in order to minimise costs.

Changes in housing assistance

Over the past two decades, a number of housing policy reforms have altered the way in which the state provides housing assistance. In 1981, an Accommodation Benefit was introduced for recipients of benefits and pensions who had high housing costs in relation to their income. This was extended to low-income people not in receipt of a benefit in 1985.[72] There was a major review of Accommodation Benefit in 1986, resulting in changes to eligibility criteria and rates. From mid-1987, Accommodation Benefit was not payable to new applicants whose accommodation costs included rent or mortgage payments to the Housing Corporation of New Zealand.[73] The rationale for this change was that such people, who were mainly benefit recipients, were already being subsidised through concessionary interest rates charged for HCNZ mortgages, and through income-related rents.[74] This policy appears to have affected new applicants for the domestic purposes benefit in particular: between 1987 and 1990, the proportion of DPB recipients who received Accommodation Benefit dropped from 57 percent to 27 percent (Figure 54).

Figure 54

Proportion of DPB, UB and NZS recipients receiving accommodation assistance, 1982 to 1998



Source: DSW Annual Reports, Statistical Information Reports.

Accommodation Supplement

Since 1991, income subsidies have become the main instrument of housing policy. The Accommodation Supplement was introduced in July 1993 to assist all low-income households with their housing costs, regardless of their housing tenure or the type of landlord they have. A related measure was to raise the rents of state houses to market levels, so that state tenants would not be subsidised to a greater extent than those in the private rental sector. The effect of this policy change can be seen in areas where a high proportion of rental housing stock is owned by the state sector; median weekly rent levels in these areas have increased steeply over the decade to 1996.[75]

Since the introduction of the Accommodation Supplement, the proportion of DPB recipients who also receive a housing subsidy has climbed to over 80 percent. Following the benefit rate reductions of 1991, higher uptake of supplementary assistance was seen as consistent with the policy of targeting assistance to those in greatest need. In addition, people who move from benefit to employment can retain this assistance if they remain on low incomes.

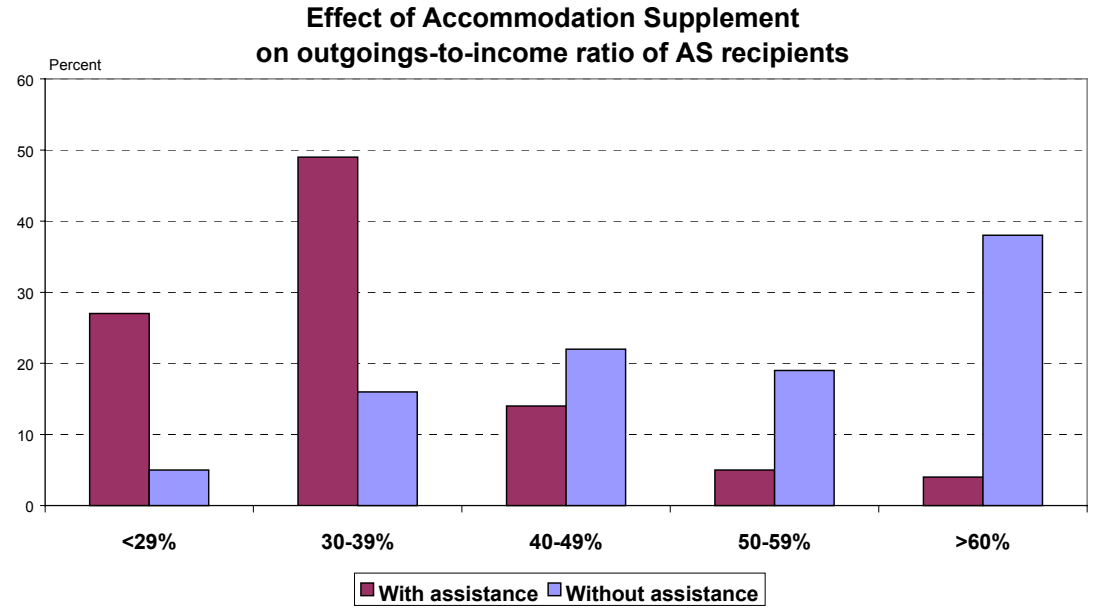
[72] However, the number of non-beneficiaries receiving AB was very small (under 1,000) from 1986-1993.
[73] Social Security Act 1987, No.106, s24(3).
[74] Benefit recipients became eligible for concessionary interest rates when HCNZ interest rates were raised to market levels in the mid-1980s.
[75] Statistics New Zealand, *New Zealand Now – Housing*, p68.

