

















Costs... of Living

Ngā Rourou Whakaiti

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We welcome your feedback

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State of the Nation 2023 From the Director

FROM THE DIRECTOR

Aotearoa continues to be buffeted by the health and economic impacts of a worldwide pandemic that has more recently been exacerbated by the impacts of a war in Ukraine. This year's report has the theme: Costs... of Living | Ngā Rourou Whakaiti. This theme acknowledges the very real pressures that are increasingly and significantly affecting people's lives as inflation begins to bite and people struggle to feed their whānau, to find work and secure warm, dry and affordable shelter.

The theme draws attention to the immediate costs experienced by individuals, but also hints at a broader collective set of costs that society needs to take into account to support people to live fulfilled lives and avoid the very real social and economic costs of inequality.

This year's report provides a snapshot of how we are doing as a nation. Are we seeing that all our people are fed, clothed, employed and housed? Are people and communities able to flourish?

Looking back at 2022, we can report some positive news:

- The social housing waiting list has continued to decline and building consents are up, showing some movement in addressing the wicked housing crisis.
- There have been high levels of employment and declining levels of unemployment.
- The continuing declines in levels of child poverty and hardship are a genuine achievement, particularly through the Covid-19 affected period, although poverty levels continue to be unacceptably high.

The impacts of policies, such as lifting the minimum wage, modest rises in benefits and high demand for labour resulting in some raised wages, have contributed to some of this positive news. We can only wonder at how much worse things might be without these.

On the negative side:

- Increasing levels of household indebtedness is a concern.
- Rising rents, lack of affordable housing and a focus on emergency housing continues to leave too many without warm, dry and secure housing.

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- Backlogs in the justice system mean too many prisoners are on remand, causing injustice for those accused as well as victims.
- Significant wage and income inequity continues for women, Māori and Pasifika peoples.

As we look back, we see that some modest gains have been made in key areas that affect people's wellbeing, but serious and entrenched levels of inequality, poverty and homelessness remain.

Looking to the future, we need to ensure that the costs of what some describe as an attempt to engineer a recession are not borne by the most marginalised people we work with—people on low incomes, Māori, Pasifika. Also, that the modest gains of the last few years are not lost, as more people on low incomes sink below the poverty line.

In an election year, it is our hope that we might see political leadership that will provide a vision to more comprehensively address the inequality that besets our nation, a vision that supports our communities to meet the 'costs of living'.

'I have come that they may have life and have it to the full'—John 10:10

Lt-Colonel Ian Hutson

Director—Social Policy and Parliamentary Unit

State of the Nation 2023 Introduction

INTRODUCTION

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

The aim of this report is to focus on trends and outcomes at a national level to see what they can tell us about the overall state of our nation at the beginning of 2023. The statistics and data are mostly drawn from publicly available sources and we aim to use the most recently available indicators for the year to 31 December 2022.

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

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

CHILDREN AND YOUTH

How well the children and young people are doing in this country tells us a lot about our overall wellbeing as a nation. They represent the future potential of our nation, but they also rely on the decisions of others around them in areas such as education, housing, health and household income.

Child poverty is a key indicator of child wellbeing and the continued overall decline in levels of child poverty and hardship up to mid-2021 is a genuine achievement throughout the pandemic. Poverty rates however remain too high. The Salvation Army and other community organisations still face levels of need above pre-Covid-19 levels. Disparities in child poverty rates are high for Pasifika, Māori and disabled children and a focused effort to further reduce child poverty is needed if government poverty reduction targets are to be achieved.

The overall level of psychological distress among young people is rising, but despite this the youth suicide rate fell again this year, although it remains high compared to similar countries.

Positive trends in reducing teenage pregnancy rates are continuing and infant mortality rates are low, with the rates for Māori and non-Māori close to parity in 2022.

Youth offending continued to decline (despite headlines about ram raids), highlighting the importance of sound analysis to contribute to the public debate about youth crime.

Children and young people are less likely to be offenders than they are to be victims of crime, as the growing figures for violent offending against children suggest. Reports of concern about potential child abuse and the numbers of substantiated child abuse cases were much lower in the year to June 2022, but the extended Covid-19 restrictions during that time also reduced the opportunities for identifying and reporting concerns about abuse.

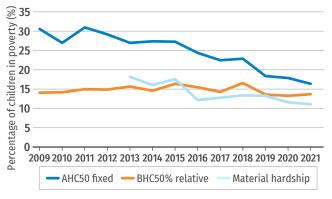
Education outcomes are showing concerning trends after three years of Covid-19 disruption, and this will have lasting impacts for many, with school attendance rates and achievement rates worsening.

Child poverty

Child poverty rates in 2021 were lower for all three primary measures compared with the 2018 baseline, but this was not projected to continue in 2022. The most recent data is for the year to 30 June 2021 and does not include impacts of Covid-19 restrictions in Auckland and northern regions in the second half of 2021.

Compared with the 2018 base line for child poverty reporting, the number of children in income poverty (below 50% of the median household income after housing costs [AHC50 fixed-line measure]) fell by 67,000, from 254,000 in 2018 to 187,000 in 2021 (16.3% of all children). The number of children below 50 percent of the median household income before housing costs (BHC50 moving-line measure) reduced by 27,000, from 183,000 in 2018 (16.5%) to 156,000 in 2021 (13.6%). The number of children in households experiencing material hardship reduced by 22,000, from 148,000 (13.3%) to 126,000 (11%) in 2021 (Figure 1).

Figure 1: Child poverty—primary measures—2009–2021¹



AHC: household income after housing costs.

BHC: household income before housing costs.

MOVING LINE: compares incomes with a contemporary equivalised median income.

FIXED: a measure comparing current incomes with a previous (2018) base line median. Useful during recessions.

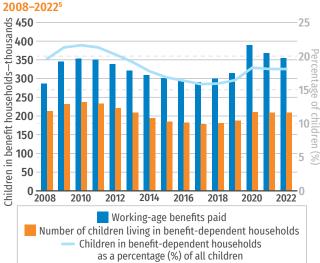
The numbers—50% here—refer to the percentage of the equivalised median income considered to be the 'poverty line'. The lower the percentage, the more severe the poverty being measured.

Some households with children experienced material hardship but their income was above the income poverty thresholds. Conversely, some children in households in income poverty did not fall below the material hardship thresholds. Therefore, the total number of children who experienced some form of income poverty or material hardship in 2021 across all three primary measures was higher than that for any single measure. There are six other supplementary child poverty measures, all of which were lower in 2021 than in 2018, but three of the six measures showed small increases between 2020–2021.

In April 2022, the second stage of the increases to core benefits announced in May 2021 came into effect, as did small changes to Working for Families (WFF) entitlements and abatement rates. The full impact on reducing poverty of those increases to annual incomes will not be seen in the child poverty figures until the June 2023 year—figures are released in early 2024. The Treasury forward modelling of poverty rates in 2022 and beyond estimated that the AHC50 fixed-line rate will increase to 18.5 percent in 2022 and the BHC50 moving-line measure will be almost unchanged at 13.5 percent. These two child poverty rates were projected to decrease in 2023, then flatten out or slightly increase in following years. It will take focused effort to further lift lower incomes in 2023 and following years if targets to more than halve the 2018 child poverty rates by 2028 are to be achieved.4

Crucial to reducing poverty is lifting incomes for the nearly one on five children (18.1%) who live in households relying on welfare benefits. These children are most likely to be living in poverty because current levels of welfare benefits, even after the April 2022 changes, are still not sufficient to ensure adequate incomes to meet basic living costs for many families (see Work and Income, Liveable income, Table 6, p.24). The number of children in benefit households remained elevated throughout the year, with a total in December 2022 of 208,900 almost the same as a year earlier in December 2021 (208,800) even though adult benefit numbers reduced by more than 14,000; this is still more than 21,000 (12%) higher than in December 2019 before the pandemic (Figure 2).

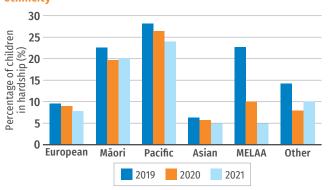
Figure 2: Number of children in benefit households—



Material hardship was also declining in 2021, and this shows there was some improvement occurring for many children in these households experiencing hardship (see also **Work and Incomes—Food Security** p.27). Material hardship looks at essential things that children are experiencing because of high costs, such as missing visits to a doctor, putting up with feeling cold, the inability to pay power bills on time, going without fresh fruit or vegetables, or not having two pairs of good shoes.⁶

Pasifika and Māori children continue to experience much higher rates of material hardship, along with disabled children (20.5%). Nearly one in four (24%) Pasifika children were in material hardship (Figure 3), which is more than three times the rate for children of European (7.8%) and Asian ethnicities (4.9%). Due to the small sample size and large margin of error for MELAA (Middle East, Latin America, Africa) and other ethnicities, it is difficult to draw conclusions about trends in their reported poverty rates.

Figure 3: Percentage of children in material hardship by ethnicity⁷



Both Māori and Pasifika children experienced significant reductions in the fixed-line after housing costs (AHC) poverty rates in 2021 (**Figure 4**). The reduction of the gap in this poverty rate is a small positive sign on the journey to greater equity in outcomes.