The number of low-income non-beneficiaries receiving AS has almost doubled, from 11,000 in June 1994, to over 20,000 in June 1998. Altogether, the total number of people receiving AS increased by 24 percent in the four years to June 1998, from 251,505 to 311,618. As a proportion of total expenditure on pensions and benefits, accommodation assistance accounted for 7.2 percent in fiscal year 1997/98, double the proportion in 1993/94 (3.6 percent).

Effect of Accommodation Supplement on housing affordability

Figure 55 shows the distribution of Accommodation Supplement recipients by their outgoings-to-income (OTI) ratios,[76] before and after housing assistance. Without assistance, 38 percent would have had housing outgoings that were greater than 60 percent of their net income. With accommodation outgoings reduced by the Accommodation Supplement, this proportion drops to 4 percent. Conversely, the proportion with OTIs of less than 50 percent rises from 43 percent without assistance to 90 percent with assistance.

Figure 55



Source: Social Policy Agency/WINZ; "Monitoring of the Accommodation Supplement - report based on 30 June 1998 data".

[76] The OTI ratio formula used is: (accommodation outgoings-accommodation supplement)/net income.

Who gets Accommodation Supplement?

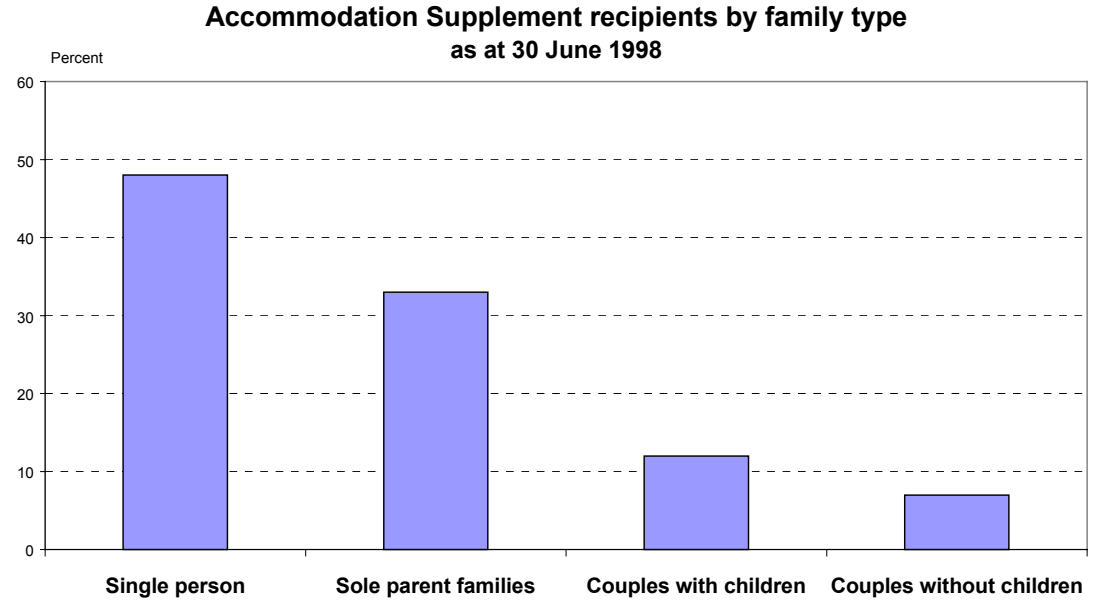
Of the 312,000 people receiving AS at the end of June 1998, 31 percent lived in Auckland, 10 percent in Wellington, 27 percent in other main urban areas, and 32 percent in other parts of New Zealand.

The vast majority of AS recipients are renting their accommodation. In June 1998, almost half (46 percent) were private renters, 15 percent were Housing New Zealand renters, and 1 percent were renting from local authorities. Another 23 percent of AS recipients were boarders, while home owners made up the remainder (14 percent with private mortgages, 1 percent with Housing Corporation mortgages).

DPB recipients have a higher propensity to receive AS than other benefit recipients. However, there were more people on Unemployment and Training Benefit than on DPB in June 1998 and they made up the largest group of AS recipients at that time (32 percent), with DPB recipients accounting for the next largest group (30 percent). Most of the remaining AS recipients were also benefit or pension recipients (Invalids, 9 percent; Sickness, 9 percent; New Zealand Superannuation, 7 percent; other beneficiaries, 8 percent). Only 6 percent of people receiving AS at the end of June 1998 were low-income people not on a benefit.

In mid-1998, almost half of all AS recipients were single people (48 percent) and one third were sole parents (33 percent). Couples with children accounted for 12 percent, and couples without children, 7 percent (Figure 56).

Figure 56



Source: Social Policy Agency/WINZ; "Monitoring of the Accommodation Supplement - report based on 30 June 1998 data".