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Figure 4: Percentage of children below AHC50 fixed-line, by ethnicity⁸



Children at risk

CHILDREN IN STATE CARE

The number of children in state care continued to fall this year and is now the lowest number for more than a decade. This decline is being driven by fewer younger children being in state care, with the 3476 children under 14, down by 30 percent on the peak of 5000 in 2018 and 2019 (Figure 5). The number of children under 2 years of age entering care is down from 440 in 2018 to 133 in 2022, while total entries into care for all age groups are less than half the level of 2018. The number of older children in state care (1283 aged 14 or older) is higher than in 2017 (1104), largely as a result of the change in policy that year that enables young people to remain in state care over the age of 17.

Figure 5: Number of children in state care—2013-20229

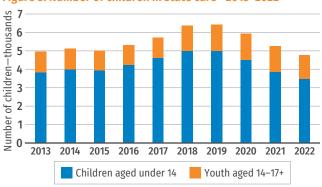
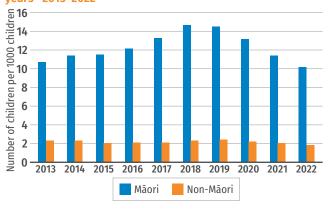


Figure 6 shows that five years ago, 15 in every 1000 tamariki Māori were in state care, and this has declined to ten per 1000 in 2022. This is a real and significant change as a result of sustained advocacy from Māori for changes in the child protection system. Despite this major decrease in numbers, there has been no change in the proportion of children of Māori ethnicity in state care. Tamariki Māori make up more than two-thirds of all children in care, and this has not changed over the past five years. They are five times more likely to be in state care than non-Māori, with ten in every 1000 children in care compared to around two in every 1000 non-Māori children.

The report by the Independent Children's Monitor in early 2022 and the reports on the way the system failed the child and family in the Malachi Subecz case are two examples of multiple reports and research¹⁰ highlighting the ways that the state care system is continuing to fail too many children, and particularly tamariki Māori.

Figure 6: Children in care per 1000 children under 18 years—2013–2022¹¹



ABUSE AND NEGLECT

Reports of concern (ROCs) for possible child abuse or neglect and the number of reports found to need further action have declined significantly in the year to June 2022 (**Table 1**). A contributing factor in this large decrease may have been the extended period of Covid-19 restrictions in the Auckland and northern regions in the second half of 2021. ROCs from education and health providers dropped during this time due to the reduced interaction with young people in schools and early childhood education. The reduction in ROCs flowed through into the number of substantiated cases of abuse that dropped by nearly 20 percent to 12,498 in 2022.

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The breakdown of the substantiated cases (**Table** 2) shows significant decreases in numbers, with the exception of sexual abuse that remained unchanged from 2021, nearly 23 percent higher than five years ago. The actual number of children affected by substantiated abuse is lower than the number of cases, because some children are victims of multiple instances of abuse. As noted above, it is likely that some abuse went unreported over the year because of lockdowns and without further evidence, we do not believe the lower figures can be seen as suggesting that children were safer.

Table 1: Notifications/referrals for possible child abuse or neglect—2017–2022 (June years)¹²

Year ending 30 June	2017	2018	2019	2020	2021	2022	1Y	5 Y
Care and protection reports of concern	81,840	92,250	87,260	80,928	77,948	66,364	-14.9%	-18.9%
Reports requiring further action	38,975	41,780	41,733	41,364	42,245	34,845	-17.5%	-10.6%
Substantiations of abuse or neglect	14,802	14,263	15,958	15,682	15,462	12,498	-19.2%	-15.6%

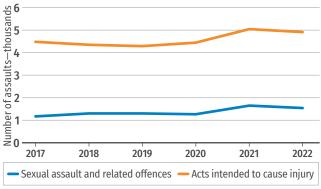
Table 2: Substantiations of child abuse or neglect—2017–2022 (June years)¹³

Year ending 30 June	2017	2018	2019	2020	2021	2022	1 Y	5 Y
Emotional abuse	7231	6810	7685	8084	7930	6349	-19.9%	-12.2%
Physical abuse	3136	2953	3507	3133	3261	2737	-16.1%	-12.7%
Sexual abuse	1038	1010	1066	1053	1267	1275	0.6%	22.8%
Neglect	3397	3490	3700	3412	3004	2125	-29.3%	-37.4%
Total abuse findings	14,802	14,263	15,958	15,682	15,462	12,498	-19.2%	-15.6%
Number of individual children as victims	12,117	11,622	13,018	12,861	12,725	10,426	-18.1	-14.0
Percentage of all children	1.08%	1.03%	1.14%	1.12%	1.10%	0.9%		
Estimated numbers of children under 18 years mean June year	1,120,200	1,131,300	1,138,600	1,150,000	1,155,100	1,156,600		

Children and violence

Violent offences against children are helpful indicators of the overall safety of children in this country. After the sharp increase in sexual assaults in 2021, there was no further increase in 2022, but neither was there a significant decrease (**Table 3a**). Similarly, the levels of serious assaults were slightly lower in 2022 compared with 2021, but the number of children under 15 years who were victims of serious assaults resulting in injury was more than 40 percent higher than five years ago (**Figure 7b** and **Table 3b**).

Figure 7a: Sexual assault and other assault against people aged 15–19 years—2017–2022 (June years)



Young people aged 15–19 years also experienced a similar rise in victimisation to violent and sexual offences (see **Figure 7a**), with the number of sexual assault victims rising sharply in 2021 and remaining high in 2022, some 31.5 percent higher than five years ago. Based on these figures, our country has become a much less safe place for children and young people over the past five years.

Figure 7b: Children under 15 years old who are victims of crime—2017–2022 (June years)

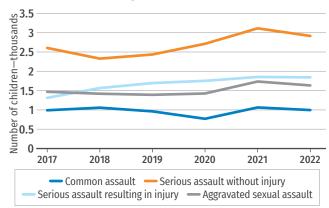


Table 3a: Recorded violent offences against children aged under 15 years old-2017-2022 (June years)16

June years	2017	2018	2019	2020	2021	2022	1Y	5Y
Common assault	1137	1203	1114	890	1228	1139	-7.2%	0.2%
Serious assault without injury	2905	2580	2690	3088	3556	3361	-5.5%	15.7%
Serious assault resulting in injury	1375	1669	1820	1874	1998	2014	0.8%	46.5%
Aggravated sexual assault	1548	1483	1493	1509	1864	1743	-6.5%	12.6%

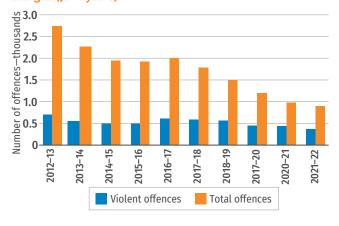
Table 3b: Number of children aged under 15 years who have been reported as being victims of a violent crime (June years)

June years	2017	2018	2019	2020	2021	2022	1Y	5Y
Common assault	989	1061	961	771	1067	995	-6.7%	0.6%
Serious assault without injury	2602	2327	2437	2710	3112	2917	-6.3%	12.1%
Serious assault resulting in injury	1310	1567	1696	1752	1854	1843	-0.6%	40.7%
Aggravated sexual assault	1469	1422	1392	1423	1735	1635	-5.8%	11.3%

Youth offending

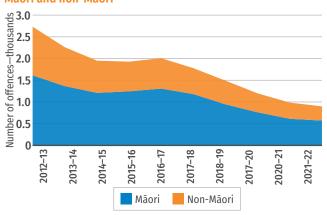
The continuing decline in youth offending has been a consistent theme of our *State of the Nation* reports in recent years, and 2022 has seen that trend continue, although it has slowed. Despite media reporting of some high-profile youth offending, fewer than 1 percent of all youth are involved in offending. ¹⁵ Offences finalised in any court in the year to June 2022 reduced to less than 1000, half the number from five years ago. The fall in both violent and non-violent offending has also continued, with violent offences down by 16 percent in 2021 compared with 9 percent for all offences (**Figure 8**).

Figure 8: Number of children and youth aged 10–16 years charged (June years)¹⁶



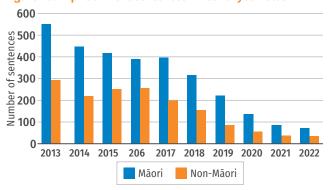
This reduction in charges has not seen equity in outcomes improve for rangatahi Māori. In the last year, charges declined by 7 percent for Māori but by 12 percent for non-Māori (**Figure 9**). Almost two-thirds of the young people charged in court were Māori, much the same proportion as it has been for the last eight years.

Figure 9: Number of children and young people charged—Māori and non-Māori¹⁷



The disparity for Māori in youth sentencing rates for imprisonment decreased slightly during 2022 (**Figure 10**). The number of young people sentenced in court to imprisonment has fallen hugely over the past decade and reached a new low in 2022 of just 107 compared with 841 in 2013, but two-thirds (67%) of young people going to prison were Māori.

Figure 10: Imprisonment sentences 17- to 19-year-olds18



Early childhood education (ECE)

There was no significant change in the rate of children under five years who participated in early childhood education (ECE) prior to starting school in 2022. Being part of ECE plays a vital role in childhood development and the ability for children to do well in their further education. Around 96.6 percent of children had some participation in ECE before starting school in 2022, the same rate as in 2021, and the rate has remained stable around 96-97 percent over the past decade (Table 4). The gap in participation between ECE in lower decile and more disadvantaged communities remained around the same as last year at 5.4 percent, higher than it was pre-Covid-19 in 2019 (4.8%). In the light of challenges from the past three years of pandemic disruptions, the fact that participation rates and socio-economic disparities did not worsen could be seen as something of an achievement.

Enrolment data for the actual enrolments in ECE in 2022 was not available at time of publication, but disparities in Māori enrolments in ECE have been significant and persistent over the past decade, with the enrolment rate of under five-year-olds consistently around 80 percent of the non-Māori rate.

Educational achievement

Educational achievement has taken a real hit from the disruptions from Covid-19 restrictions over the past three years. The proportion of students leaving school with at least NCEA Level 1 dropped in 2021 (most recent data, **Figure 11**). The impact of this fell very unevenly, with Māori student achievement falling significantly, particularly for Māori students in the mainstream school system, but student achievement also declined in Māori medium schools. The decline for non-Māori students was smaller, meaning a significant growth in the inequity in outcomes for Māori students.

Figure 11: Proportion of students leaving school with NCEA Level 1 or higher—2011–2021²⁰

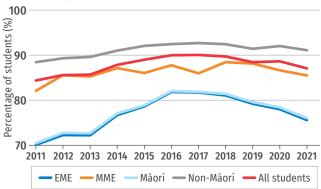
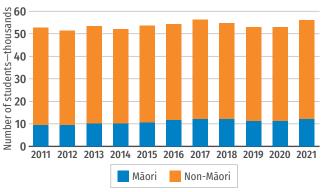


Table 4: Early childhood education enrolment patterns and ECE enrolment rates for Māori and non-Māori children aged under 5 years old—2017–2022 (June years)¹⁹

June years	2017	2018	2019	2020	2021	2022
Early childhood education enrolment patterns Total ECE enrolments	202,772	200,588	198,923	190,348	194,687	NA
ECE enrolment rate—under 5's population	65.7%	64.6%	63.8%	60.6%	62.7%	NA
ECE enrolment rate for 3- and 4-year-olds	95.5%	94.2%	92.3%	88.8%	89.2%	NA
Overall prior ECE participation rate on starting school	96.8%	96.9%	97.0%	97.1%	96.6%	96.6%
Prior ECE engagement rate—poorest three deciles	94.0%	94.2%	94.0%	94.4%	93.3%	93.2%
Prior ECE engagement rate—richest three deciles	98.8%	98.6%	98.9%	98.9%	98.8%	98.6%
Participation gap	-4.8%	-4.4%	-4.8%	-4.5%	-5.5%	-5.4%
ECE enrolment rates for Māori and non-Māori children aged under 5 years old						
Māori	56.0%	56.6%	55.9%	53.3%	54.4%	NA
Non-Māori	70.5%	69.3%	68.6%	65.7%	67.5%	NA

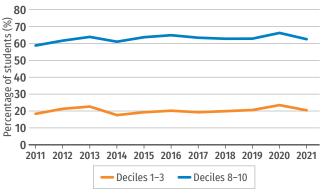
There was a noticeable increase in the number of students leaving school in 2021, increasing from around 60,000 in previous years to 64,000. The strong labour market during 2021 combined with the extended Auckland and northern region Covid-19 restrictions may well have meant that students elected to leave school earlier. The group leaving with no qualifications grew, as did also those leaving with NCEA Level 1 and Level 2 qualifications, but the higher qualification (NCEA Level 3 or higher) numbers were similar to 2020 (Figure 12).

Figure 12: School leavers with NCEA Level 1 or above, Māori and non-Māori²¹



The decline in achievement impacted both higher decile schools and lower decile schools. The reduction in students from schools in lower income communities (deciles 1–3) achieving University Entrance (UE), from 23 percent to 20 percent, was similar to that for higher decile schools in wealthier neighbourhoods (deciles 8–10), where there was a reduction from 66 percent to 62 percent (**Figure 13**). The huge disparity in higher achievement remains, meaning students in higher decile schools are three times more likely to gain UE than students in the lowest decile schools.

Figure 13: Proportion of students leaving school with UE by decile—2011–2021²²



The inequality for students in schools in more socially and economically disadvantaged communities remained unchanged in 2021 for those leaving school without at least NCEA Level 1. One in twenty (5%) of students in decile 8–10 schools leave with no qualification, compared to one in five (20%) for decile 1–3 schools.

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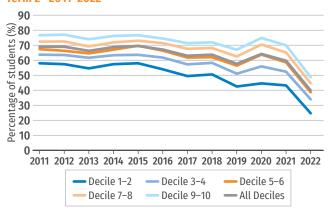
WILL THE EQUITY FUNDING MODEL MAKE A DIFFERENCE TO OUTCOMES FOR DISADVANTAGED STUDENTS?

A central element to the government's efforts to reduce educational inequity is to do away with the school decile funding system and from 2023 to fund schools using the equity funding model. The essence of this model is that the funding a school receives is based on the anonymised socio-economic profiles of the students attending and not on socio-economic profile of where they live (as the decile system does).²³ A 50 percent increase in equity funding to \$225 million is intended to ensure that no school misses out in the changes,²⁴ but the outcomes will only begin to be seen in the next three to five years as changes are implemented and student outcomes are measured and reported.²⁵

STUDENT ATTENDANCE AND ENGAGEMENT

During 2022, the large drop in student attendance has been a focus of debate, particularly because the level of school attendance has a close relationship with overall student achievement. The only long run comparison available is the term 2 attendance data from 2011-2022 (Figure 14). Term 2 in 2022 was greatly affected by Covid-19 absences, with many students unwell or isolating and as a result not meeting the 90 percent attendance level used for this measure. The overall trend of the past ten years has been a decline in attendance, and recent research highlights the impact of poor attendance on children's educational achievement.²⁶ The research also shows New Zealand attendance rates are worse than other similar countries such as Australia and Canada.

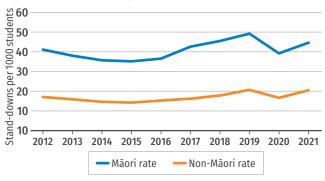
Figure 14: School attendance above 90 percent, Term 2—2011–2022²⁷



Engagement in school is crucial to educational achievement and the number and rate of standdowns provides an indication of the extent to which young people are being impacted by school policy. Student stand-downs are a measure of how schools respond to student behaviour and are not a measure of students' actual behaviour. A stand-down is a formal removal of a student from a school for a period of up to five days. Stand-downs represent the first level of a school's response with suspensions, exclusions and expulsions—much less common escalations in response.

The rate of stand-downs for Māori students is more than twice than that for non-Māori and stand-downs increased for all students in 2021 (most recent data) after a decrease in 2020 [Figure 15]. The rate for Māori in 2021 was higher than five years ago in 2017, but there was a larger increase for non-Māori so there was a small reduction in inequity in this space.

Figure 15: Stand-downs per 1000 students—2012–2021²⁸

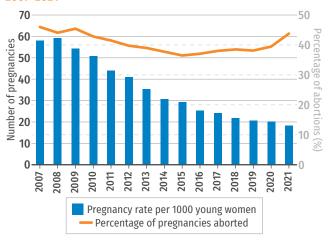


Teenage pregnancy

The estimated teenage pregnancy rates for 15- to 19-year-olds continued the steady decreasing trend of the past 15 years. Combining the number of live births with abortions gives an estimate of the total number of pregnancies per 1000 young women aged 15–19 years (**Figure 16**). The pregnancy rate in 2021 was one-third of the rate in 2007 and abortions have decreased by 70 percent over that time.

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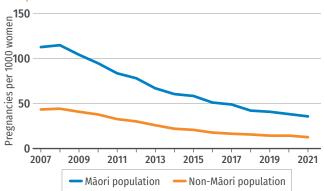
Figure 16: Pregnancy and abortion rate 15- to 19-year-olds— 2007–2021²⁹



The number of abortions has been stable over the three years to 2021 at just over 1200 per year, less than half the level of ten years ago (2550). A new generation of young people are approaching sexual relationships differently and have greater access to effective contraception, as well as advice and support to avoid unwanted pregnancies.

Young Māori women still have a higher pregnancy rate compared to non-Māori, and the disparity in rates has not changed significantly over recent years. The estimated rate for 15- to 19-year-olds in 2021 of 36 per 1000 was 2.8 times the non-Māori rate of 13 per 1000 (**Figure 17**).

Figure 17: Estimated teenage pregnancy rate 15- to 19-yearolds, Māori and non-Māori—2007–2021³⁰

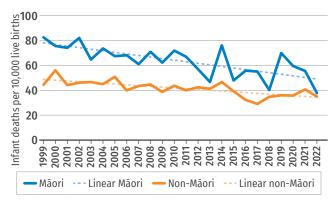


The general abortion rate for the whole population remained around the same in 2021 as in 2020 at 13 per 1000 women aged 15–44 years. This rate has not changed significantly since 2017 (13.9) but is less than the rate from a decade ago in 2012 (16.3).