Appendix

Table A1

Ethnic distribution of resident population
1986, 1991, 1996

	1986		1991		1996	
	Number	%	Number	%	Number	%
European only	2,650,845	82.2	2,657,619	79.4	2,594,688	74.8
Maori	404,775	12.5	434,847	13.0	523,374	15.1
Pacific Islands(1)	119,370	3.7	152,937	4.6	173,178	5.0
Asian	47,979	1.5	94,065	2.8	160,683	4.6
Other	3,750	0.1	6,348	0.2	14,667	0.4
Not specified	36,564		28,116		151,713	
Total	3,263,283	100	3,373,929	100	3,618,300	100

Source: Census, Supermap3 database.

1. Excludes those who also identified as Maori. The total response for Pacific Islands ethnic groups in 1996 was 202,236, or 5.6 of the population.

Table A2

Ethnic distribution of the resident population, by age group and regional council area, 1996

	Under 15 years			15-24 years			All ages		
	Maori	Pacific Is.	Asian	Maori	Pacific Is.	Asian	Maori	Pacific Is.	Asian
	Percent			*Percent*			*Percent*		
Northland	48	2	1	42	2	1	32	1	1
Auckland	20	18	10	16	14	12	12	12	9
Waikato	32	3	3	27	3	3	21	2	2
Bay Of Plenty	44	2	2	40	2	2	29	1	1
Gisborne	59	1	1	57	1	1	45	1	1
Hawke's Bay	36	3	1	32	3	2	23	2	1
Taranaki	23	1	1	20	1	1	15	1	1
Manawatu-Wanganui	29	2	3	22	2	4	18	2	3
Wellington	20	10	6	17	9	6	13	6	5
Tasman	12	1	1	11	1	1	7	0	1
Nelson	14	2	2	12	1	4	8	1	2
Marlborough	18	1	1	15	1	1	11	1	1
West Coast	15	1	1	13	1	1	9	1	1
Canterbury	12	3	4	10	2	6	7	1	3
Otago	11	2	3	8	2	6	6	1	3
Southland	18	2	1	15	2	1	11	1	1
Total NZ	24	8	5	19	6	7	15	5	5

Source: 1996 Census, Supermap3 database.

Table A3

Pacific Islands people in selected urban areas 1996

	Pacific Islands ethnic groups			% in area	Pacific Islands people as a % of population		
	Under 15	15-24	All ages		Under 15	15-24	All ages
Southern Auckland Zone	24,522	11,100	60,552	30	32	24	21
Central Auckland Zone	16,707	8,019	45,333	22	25	15	13
Western Auckland Zone	7,098	3,441	18,477	9	18	15	12
Porirua Zone	4,194	1,980	10,524	5	32	29	23
Wellington Zone	2,649	1,707	8,223	4	9	6	5
Lower Hutt Zone	2,910	1,545	7,656	4	13	11	8
Christchurch	2,634	1,419	6,882	3	4	3	2
Northern Auckland Zone	2,028	1,044	5,571	3	5	4	3
Hamilton Zone	1,335	903	3,474	2	4	4	3
Tokoroa	1,212	417	2,751	1	25	18	18
Hastings Zone	1,014	426	2,337	1	7	5	4
Rotorua	1,035	420	2,274	1	7	5	4
Upper Hutt Zone	495	291	1,287	1	6	5	4
Rest of New Zealand	11,415	5,325	26,892	13	3	2	2
New Zealand	79,248	38,037	202,233	100	10	7	6

Source: 1996 Census, *Pacific Islands People*, Table 123; 1996 Census, *Regional Summary*, Table 2.
Note: This table includes all those who identified with a Pacific Islands ethnic group, regardless of whether they identified with any other ethnic group.

Table A4

Five-yearly change in the number of children and young persons 1986 to 2006

	1986-1991	1991-1996	1996-2001	2001-2006	1986-1991	1991-1996	1996-2001	2001-2006
	Numerical change				*Percentage change*			
All children								
0-4	28,077	2,454	-2,730	-16,300	11	1	-1	-6
5-9	-2,841	37,113	-4,670	-4,530	-1	15	-2	-2
10-13	-26,514	8,610	28,700	-10,630	-12	4	13	-4
14-16	-25,128	-1,773	6,340	19,330	-13	-1	4	11
Total 0-16	-26,406	46,404	27,640	-12,130	-3	5	3	-1
Maori children								
0-4	8,241	9,660	2,230	-3,430	15	16	3	-5
5-9	9	16,350	2,410	2,190	0	32	3	3
10-13	-1,956	5,973	8,070	720	-5	15	17	1
14-16	-1,860	3,270	2,070	5,830	-6	11	6	16
Total 0-16	4,434	35,253	14,780	5,310	2	19	7	2
Pacific Islands children								
0-4	7,350	4,896	3,520	-1,390	40	19	11	-4
5-9	2,433	6,990	3,540	3,470	14	35	13	11
10-14	3,294	2,667	5,850	3,490	21	14	26	12
15-19	2,997	3,114	1,670	5,740	21	18	8	25
Total 0-14	13,077	14,553	12,910	5,570	25	22	16	6
Total 0-19	16,074	17,667	14,580	11,310	24	22	14	10
Children in Auckland urban area								
0-9	14,640	22,248	9,829	1,380	12	17	6	1
10-13	-3,807	5,004	11,709	1,200	-7	10	21	2
14-16	-5,829	3,006	2,422	9,110	-13	8	6	20
Total 0-16	5,004	30,258	23,963	11,690	2	13	9	4

Sources: Census 1986, 1991, 1996; 1996-based population projections, assuming medium fertility/mortality/inter-ethnic mobility: Total resident population (assuming annual net migration 5,000); resident Maori, assuming annual net migration -500; resident Pacific Island, assuming annual net migration 1,000; resident Auckland Urban Area population, assuming medium fertility/mortality/migration.

Table A5

Five-yearly change in the working-age population
1986 to 2006

	1986-1991	1991-1996	1996-2001	2001-2006	1986-1991	1991-1996	1996-2001	2001-2006
	Numerical change				*Percentage change*			
All aged 16-64								
16-24	-17,667	-21,930	-19,280	22,280	-3	-4	-4	5
25-34	31,632	22,083	-13,430	-36,050	6	4	-2	-6
35-44	52,668	56,121	49,830	5,290	12	12	9	1
45-54	35,865	81,357	70,960	50,040	12	23	17	10
55-64	-8,937	14,823	45,810	76,720	-3	5	16	22
Total 16-64	93,561	152,454	133,890	118,280	5	7	6	5
Maori aged 16-64								
16-24	-387	4,989	1,940	9,290	-0.5	6	2	10
25-34	10,188	11,589	3,300	1,900	16	16	4	2
35-44	8,604	17,694	12,500	5,900	23	38	18	7
45-54	2,586	9,171	10,700	12,700	10	31	26	25
55-64	2,916	5,553	3,600	6,600	19	30	14	23
Total 16-64	23,907	48,996	32,040	36,390	11	20	10	10

Sources: Census 1986, 1991, 1996; 1996-based population projections: Total resident population (assuming medium fertility/mortality, annual net migration 5,000); resident Maori population, assuming medium fertility/mortality/inter-ethnic mobility and annual net migration
-500.

Table A6

Five-yearly change in the older population
1986 to 2006

	1986-1991	1991-1996	1996-2001	2001-2006	1986-1991	1991-1996	1996-2001	2001-2006
	Numerical change				*Percentage change*			
All older people								
65-74	15,987	20,649	-1,700	14,820	8	9	-1	6
75-84	16,494	14,754	18,330	15,330	16	12	13	10
85+	5,178	7,488	9,720	9,470	20	24	25	19
Total 65+	37,659	42,891	26,350	39,620	11	11	6	9
Older Maori								
65-74	1,266	3,591	3,000	3,600	19	45	25	24
75-84	267	1,014	1,300	1,800	12	40	35	36
85+	12	267	190	310	3	61	27	34
Total 65+	1,545	4,872	4,490	5,710	16	44	27	27

Sources: Census 1986, 1991, 1996; 1996-based population projections: Total population (assuming medium fertility/mortality, annual net migration 5,000); resident Maori population , assuming medium fertility/mortality/inter-ethnic mobility and annual net migration -500.

Table A7

Age distribution of total New Zealand population
1976 to 2011

	1976	1981	1986	1991	1996	2001	2006	2011
				Percent				
Under 15	30	27	24	23	23	22	21	19
15-64	61	63	65	66	65	66	67	67
15-24	18	18	18	16	15	14	14	14
25-44	25	27	29	30	31	30	28	27
45-64	19	18	18	19	20	22	24	26
65+	9	10	10	11	12	12	12	13
Total	100	100	100	100	100	100	100	100

Source: SNZ, Census resident population data, 1976-1996; 1996-based total resident population projections (assuming medium fertility, medium mortality, long-term annual net migration 5,000).

Table A8

Dependency ratios - population and labour force based, 1996 to 2051

	Children 0-14	Older persons 65+	Total (children plus older persons)	Children 0-14	Older persons 65+	Total (children plus older persons)
	Per 100 persons aged 15-64			*Per 100 persons in labour force*		
1996	35	18	52	45	23	68
2001	34	18	52	43	23	66
2006	31	18	50	40	23	63
2011	29	20	49	37	25	62
2016	27	23	50	35	29	64
2021	27	26	53	34	33	67
2031	28	36	64	35	45	80
2041	27	42	69	34	52	86
2051	26	43	70	33	54	87

Sources: 1996-based total resident population and labour force projections (assuming medium fertility, medium mortality, long-term annual net migration 5,000, medium labour force participation rates).