INFANT MORTALITY RATE

Infant mortality rates in this country are very low by international standards, and the trend is for inequity across ethnicity to reduce. The mortality rate fluctuates over time, but the overall trend is downwards over the past two decades for Māori and non-Māori (Figure 18).

Figure 18: Infant mortality per 10,000 live births, Māori and non-Māori³¹



The number of pēpē Māori (baby) deaths in the first year of life at 66 in the year to September 2022 is less than half what it was a decade ago (120 in 2011). The rate of 38 deaths per 1000 births is also almost half the level of 2011 (67 per 1000) and while the rate has fluctuated considerably, the number of deaths in 2022 was the lowest on record. Over the years 2018–19, there was a noticeable increase in infant mortality for Māori infants that was higher than for the total population. But in 2021 and 2021 the rate has declined again. In 2022, the disparity was the lowest it has been for more than a decade.

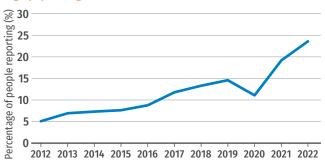
Youth mental health

There has been a sharp increase in the proportion of young people aged 15–24 reporting high levels of psychological distress. This means symptoms of anxiety, psychological fatigue or depression experienced in the past four weeks. Nearly a quarter of young people (23.6%) reported high levels of distress, and over the past two years the rate has

more than doubled from 11.1 percent in 2020 (**Figure 19**). The burden of mental health problems is not evenly shared. People who live with a disability are most likely to suffer some level of distress, while Māori and Pasifika people experience much higher rates compared to European or Asian ethnicities.

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Figure 19: Proportion of young people reporting high or very high psychological distress³²



In contrast to the increase in reported mental distress, the suicide rate for young people fell again in the year to March 2022 to 12.2 per 100,000, continuing the downward trend since 2019 (21.4 per 100,000, Figure 20). The 2022 rate for 15- to 19-year-olds was the lowest since at least 2017. The rate for the total population (10.2 per 100,000) also declined and is the lowest for more than a decade. Due to the low numbers involved, the youth suicide rate can fluctuate from year to year, but this sign of a downward trend over recent years is good news. The remaining challenge is that the New Zealand rate for young people remains high compared to other wealthy countries, well above the OECD average of around 8 per 100,000.

Figure 20: Suicide rates, total population, 10- to 14-year-olds and 15- to 19-year-olds—2012–2022³³



OVERALL ASSESSMENT: CHILDREN AND YOUTH

CATEGORY	RESULT
CHILD POVERTY Child poverty rates fell in 2021 (most recent figures available) across two of the three primary measures. The number of children in poverty was between 22,000–64,000 lower than in 2018, the baseline year for measuring progress. Ethnic disparities in poverty rates remain high.	+
CHILDREN AT RISK The number of children in state care decreased again in 2022 and is lower than it has been for more than a decade. No further progress was made to reduce the ethnic disparity for Māori in state care. Cases of substantiated abuse fell substantially in 2022, but the decrease is likely a result of Covid-19 lockdowns in the north, reducing the opportunities for abuse to be reported and investigated.	+
CHILDREN AND VIOLENCE Violence against children did not increase in 2022 but after the sharp increase in previous years is still well above the levels of five years ago.	NC
YOUTH OFFENDING Despite media headlines about ram raids and youth crime, overall youth offending continued to decline in 2022, and the number of young people aged 17–19 sentenced to prison reached a new low. Once again there was little progress to overcome ethnic inequalities—Māori make up two-thirds of youth charged with crimes.	+
EARLY CHILDHOOD EDUCATION (ECE) Enrolment rates in 2022 are not yet available, but the rate of prior participation before starting school was unchanged from 2021 and similar to earlier years. The gap in prior participation between disadvantaged communities and wealthier communities remained unchanged but still higher than pre-Covid-19.	NC
EDUCATIONAL ACHIEVEMENT 2021 saw significant decreases in educational achievement and increases in ethnic disparities. More young people left school with no NCEA qualification, and attendance rates at school in 2022 were down. Three years of Covid-19 disruption will have lasting impacts on young people's schooling.	_
TEENAGE PREGNANCY The pregnancy rate for 15- to 19-year-olds declined in 2021, in line with the trend of the past 15 years.	+
YOUTH MENTAL HEALTH More young people were reporting high levels of mental distress in 2022 than in 2021, continuing the trend of the past decade. In such a context it is welcome news that the youth suicide rate fell for the third year in a row, while still remaining higher than other similar countries.	-

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WORK AND INCOMES

High levels of employment and workforce participation meant that 2022 was another strong year for work and incomes, despite the continuing pressures of the pandemic and the conflict in Ukraine. The unemployment rate remained around record lows throughout the year. But youth unemployment, while decreasing slightly, remained too high; Pacific workers faced an increased unemployment rate and they, along with Māori workers, continued to experience much higher unemployment rates than other ethnic groups.

The impact of rising inflation means that the wage rises that continued in 2022 largely did not represent real gains in purchasing power. Increased welfare benefits helped lower-income households, but they too faced rising living costs. Indicators of the distribution of income did not change greatly, with

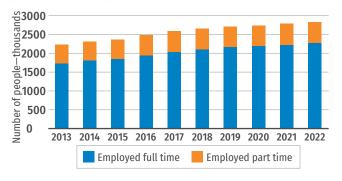
little change for gender equity or reduction in the earnings gaps between ethnic groups. Fewer people were needing income support at the end of 2022 compared with the previous year, although numbers were still well above pre-Covid-19 levels in 2019.

The rise in inflation that began in late 2021 looked to have peaked in mid-2022 but remained high at the end of the year, putting pressure on household budgets. The number of government hardship grants paid out to people needing support remained around the same in 2022, but the total amount paid out increased. Fewer families with children reported not having enough food, and food assistance provided by The Salvation Army foodbanks over the year reduced compared with 2021. However, 2022 finished with signs of increasing need in late November and December.

Employment

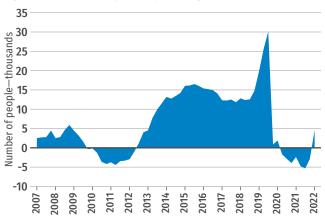
In 2022, the labour market remained strong with continuing growth in the number of people in employment, the size of the labour force, the proportion of the labour force finding work (employment rate) and the proportion of the total working age population seeking work (participation rate). The number of people not in the labour force also declined, showing that the past couple of years have been among the best times in decades for people to find paid work. In the year to December 2022, there were 2.83 million people in employment, which was 1.6 percent more than in 2021. The number in full-time employment increased by 60,000, while those working part-time decreased by 15,000 (Figure 21).

Figure 21: Total numbers in employment—2013–2022 (December annual)³⁴



The travel restrictions into New Zealand as a result of the pandemic continued to mean much lower numbers of people entering the country. In the second half of 2022 when most border restrictions were lifted the number of people entering the country increased. The September 2022 quarter saw the number of arrivals exceed departures for the first quarter in two years with a net inflow of migration of 4559. The two years of net negative migration up to September 2022 mirrored the two years between September 2010 to September 2012 following the Global Financial Crisis, as shown in Figure 22.

Figure 22: Estimated quarterly net migration³⁵

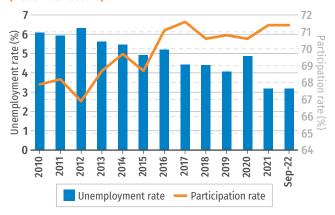


Restrictions on work visas continue to be a source of debate, as employers seek to bring in workers to meet urgent shortages in several sectors. There is a huge policy tension between the stated objective of the current Government and immediate workforce pressures. The Government policy is to aim for a higher-skilled and better paid workforce that is more productive, but there is an inherent time-lag in the process that is leading to continuing labour shortages. Transforming workforce training and development and driving business towards different ways to employ people does not happen overnight. Returning to the very high levels of net inwards migration seen between 2014-2018 would also add considerable pressure on housing and other infrastructure.

Unemployment

The unemployment rate remained at a record low throughout the year, and this benefitted all population groups. **Figure 23** shows that the high labour force participation rates carried over into a sustained low unemployment rate remaining at around 3.2–3.3 percent for more than a year.

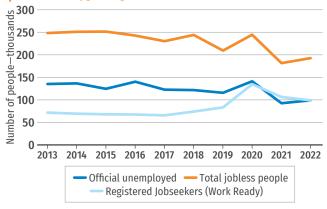
Figure 23: Unemployment and participation rates (December actual)³⁶



Total numbers for those counted as unemployed in the official unemployment figures collected through the Household Labour Force (HLF) survey remained at or below 100,000 from September 2021 through to the end of the December 2022 quarter.

The number of people who are not counted as officially unemployed, the 'potential labour force' increased to 93,700. This group is made up of those available but not actively seeking a job and those not immediately available but who want a job. As seen in **Figure 24**, this means our figure for the total 'jobless' population, combining the total official unemployed (blue line) with the additional potential labour force, increased (orange line) to 192,700.