Table A9

Sex ratio (males per 100 females), by age group
1976 to 2011

	1976	1981	1986	1991	1996	2001	2006	2011
Under 15	104	104	105	105	106	106	106	105
15-24	103	104	103	102	101	106	107	108
25-34	101	99	99	96	94	95	98	102
35-44	103	101	100	98	96	96	95	95
45-54	104	105	102	100	100	99	97	96
55-64	94	95	100	101	99	98	99	97
65-74	85	83	82	85	90	93	92	92
75-84	61	63	64	64	65	69	76	78
85+	43	38	39	41	41	43	45	50
Total	**100**	**99**	**98**	**97**	**97**	**97**	**98**	**98**

Sources: Statistics NZ, Census volumes, 1976-1996; 1996-based total resident population projections (assuming medium fertility, medium mortality, long-term annual net migration 5,000).

Table A10

Life expectancy

Total, Maori and non-Maori populations

Exact Age (Years)	Life Expectancy at Exact Age (Years)						Gender difference (female minus male)			Non-Maori minus Maori	
	Total Population		Mäori Population		Non-Mäori Population		Total	Mäori	Non-Mäori	Male	Female
	Male	Female	Male	Female	Male	Female					
	Life expectancy at birth, selected years										
1956	68.2	73.0	57.2	58.7	68.9	73.9	4.8	1.5	5.0	11.7	15.2
1966	68.2	74.3	61.4	64.8	68.7	74.8	6.1	3.3	6.2	7.2	10.1
1976	69.0	75.5	63.4	67.8	69.4	75.9	6.4	4.4	6.5	6.0	8.1
1986	71.1	77.1	67.4	72.3	71.4	77.4	6.0	4.9	6.0	3.9	5.1
1996	**Life expectancy at selected ages**										
0	74.3	79.6	67.2	71.6	75.3	80.6	5.3	4.4	5.3	8.1	9.0
45	32.1	36.4	26.2	29.4	32.8	37.1	4.3	3.2	4.3	6.6	7.7
55	23.3	27.4	18.2	21.2	23.8	27.9	4.1	3.0	4.1	5.6	6.7
65	**15.5**	**19.0**	**12.2**	**14.5**	**15.8**	**19.3**	**3.5**	**2.3**	**3.5**	**3.6**	**4.8**
75	9.2	11.7	7.8	9.5	9.4	11.9	2.5	1.7	2.5	1.6	2.4
85	4.9	6.1	3.9	5.2	5.1	6.2	1.2	1.3	1.1	1.2	1.0

Source: Statistics New Zealand (INFOS; Internet web page).

Note: 1996 data for Maori is not compatible with earlier years because of a definitional change.

Table A11

Employment of sole parents by gender and hours worked 1976 to 1996

	1976	1981	1986	1991	1996
			Percent		
Sole mothers					
Employed (1+ hours)	40	35	32	27	36
Full-time (30+ hours)	25	22	22	17	20
Part-time (1-29 hours)	15	13	11	11	16
Not employed	60	65	68	73	64
Sole fathers					
Employed (1+ hours)	83	76	65	48	55
Full-time (30+ hours)	81	74	61	44	47
Part-time (1-29 hours)	2	2	4	4	8
Not employed	17	24	35	52	45

Source: 1976-1991, Rochford (1993) *A Profile of Sole Parents from the 1991 Census*, Table 12, p46; 1996, Statistics NZ, unpublished table, sole parents with dependent children.
Note:
The definition of dependent child changed between 1991 and 1996. Prior to 1996, a dependent child was a child aged under 16 or 16-18 and still at school. In the 1996 Census, a dependent child is a person under 18 years who is not in full-time employment.

Table A12

Employment of sole mothers by ethnic group and hours worked 1986 to 1996

	Hours employed			
Ethnic group	**Nil**	**Full-time**	**Part-time**	**All hours**
		Percent		
European only				
1986	62	25	13	38
1991	65	21	14	35
1996	56	24	20	44
Pacific Islands				
1986	73	22	5	27
1991	83	13	4	17
1996	72	18	9	28
Maori				
1986	82	13	5	18
1991	85	9	5	15
1996	75	14	11	25
Other				
1986	73	15	12	27
1991	70	22	8	30
1996	71	18	11	29
Total				
1986	68	22	11	32
1991	73	17	11	27
1996	64	20	16	36

Source: Statistics NZ, unpublished tables, sole mothers with dependent children.