Figure 24: Jobless, unemployed, Jobseekers (December quarter actual) [1000s]³⁷



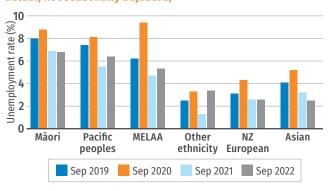
The number of people who were receiving the Work and Income Jobseeker (Work Ready) income support benefit also declined steadily during 2022, ending the year below 100,000 for the first time since 2019 (light blue line). The total of 98,800 was still above the pre-Covid-19 number in December 2019 of 83,100.

Only about a third of those receiving the Jobseeker (Work Ready) benefit are counted as officially unemployed.³⁸ Reasons why those Jobseeker recipients are not recorded as unemployed include having part-time work, being unable to begin employment immediately or not having been actively seeking work in the four weeks prior to be interviewed for the HLF survey.

DEMOGRAPHIC INEQUALITIES

Despite record low unemployment and complaints of labour shortages, our employment market remains disturbingly ineffective at finding employment for young people and Māori and Pacific workers, or at expanding employment in some regions. Unemployment rates in September 2022 for Pacific and Māori workers were lower than pre-Covid-19 in September 2019, but they continued to experience much higher unemployment rates than other groups. The unemployment rates in September 2022 for Māori (6.8%) and Pacific workers (6.4%) as well as Middle East, Latin American and African (MELAA, 5.3%) were all more than twice as high as those for Asian and European ethnicities (Figure 25). There was little change in this ethnic equity gap in 2022, in fact the gap for Pacific workers in 2022 was slightly larger than in 2019.

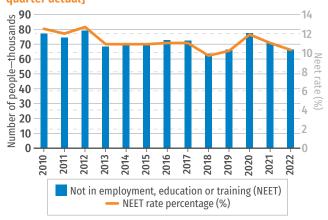
Figure 25: Unemployment rate by ethnicity (September actual, not seasonally adjusted)³⁹



Young people aged 15–24 years are another population group that are not benefitting as much from the booming employment market as might be expected. Youth unemployment, while decreasing slightly, remained too high: the official unemployment rate in September 2022 for 15- to 19-year-olds was 13.7 percent and 5.2 percent for 20- to 24-year-olds (compared with 15.4% and 6.2% in September 2021).

The number of young people not in employment, education or training (NEET) after peaking at 77,600 in September 2020, had reduced by more than 11,000 in September 2022 reaching 66,200 (**Figure 26**). This is around the same level as before Covid-19 in September 2019, but considering that other unemployment measures are sitting well below pre-Covid-19 levels, this only serves to highlight the continuing ineffectiveness of our employment market to integrate and upskill young people, despite historic low unemployment and labour shortages.

Figure 26: Number of young adults (aged 15–24 years) not in education, employment or training (NEET) [September quarter actual]⁴⁰



The huge regional variations in NEET rates also means that the effects are concentrated in the three worst affected regions. Notably, NEET rates in June 2022 increased in the Bay of Plenty (18.7%) and Northland (17.9%) regions compared with 2021. They have NEET rates nearly three times higher than those in the region with the lowest NEET rate, Wellington (6.6%) [Figure 27 and Table 5].

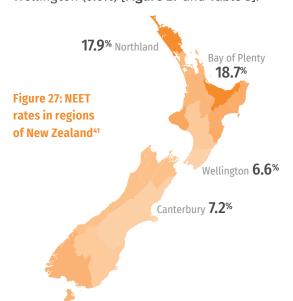


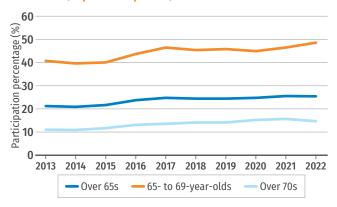
Table 5: NEET rates in regions of New Zealand

Region	NEET rate	NEET
Bay of Plenty	18.7%	6500
Northland	17.9%	3900
Taranaki	13.7%	2000
Gisborne/Hawke's Bay	12.7%	3900
Southland	11.6%	1400
Waikato	11.1%	5800
Auckland	10.7%	24,800
Tasman/Nelson/Marlborough/West Coast	9.4%	1500
Manawatu-Whanganui	8.1%	2400
Otago	7.9%	3200
Canterbury	7.2%	6100
Wellington	6.6%	4800

OLDER WORKERS

The two years since 2020 have seen a noticeable increase in the proportion of people aged between 65-69 years who are in the workforce, increasing from 45.8 to 48.6 percent in September 2022, the highest rate for a decade. This may well be in response to the tight labour market that people are delaying retirement or even re-entering the workforce to meet labour shortages, or because of financial need. The number of over 70-year-olds in the workforce (80,400) is also well above pre-Covid-19 levels in September 2019 of 69,200 (16% higher), but the over 70 working-age population is also growing, so their participation rate actually decreased slightly between 2021 and 2022. However, looking at a longer time scale, the 2022 over-70 participation rate of 14.6 percent is well above that from ten years ago (11%). Overall labour market participation for all those aged over 65 has remained largely unchanged at 25.4 percent, as shown by Figure 28.

Figure 28: Labour Force Participation over 65-year-olds 2013–2022 (September quarter)⁴²



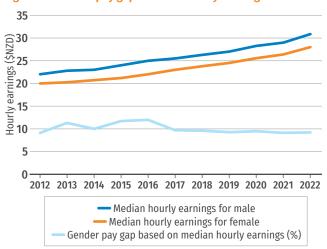
GENDER PAY EQUITY

Women's participation in employment has climbed over the past two years, but the disparities in pay and earning persist and are another area of inequality where too little progress is being made. In September 2021, the male and female unemployment rates were the same. During 2022, the unemployment rate for women grew, reaching 3.8 percent in September 2022, while the unemployment rate for men fell further to 2.9 percent by September 2022. The number of women not in the labour force declined further but it seems women joining the labour force were not finding it as easy to secure employment.

Figure 29 shows that the gender pay gap has not decreased meaningfully over the past decade; in 2022 the pay gap was 9.2 percent, almost the same as it was five years ago in 2017 or a decade ago in 2012 based on median hourly earnings from wages and salaries. All In 2022 the median pay for women at \$28 per hour was \$2.85 less than for men at \$30.85. It is disappointing that 50 years after the passing of the Equal Pay Act 1972, parity in women's earnings has not been achieved. This is despite plenty of clear research and advice for businesses, organisations and government about ways to advance gender pay equity.

Figure 29: Gender pay gap-median hourly earning-2012-2022

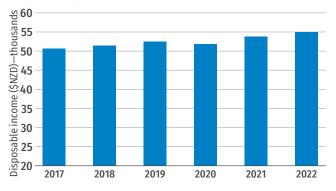
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Incomes

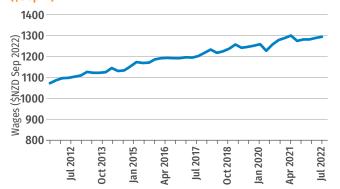
The economy continued to grow in 2022; the growth rate in the year to September 2022 was 2.7 percent, compared with 5.4 percent for the September 2021 year. The total size of the economy reached \$375 billion. On a per capita basis, real gross disposable national income per capita also increased by 2 percent for the September year (Figure 30). This means that the overall resources available to people in this country are increasing, despite the impact of the pandemic and inflation. How well this growing income and wealth is shared is therefore a crucial issue.

Figure 30: Real gross national disposable income per capita (September quarter)⁴⁶



Average weekly earnings for all employees managed to keep pace with inflation over the year to September 2022, rising to \$1294.40, an 8.9 percent increase, compared with inflation of 7.2 percent, as seen in **Figure 31**. The average ordinary time hourly wage also just kept pace with inflation, rising to \$37.86, a 7.4 percent annual increase for the September 2022 quarter.

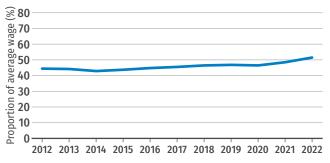
Figure 31: Average weekly earnings all employees—2011–2022 (\$Sep22)⁴⁷



WAGE INEQUALITY

Comparing average hourly wages in the lowest paid sector (Accommodation and Food Services) with those in the highest paid sector (Finance and Insurance) provides an insight into the way income inequality affects ordinary workers. Over the past decade, the average hourly rate in the Accommodation and Food sector has been less than half of that in the Finance and Insurance sector. That has changed since 2019, with the average hourly ordinary wage increasing to \$27.71 in September 2022 from \$21.57 in September 2019, a \$6.14 (28%) increase, well ahead of CPI inflation for the same period (14%). The Finance and Insurance average wage increased by slightly more in dollar terms (\$6.92) but proportionately less, lifting the ratio to 51.5 percent, the highest it has been for at least a decade. It seems that the labour shortage has—at least in that sector—translated into modest real wage gains for one group of lower paid workers relative to those who are paid higher.

Figure 32: Comparison of ordinary time wages in Hospitality and Finance sectors (Hospitality average ordinary time wage as a proportion of average Finance sector wage)—2012–2022⁴⁸



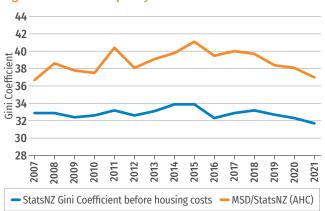
INCOME INEQUALITY

How income is shared within our country is vital to ensuring wellbeing for all those living here. One way of evaluating this is measuring the way incomes are distributed across the whole population using the Gini Coefficient. The Gini Coefficient maps the degree to which income is concentrated, with low scores indicating lower inequality and higher scores higher inequality.

Figure 33 shows the New Zealand scores over the 15 years from 2007 to June 2021 (latest available figures) measuring household disposable incomes before and after housing costs. Once housing costs are taken into account, the inequalities in disposable incomes for households are much higher, increasing from just under 37 in 2007 to peak at 41 in 2015, before declining since then to be back at 37 in 2021. Income inequality before housing costs was lower but has not declined as much. A slight downward trend is emerging over the four years of 2018–2021.

This trend suggests disposable incomes for lower income households have been increasing relative to those with higher incomes, helped by rises in the minimum wage and welfare benefits. However, inequality still remains significantly higher than in the mid-1980s, when New Zealand scored in the mid-20s (Gini Coefficient before housing costs), which is around the current level of the most equal among the wealthy countries.⁴⁹

Figure 33: Income inequality—Gini Coefficient—2007–2021⁵⁰

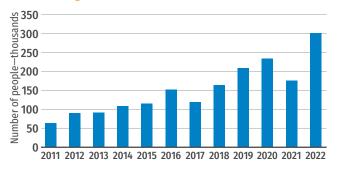


MINIMUM WAGE

The minimum wage has increased by 35 percent since 2017, well ahead of the increase in average hourly earnings over the same period (22%), contributing to a small overall decrease in wage inequality. The reduction in wage inequality has been achieved essentially by compressing the spread of wages in the lower half of the wage distribution (Figure 34). Figure 35 shows that over the past ten years, the minimum wage has increased from around 50 percent of the average hourly wage to just under 58 percent. The gap in hourly earnings between the lowest 10 percent of wage earners and the mid-point at 50 percent of wage earners is closing faster than the gap between the highest 10 percent of wage earners and the lowest 10 percent.51

Another contributing factor to this reduction in wage inequality in the past five years is pay equity settlements such as the Care Workers Pay Equity settlement in 2017. Care workers made up around 4.5 percent of all minimum wage workers before settlement, which lifted their pay rates well above the minimum wage from 2017. Similarly, the increasing number of employers paying the Living Wage means there are now over 360 Accredited Living Wage employers whose employees are all being paid at least the 2022 Living Wage of \$23.65, which is \$2.45 more than the 2022 minimum wage.⁵²

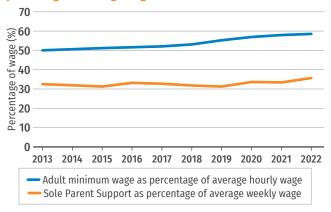
Figure 34: Number of workers receiving the statutory minimum wage—2011–2022⁵³



The main source of income for many people on the lowest incomes are welfare benefits. Until recently, increases in welfare benefits were not keeping pace with increases to average weekly earnings. But since 2017, the significant increases in core benefits have exceeded the increase in average weekly earnings from employment. The Sole Parent Support (SPS) has increased from \$329.57 per week in April 2017 to

\$440.96 in April 2022—a 34 percent increase. This has closed the gap slightly on average weekly earnings that increased by 22 percent over the same period. In April 2022, the SPS payment was just under 36 percent of average weekly earnings compared with just under 33 percent five years earlier.

Figure 35: Minimum wage and Sole Parent Support as a percentage of average wages—2013–2022⁵⁴



Core benefits make up only part of the weekly income for people relying on our complex welfare system. Actual income received is made up of the core benefits plus Working for Families (WFF) tax credits, Accommodation Supplement, Temporary Additional Support, Special Needs Grants and other assistance. The table below shows an estimated 'liveable income' based on updating the example budgets from the 2018 Welfare Expert Advisory Group (WEAG) report for inflation in April 2022 and comparing these with the income model households would be entitled to, based on April 2022 benefit rates. It shows that for many households overall benefit levels continue to fall significantly short of what is needed for some level of participation in society (Table 6).

Table 6: Liveable income—April 2022⁵⁵

April 2022 (private rental)	Liveable income	Benefit entitlement	Shortfall
Jobseeker (Work Ready)—single	\$663	\$528	-\$135
Sole Parent Support, 1 child 3+years	\$906	\$818	-\$88
Jobseeker (Work Ready), couple 2 children	\$1380	\$1074	-\$306

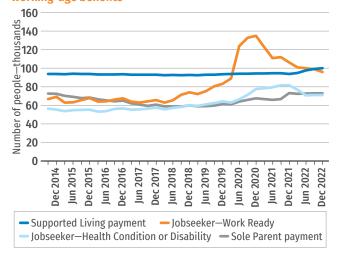
Income support and welfare

The total number of people receiving working-age welfare benefits decreased again during 2022 to reach 353,900 at the end of December 2022—14,000 less than in December 2021 (3.8% decrease) but still 45,000 more than pre-Covid-19 in December 2019.

Figure 36 shows changes in the number of people receiving the main welfare benefits. Jobseeker numbers declined during 2022 to dip below 100,000 for the first time since early 2020, but the number in December 2022, at 98,800, remains some 16,000 higher than in December 2019 (83,100) before the pandemic impacted employment.

The number of people receiving the Jobseeker (Health Condition or Disability) benefit decreased by over 10,000 during the year to 71,000 in December 2022, while the number of people receiving the Supported Living Payment (SLP) increased by around 6000 to just over 100,000 in December 2022. These changes were partly affected by resumption of Work Capacity Assessments in January 2022, which had been suspended since early 2020 in response to the pandemic, and this resulted in some people moving from the Jobseeker (Health Condition or Disability) benefit to the SLP, as well as others exiting the welfare system.

Figure 36: Number of people receiving selected working-age benefits



WELFARE EXPENDITURE

A further round of Covid-19 Wage Subsidy payments in the second half of 2021 reflected the need to respond to the continued pattern of pandemic disruption to the life of the nation. The \$4.7 billion paid in the Wage Subsidy scheme means that \$18.2 billion has gone into these subsidies in the three years to June 2022. In addition to this, another \$471 million was paid to employers as part of the Covid-19 Leave Support Scheme subsidies. An increase of \$576 million in working-age benefits reflects the financial impact of benefit increases in July 2021 and April 2022.

Table 7: Government spending on main income support programmes (\$millions) [June years]—2017–2022⁵⁶

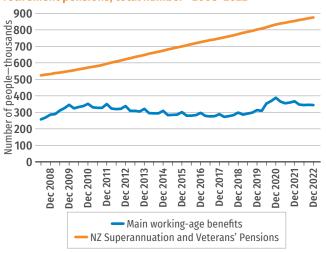
Government spending on main income support programmes	2017	2018	2019	2020	2021	2022
NZ Superannuation and Veterans' Pensions	13,218	13,862	14,715	15,666	16,708	17,898
Main working-age benefits	4390	4355	4526	5166	6505	7081
Housing subsidies	1977	2094	2614	2994	3504	3709
Working for Families tax credits	2359	2195	2766	2830	2688	2536
Other benefits and allowances	1395	1499	2068	2557	3069	3274
Total benefit expenses (excl Wage Subsidy)	23,339	24,005	26,689	29,213	32,474	34,498
Increase excluding Wage Subsidy				9.5%	11.2%	6.2%
Wage Subsidy Scheme				12,095	1197	4689
Total benefit expenses	23,339	24,005	26,689	41,308	33,671	39,187
Growth in spending on benefits	4.0%	2.9%	11.2%	54.8%	-18.5%	16.4%
Core Crown Expenses	76,339	80,576	86,959	108,832	107,764	125,641
Benefits as share of Core Crown Expenditure	30.6%	29.8%	30.7%	38.0%	31.2%	27.5%
NZ Superannuation as share of Core Crown Expenditure	17.1%	17.0%	16.7%	14.3%	15.0%	14.2%

Working For Families expenditure has fallen in 2021 and again in 2022, and is lower than in 2019. This may reflect the impact of households' increasing incomes taking them above abatement thresholds that reduce their entitlements to WFF payments (Table 7).⁵⁷

New Zealand Superannuation (NZ Super) costs continued to increase, rising by \$1.2 billion in 2022. NZ Super remains a crucial pillar of incomes for some 876,000 people over 65 years old in this country (Figure 37). The report on the 2022 review of retirement incomes from the Retirement Commissioner released in November 2022⁵⁸ points out that around 40 percent of all people over 65 rely almost entirely on NZ Super for their income. A further 20 percent have only a little more income. The Commissioner recommends keeping the eligibility age for NZ Super at 65, recognising that the large ethnic differences in life expectancy means that Pasifika and Māori recipients live on average seven to nine years less than the rest of the population. They would be unfairly disadvantaged by raising the age of eligibility.

The retirement review shows that while the cost of NZ Super is increasing, it remains affordable in the long term. Addressing housing issues for people reaching 65 who are renters or still having to pay off a mortgage is another dimension to the ongoing housing crisis.