Table A13

Employment of mothers, by age of youngest child
1976 to 1996

	Age of youngest child				
	Under 1	**1-4 yrs**	**5-7 yrs**	**8-12 yrs**	**13-17 yrs**
			Percent		
All mothers, all hours					
1976	12	25	48	57	54
1981	16	31	53	62	64
1986	21	37	58	67	69
1991	23	37	55	65	70
1996	31	49	63	70	74
Partnered mothers					
Full-time					
1991	11	18	31	42	50
1996	14	24	35	44	53
Part-time					
1991	15	26	33	30	25
1996	22	33	37	33	26
Employed					
1991	26	44	64	72	75
1996	36	57	71	77	79
Sole mothers					
Full-time					
1991	4	7	14	23	38
1996	6	12	19	27	39
Part-time					
1991	3	7	13	15	13
1996	7	13	19	20	17
Employed					
1991	7	14	27	38	51
1996	13	25	38	47	56

Sources: 1976 and 1981 (all mothers) from Statistics NZ (1993) *All About Women in New Zealand*, Figure 4.14, p89; 1986 to 1996, Statistics NZ, Census of Population and Dwellings (unpublished).

Note: 1976 and 1981, families with children under 18 years;
1986, 1991, and 1996, families with children under 18 who are not in full-time employment.

Table A14

Proportion of children with a parent on benefit, by age group
1995 to 1998

	0-4 years	5-9 years	10-14 years	15-17 years	All under 18 years
			Percent		
Domestic purposes benefit					
1995	22.5	19.6	14.8	9.3	17.5
1996	23.4	20.5	15.3	9.6	18.2
1997	23.7	21.2	15.7	9.6	18.6
1998	22.9	21.3	16.2	10.8	18.7
Unemployment benefit					
1995	7.1	6.4	5.1	3.7	5.8
1996	6.3	5.9	4.8	3.6	5.3
1997	6.2	5.9	4.9	3.7	5.3
1998	6.7	6.3	5.3	4.3	5.8
All benefits					
1995	31.8	28.6	22.9	16.0	26.0
1996	32.0	29.0	23.0	16.0	26.1
1997	32.1	29.8	23.6	16.3	26.6
1998	31.9	30.4	24.7	18.5	27.4

Source: DSW Statistical Information Reports, Table 5; Statistics NZ, resident age estimates as at 30 June.

Table A15

Families with dependent children, by family type
1976 to 1996

Census year	One parent families			Two parent families	Total families	One parent families as a % of total	Sole mothers as a % of sole parents
	Mother only	*Father only*	*Total*				
1976	39,153	7,143	46,296	398,772	445,068	10	85
1981	52,938	9,342	62,280	380,886	443,166	14	85
1986	70,887	11,133	82,632	363,489	446,121	19	86
1991	92,028	18,024	110,055	339,681	449,736	24	84
1996	107,394	19,191	126,585	346,086	472,671	27	85
Five-yearly percentage change							
1976-81	35	31	35	-4	-0.4		
1981-86	34	19	33	-5	1		
1986-91	30	62	33	-7	1		
1991-96	17	6	15	2	5		

Sources: Statistics NZ: 1976, 1981 unpublished census data; 1986 Census of Population and Dwellings, Series C Report 13, *Families*, Tables 1, 4 and 7; 1991 Census, *New Zealanders at Home*, Tables 16 , 17; 1996 Census, *Families and Households*, Tables 12, 22.

Notes:

1. The 1976 and 1981 figures differ slightly from those published in Rochford (1993) *A Profile of Sole Parents*, Table 1, p43, which came from 10 percent census samples and Family Benefit statistics.
2. The definition of dependent child changed between 1991 and 1996. Prior to 1996, a dependent child was a child aged under 16 or 16-18 and still at school. In the 1996 Census, a dependent child is a person under 18 years who is not in full-time employment.

Ethnicity of families

Ethnicity is an individual attribute and can vary between people in the same family or household.[77] This is particularly so in New Zealand, where there is a high degree of inter-ethnic family formation. It is therefore not very meaningful to categorise families or households by ethnicity and official statistics no longer do so. A report on sole parents from the 1991 census defined a family's ethnicity by the ethnic group of at least one child.[78] The rationale for this definition was that it would avoid the problem of a two-parent family changing ethnicity on becoming a one-parent family, where one parent was of a different ethnic group to the other. However, children are not necessarily of the same ethnic group as their siblings and can also move into and out of the household (e.g., joint custody arrangements; reconstituted families). Where the changing family situation of children of different ethnic groups is of policy interest, statistics based on children are more appropriate.

The table below shows the change since 1986 in the proportion of families which are one parent families, using three different methods. The third method, which is based on parents rather than families, enables both gender and ethnic differences to be shown and is used in the text of the report. Child-based statistics on family type are shown in Appendix Table 17.

Table A16

Ethnic differences in the incidence of sole parenthood
1986 to 1996

	European only	Maori	Pacific Is.	Other	Total
			Percent		
1. Family ethnicity defined by ethnicity of parent(s):					
1986	17	27	22	8	18
1991	22	38	32	12	24
1996	23	38	32	18	27
2. Family ethnicity defined by ethnicity of child(ren):					
1991	18	44	32	14	24
1996	21	44	34	16	27
3. Sole parents as a % of all parents in each ethnic group					
Mothers					
1986	14	31	21	8	16
1991	17	41	28	9	21
1996	19	43	30	13	24
Fathers					
1986	2	6	4	2	3
1991	4	12	7	3	5
1996	4	12	7	3	5
All parents					
1986	8	21	13	5	10
1991	11	30	19	7	14
1996	12	31	20	8	15

Sources: 1991 Census, Supermap2 database; Rochford (1993) *A Profile of Sole Parents from the 1991 Census,*pp18; 1986, 1996 Census, unpubl. tables, sole parents with dependent children.

[77] Statistics New Zealand (1998) *New Zealand Now – Families and Households*, p36. Until 1991, published census tables defined a family's ethnicity by the ethnic group of one or both parents.
[78] Rochford (1993) *A Profile of Sole Parents from the 1991 Census*, p18. In this report, a family with children was considered to be a Maori family if at least one child was of Maori ethnicity.

Table A17

Dependent children living with one parent, by ethnic group and age group 1986 to 1996

	Under 1 year	1-4 years	5-14 years	15-17 years	Total dependent children
	%	%	%	%	%
European only					
1986	7	10	13	15	12
1991	13	14	16	18	16
1996	13	16	18	20	18
Maori					
1986	31	31	27	28	28
1991	44	43	38	35	39
1996	42	44	40	39	41
Pacific Islands					
1986	22	20	19	18	19
1991	31	31	26	25	28
1996	31	30	28	28	29
Asian					
1986	3	5	10	12	9
1991	8	8	11	16	11
1996	7	9	14	22	14
Other					
1986	20	14	22	26	20
1991	15	19	20	26	21
1996	17	18	21	21	20
Total					
1986	13	15	16	17	16
1991	21	22	21	21	21
1996	22	24	24	24	24

Source: Statistics New Zealand, unpublished tables.

Note: The 1996 Census definition of dependent has been used for all years (aged under 18 and not in full-time employment).

Table A18

Children under 1 year living with a sole mother 1981 to 1996

	Maori	Pacific Islands	Pakeha/ Other	Total
		Percent		
1981	13	13	7	7
1986	29	21	7	13
1991	40	27	11	19
1996	40	29	12	21

Source: Davey, J. (1998) *Tracking Social Change in New Zealand: From Birth to Death IV*, derived from Table A3.

Table A19

Local authority areas with above average teenage fertility rates
1995-97

Local authority area	Age group					
	Under 18	18-19	Under 20	Under 18[1]	18-19[2]	Under 20[3]
	Number of live births in 1996 by age of mother			*Rate per 1,000 females in each age group*		
Kawerau District	8	21	29	28.0	246.5	102.2
Ruapehu District	10	28	38	21.7	164.8	83.7
Wairoa District	8	20	28	18.1	191.9	76.9
Opotiki District	7	8	15	20.4	191.1	73.7
South Waikato District	18	31	49	20.7	145.8	70.5
Taupo District	26	41	67	22.1	136.6	70.3
Whakatane District	20	60	80	20.0	149.1	69.2
Chatham Islands District	0	1	1	0.0	166.7	66.7
Rotorua District	40	91	131	20.6	118.4	65.5
Gisborne District	46	63	109	20.2	128.5	63.7
Waitomo District	11	11	22	23.7	114.6	63.6
Far North District	38	65	103	16.6	153.4	63.1
Horowhenua District	19	42	61	14.4	148.5	62.4
Wanganui District	35	56	91	19.7	95.9	55.3
Whangarei District	41	84	125	15.9	106.9	55.2
Hastings District	42	78	120	15.9	100.2	51.4
Papakura District	30	47	77	19.3	79.1	51.1
Tararua District	10	10	20	13.9	120.7	50.2
South Wairarapa District	5	12	17	13.6	119.7	50.1
Napier City	35	73	108	14.8	100.9	49.5
Hauraki District	7	17	24	14.7	94.0	45.7
Waikato District	15	40	55	14.6	86.1	45.5
Porirua City	23	47	70	14.0	79.6	45.5
Kaipara District	9	10	19	11.6	113.6	45.4
Masterton District	14	25	39	13.0	108.1	45.1
Manukau City	153	307	460	15.5	73.2	44.4
Rangitikei District	9	13	22	13.4	92.2	43.5
Tauranga District	27	55	82	12.0	87.1	41.5
Invercargill City	24	43	67	13.1	75.7	40.9
Western Bay of Plenty District	18	28	46	11.2	91.8	40.5
Central Hawke's Bay District	3	9	12	7.6	111.1	40.0
South Taranaki District	9	29	38	9.2	94.1	39.6
New Plymouth District	25	61	86	12.5	70.0	37.7
Gore District	2	10	12	9.2	95.2	36.8
Stratford District	5	5	10	14.1	65.4	36.7
Thames-Coromandel District	4	15	19	9.1	88.5	35.9
Lower Hutt City	37	76	113	11.5	66.0	35.7
Matamata-Piako District	9	20	29	10.1	72.3	35.6
Waitakere City	45	126	171	10.6	63.3	35.6
Franklin District	9	42	51	8.7	76.7	35.4
New Zealand	1,432	2,980	4,412	11.3	57.3	34.2