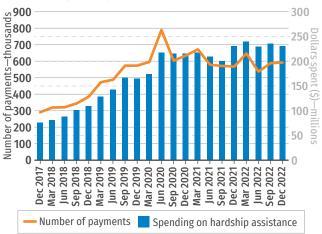
Figure 37: People receiving working-age benefits and retirement pensions, total number—2008–2022⁵⁹



Hardship and food security

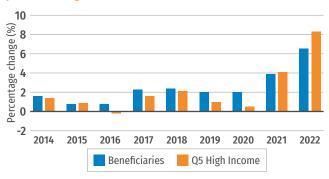
The total volume of hardship payments made by Work and Income to households needing extra support in the year to December 2022, at 2.36 million payments, was around the same as in 2021 (2.39 million). The total dollar value of payments increased however, to close to \$1 billion for the year to December 2022 (\$935 million), a 9 percent increase on 2021 (\$859 million). This suggests a higher amount per payment which reflects the rising living costs that lower income households have been facing. Welfare benefit and NZ Super recipients were specifically excluded from the Cost of Living Payment introduced between August and October 2022. Around 40 percent of the value of total government hardship payments made were as benefit advances or recoverable assistance. which welfare beneficiaries were expected to repay (Figure 38).

Figure 38: Government spending on additional hardship assistance, quarterly number and \$ value—2017–2022⁶⁰



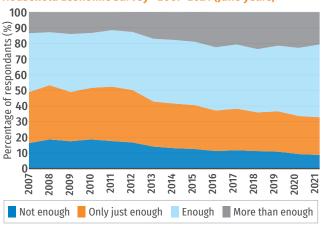
The last year has seen something of a 'catch-up' in living cost increases for high income households compared to lower income households. Beneficiary households saw 6.5 percent increase in the year to September 2022 compared to 8.3 percent for the highest earning households, but the reality of the situation is that the lowest income households (beneficiaries) have faced relatively higher increases in living costs for most of the past decade and are much more directly impacted by rapidly rising food, energy and housing costs (Figure 39).

Figure 39: Household Living Costs Index increases beneficiaries and high income households (annual percent change)⁶¹



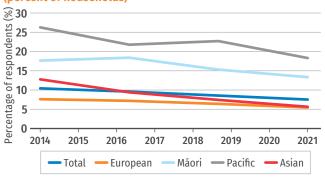
A feature of the past decade has been a consistent downward trend in the number of households reporting that they did not have enough money to meet everyday needs. In 2021 (most recent figures), the proportion of households who reported not having enough money had fallen to 8.8 percent, less than half the rate ten years ago (17.6%) [Figure 40]. The question remains whether these improvements will have been carried over into 2022, as rising inflation impacts on household budgets.

Figure 40: Income adequacy to meet everyday need, Household Economic Survey—2007–2021 (June years)⁶²



As with other hardship measures, the ethnic differences were large, with one in five (20.1%) Pacific households reporting not enough money compared to one in 15 Asian households (6.6%). While all ethnicities reported lower proportions experiencing a lack of money, Māori households were twice as likely, at 15.6 percent, as European or Asian households to be trying to get by with insufficient resources (see **Figure 41**).

Figure 41: Not enough money to meet everyday needs (percent of households)⁶³

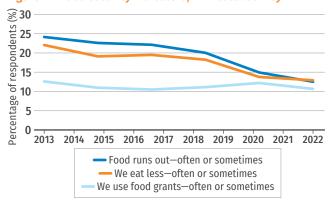


27

FOOD SECURITY

Fewer households with children aged under 15 years reported during 2022 that food runs out often or sometimes, continuing the downward trend since 2016 (Figure 42) according to the NZ Health Survey. This is despite the impact of further Covid-19 restrictions during the year to June 2022 and the effects of rising living costs.

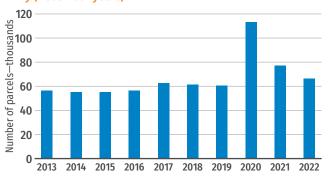
Figure 42: Food security indicators, NZ Health Survey⁶⁴



Children living in households in the most deprived areas were four to six times more likely to experience food insecurity than children living in the least deprived areas, after adjusting for differences in age, gender and ethnicity. The Ministry of Social Development's 2022 *Child Poverty in New Zealand* report⁶⁵ echoes this finding. Looking across the three years of 2019–2021, foodbank use by households with children (under 17 years) in the Southern Wards of Auckland (Manukau and Manurewa-Papakura) was six times higher than in the Central Wards of Albert-Eden-Roskill and Ōrakei).

During 2022, The Salvation Army network of 70 foodbanks across the country distributed around 66,400 food parcels: a decrease of nearly 11,000 (14%) on 2021 (77,200) and well below the 113,000 from 2020, but still higher than 2019 (60,600) [Figure 43].

Figure 43: Number of food parcels provided by The Salvation Army (December years)⁶⁶



The Cost of Living Payment (CLP) introduced from August–October 2022 provided some short-term relief to households, but it excluded beneficiaries and NZ Superannuitants. Both the CLP and the Winter Energy Payment (WEP) ended in October, and in November and December food need rose again. In the five weeks between late November and Christmas, The Salvation Army distributed more food parcels than in the same period in 2020. The combination of tightened incomes and rising inflation is hitting the lowest income households the hardest.

OVERALL ASSESSMENT: WORK AND INCOMES

CATEGORY	RESULT
EMPLOYMENT High levels of employment and workforce participation meant that 2022 was another strong year, despite the continuing pressures of the pandemic and the conflict in Ukraine.	+
UNEMPLOYMENT The unemployment rate remained around a record low throughout the year. But youth unemployment, while decreasing slightly, remains too high, and Pacific and Māori workers especially continue to experience much higher unemployment rates.	NC
INCOMES The impact of rising inflation means that the benefit of the wage rises that continued in 2022 largely did not represent real gains in purchasing power. Increased welfare benefits helped lower income households, but they too faced rising living costs. How well income is shared did not change greatly, with little change for gender equity or reduction in the earnings gaps between ethnic groups.	NC
INCOME SUPPORT AND WELFARE Fewer people were needing income support at the end of 2022 compared with the previous year, although numbers are still well above pre-Covid-19 levels in 2019.	+
HARDSHIP AND FOOD SECURITY The rise in inflation that began in late 2021 and peaked in mid-2022 remained high through to the end of the year, putting pressure on household budgets. Over the whole year the amount of food assistance provided by The Salvation Army reduced compared with 2021 and fewer families reported not having enough food, but towards the end of the year there were signs of food hardship increasing again.	+

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HOUSING

In response to the sheer scale of housing challenges facing our nation a lot of activity, energy and resources are being expended to try and address issues across the housing continuum in New Zealand. In this year's report, the results are varied. More houses are being consented across the country: in 2022 the number of dwelling consents was nominally far more than required to keep up with population growth (due to the minimal population growth); the social Housing Register declined for at least two quarters of 2022; house prices declined (which is perhaps good news for first-home buyers, more of whom may be able to enter the market, although the reason for the house price decline—rising interest rates—increases barriers to market entry); and there continued to be a gradual increase in active tenancy bonds in the rental market, a proxy for the number of households who have been able to find rental accommodation.

Looking closer at this year's findings there are some challenging areas to further investigate; for example, the rental market remains extremely tight—across the country, rents have steadily increased, most notably in the lower North Island and across the South Island. Additionally, average household debt has increased again this year, directly related

to more housing, plus consumer and credit card spending from households. And, the relatively small population growth figure for 2022 raises more questions around where this nominal (paper) surplus of houses might be located around the country.

In the end, housing challenges remain gigantic. In an election year, there needs to be an emphasis on enabling legislation and effective policy that will support adequate housing and not hinder it. Additionally, there has recently been a lot of energy spent on reforming tenancy laws. With the rental market being so tight and expensive, what political parties offer in terms of housing and rental policy and ideas must be closely watched. The Salvation Army has supported many of the Government's recent reforms around tenancy laws, urban development and the sharper end of the housing continuum—homelessness and emergency, transitional and social housing. Still, greater innovation, more time, more inclusionary housing policies and increased partnerships between the government and community housing sector are just some of the critical factors needed, especially in an election year, to try and address these massive housing obstacles.

Housing availability

CONSENTS FOR NEW DWELLINGS

Figure 44⁶⁷ Consents for new dwellings both in Auckland and nationally continued to grow, maintaining the encouraging trend noted in our 2021 report. The pace of consents last year was unprecedented over the past 30 years. The consents for Auckland in 2022 were more than double the 2017 number and increased by 42 percent between 2020 and 2022 alone. Higher numbers of consents were also issued in 2022 in many different parts of the country, including the Northland, Wellington and Canterbury regions. The Nelson (29.8%) and West Coast (42.8%) regions have seen the greatest percentage increase in the number of consents issued in the last year. By raw number, however, Auckland consents grew faster between 2021 and 2022 than the rest of the country put together: Auckland consents grew by 2099, while the rest of the country saw consents increase of 1203.

Figure 45⁶⁸ shows consent numbers by the dwelling types being built around the country. The figures here are stark, showing the clear preference, especially since 2020, for consenting townhouses, flats and units and multi-unit developments. Conversely, the consents for building stand-alone houses decreased sharply between 2021 and 2022 and, perhaps for the first time ever in New Zealand, were not the most popular type of dwelling consent.