Source: Statistics New Zealand, Population and Demography Division, unpublished birth data; 1996 Census.

1. Average annual number of births to females under 18 in 1995-97 per 1,000 females aged 13-17 in 1996.
2. Average annual number of births to females aged 18-19 in 1995-97 per 1,000 females aged 18-19 in 1996.
3. Average annual number of births to females under 20 in 1995-97 per 1,000 females aged 15-19.

Table A20

Median age[1] of women giving birth
1966 to 1997

Year	First nuptial confinements[2]	All nuptial confinements	All ex-nuptial confinements	All confinements
		Years		
1966	22.6	25.7	20.8	25.3
1971	22.9	25.3	20.9	24.8
1976	23.9	25.8	20.6	25.1
1981	25.0	26.7	21.4	25.8
1986	26.4	27.8	22.7	26.8
1991	27.9	29.3	23.8	27.9
1996	29.1	30.5	25.0	28.8
1997	29.4	30.9	25.2	29.0

Sources: Statistics New Zealand (1997) *Statistics for Presenters*, Table 1.16; *Demographic Trends 1998*, Figure 2.3; Population and Demography Division.
1. Half of the women are older than this age.
2. First births of the current marriage.

Table A21

Median age at marriage, by previous marital status
1971 to 1998

	Median age of bride[1] (years)				Median age of bridegroom[1] (years)			
December year	Never married	Divorced	Widowed	All	Never married	Divorced	Widowed	All
1971	20.8	33.8	52.2	21.2	23.0	39.3	58.7	23.5
1976	21.1	32.7	52.9	21.8	23.5	36.4	59.7	24.5
1981	21.9	34.0	53.2	23.0	24.2	37.5	59.6	25.6
1986	23.4	35.5	53.8	24.8	25.5	38.9	60.3	27.3
1991	24.6	36.7	52.6	26.5	26.9	40.8	61.4	28.8
1996	26.1	38.2	52.8	28.0	28.1	42.1	61.4	30.4
1997	26.5	39.1	54.6	28.4	28.3	43.1	61.1	30.7
1998	26.7	38.9	53.0	28.6	28.6	42.5	62.6	30.9

Source: Statistics New Zealand, Hot Off the Press, *Marriage and Divorce Statistics*, Year ended December 1998.
1. Half are older than this age.

Table A22

Living arrangements of the working-age population
by age group and sex
1996

	Males					Females				
	15-24	**25-44**	**45-54**	**55-64**	**15-64**	**15-24**	**25-44**	**45-54**	**55-64**	**15-64**
					Percent					
Living with parent(s)										
All	56	9	3	1	18	49	6	2	2	14
Unemployed	59	17	5	2	31	51	10	3	2	26
Non-labour force	64	15	6	2	29	51	7	3	2	15
Living with spouse/partner										
All	12	65	77	77	56	19	68	74	69	58
Unemployed	10	46	58	62	35	14	49	53	48	35
Non-labour force	4	42	57	71	37	14	64	69	69	54
Living with children										
All	3	48	52	26	36	12	66	50	23	46
Unemployed	5	41	45	29	27	16	71	53	29	44
Non-labour force	2	39	43	23	22	24	83	53	22	52
Living alone										
All	2	7	8	10	6	1	4	8	15	5
Unemployed	2	9	15	19	7	1	4	12	24	4
Non-labour force	1	8	13	14	8	1	2	7	15	5

Source: Statistics NZ, Supermap3 database.