Figure 44: Consents for new dwellings, New Zealand and Auckland (year ending September)—2017–2022

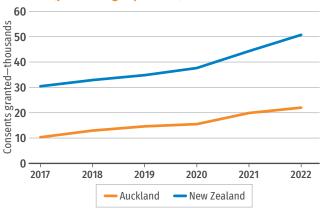
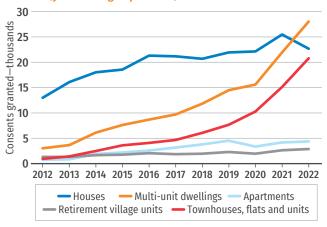


Figure 45: Consents for new dwellings by dwelling type, New Zealand (year ending September)—2012–2022



BUILDING CONSENTS AND POPULATION CHANGES

The previous sections show the strong growth in building consents, particularly for townhouses and multi-unit dwellings across the country. Table 8 considers the relationship between population growth and building consents—we have monitored this relationship for the past 16 years of this report. The most obvious change in contributing factors to this last year's relationship is the very small annual population growth, of 1500 people to 5,124,100 people as of June 2022. Only around 588 new houses would have been required to absorb those additional 1500 people at the current occupancy rate, but consents for new dwellings were nearly ten-fold that total, topping 50,736. This means that (specifications and location willing) over 50,000 dwelling consents could contribute in a real way to responding to ongoing housing insecurity, rather than being swallowed up by the requirements of a rising population (up from last year's difference of just under 30,000.

Table 8: Estimates of population change and new house builds, New Zealand—2011–2022

June years	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Resident population	4,384,000	4,408,100	4,442,100	4,516,500	4,609,400	4,714,100	4,813,600	4,900,600	4,979,300	5,084,300	5,122,600	5,124,100
Dwellings estimate	1,719,200	1,731,500	1,745,200	1,761,600	1,781,000	1,802,400	1,826,500	1,852,000	1,880,600	1,911,700	1,945,800	2,006,300
Annual population growth	33,300	24,100	34,000	74,400	92,900	104,700	99,500	87,000	78,700	105,000	38,300	1500
Average occupancy rate	2.55	2.55	2.55	2.56	2.59	2.62	2.64	2.65	2.65	2.66	2.63	2.55
Dwellings required for population growth	13,059	9452	13,333	29,063	35,869	39,962	37,689	32,830	29,698	39,474	14,563	588
Consents for new dwellings	13,539	15,414	18,783	23,316	25,154	29,097	30,453	32,860	34,804	37,614	44,299	50,736
Surplus/ deficit	480	5962	5450	-5747	-10,715	-10,865	-7236	30	5106	-1860	29,736	50,148

SOCIAL HOUSING REGISTER

After several years of continual increase, two quarters (March 2022 to September 2022) showed slight decreases in the number of households on the Housing Register (the waiting list for social housing) [Figure 46]. This was the first time in seven years that the register decreased, and is an encouraging sign. Still, caution needs to be exercised here as the total for September 2022 was still higher than for September 2021, by 340 households. There are several factors that could be contributing to the decrease in 2022, including changes in priority ratings for those on the register, shifts to long-term social housing, families moving to private rental accommodation or the increasing use of transitional housing options. All these factors are complex and have significant challenges connected to them. For instance, our social workers and financial mentors have noted that many families on the register who move to private rental accommodation (because there are not enough

social or transitional housing options) often end up incurring major debts as they try to sustain their rental accommodation. Many of these families end up 'bouncing' back to emergency or transitional housing options.

Figure 46: Social Housing Register-2014-2022



REGIONAL BREAKDOWN OF SOCIAL HOUSING DEMAND

Table 969 shows the unmet and urgent housing need for various regions and for the country. The demand for public housing has increased across almost all housing regions during the September quarter compared with September 2021. Urgent housing continues to be particularly problematic in the Bay of Plenty, Central and Taranaki regions. The next tier of regions-Northland, Waikato, East Coast and West Coast Tasman—all have high demand for social housing relative to their current numbers of public housing tenancies. This again indicates the severity of the urgent housing need in these regions. The dollar amount of the emergency housing Special Needs Grant has declined in all of these regions in the last year, except for the Northland and Waikato regions (not shown on graph).70

Table 9: Regional breakdown of social housing demand and public housing stock—at September 2022

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

Housing affordability

AVERAGE HOUSE SALE PRICES

The ongoing inflation and cost of living challenges have massively impacted house sale prices nationally. **Table 10** shows a selected list of cities and regions we have monitored for house sale prices over 15 years. House sale prices have been surging throughout the country for the past 5 to 10 years. But most of the cities and areas we have tracked saw a decline in sale prices in the last year, indicating the significant financial pressure many New Zealanders are facing. This might be seen as good news for home buyers, especially first-home buyers, but with the Official Cash Rate pushing up mortgage interest rates, buyers are left facing increased obstacles to enter the market. Figure 47 is a visual representation of the trends in sale prices for specific cities and regions, as outlined by Table 10. In the areas we monitor, only Timaru had a very modest increase of 4 percent in house sale prices since 2021.

Figure 47: House sale prices—national and selected areas—2017–2022

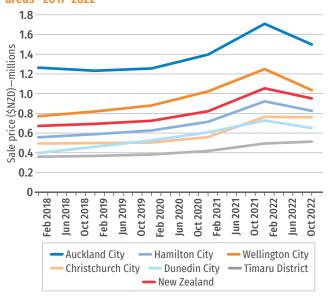


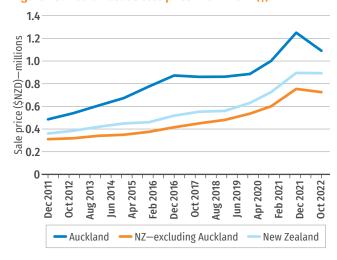
Table 10: Average house sale prices for selected areas—2017–2021⁷¹

	Dec-17	Dec-18	Dec-19	Dec-20	Dec-21	Oct-22
Whangarei District	517,734	575,270	564,721	635,648	827,836	787,613
Auckland City	1,264,236	1,231,401	1,254,348	1,394,716	1,708,884	1,497,807
Hamilton City	557,038	586,912	624,294	713,684	921,233	824,593
Tauranga City	705,706	729,719	776,808	899,375	1,173,369	1,068,458
Rotorua District	420,951	484,945	537,167	610,824	747,500	681,955
Napier City	482,216	540,364	600,824	668,610	894,019	790,460
New Plymouth District	440,364	465,862	502,440	568,425	747,745	742,483
Palmerston North City	383,052	428,726	498,121	599,694	769,007	663,441
Wellington City	769,211	817,840	878,876	1,022,081	1,248,452	1,034,209
Nelson City	565,870	608,123	651,871	715,895	886,179	811,022
Christchurch City	492,668	498,359	504,117	559,051	763,528	758,673
Timaru District	358,648	366,627	382,508	416,972	493,689	512,325
Queenstown-Lakes District	1,114,954	1,236,110	1,235,770	1,274,655	1,621,082	1,700,421
Dunedin City	396,594	458,751	524,971	606,770	725,853	650,227
Invercargill City	257,495	297,740	361,346	397,155	486,715	473,376
New Zealand	670,631	693,094	724,185	820,318	1,053,315	951,040

MEDIAN HOUSE SALE PRICES

Figure 4872 illustrates the median house sale prices which follow a similar pattern to the Average House Sale Prices section. The decrease in Auckland was drastic, declining by almost 13 percent in the year to October 2022. This reversed the pandemicrelated increase in median sale prices in Auckland. The Auckland region has recorded six consecutive months of annual median price decreases for the first time since August 2008 to January 2009.73 The housing market definitely cooled down to some extent. The Real Estate Institute of New Zealand (REINZ) described this recent development, stating 'this year, several compounding factors have created uncertainty and hesitancy in the market where there was confidence and urgency last year—rising interest rates and the cost of living, tax legislation and property regulation, tightened lending criteria and global events with macroeconomic impacts'.74

Figure 48: Median house sale price-2011-2022 (\$)



MEDIAN RENT FOR THREE BEDROOM HOUSE

The areas listed in **Table 11** are traditionally lower-income or working-class suburbs spread across the country. In all of the selected areas, except for Miramar South in Wellington, there was an increase in the median rent for a three-bedroom house. Areas in the Auckland and Northland regions in this table recorded rent increases between 3 percent to

8 percent in the last year. The figures also highlight that rent increases in suburbs in Hastings, New Plymouth and Palmerston North were among the highest in the last year. Additionally, five out of the six South Island suburbs listed in this table had rent increases of 10 percent or higher in the last year.

In the midst of ongoing cost of living and inflationrelated pressures for people and families, these continuing rent increases in lower income areas indicates greater pressure on those renting around the country.

Table 11: Median rent for three-bedroom houses in selected locations—2011–2022 (\$)75

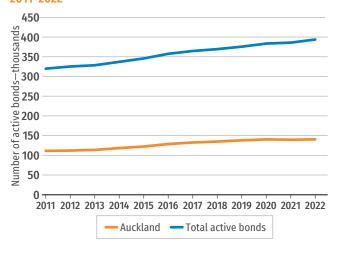
	Sep-11	Sep-16	Sep-21	Sep-22	1 year change
Kaikohe	217	267	385	415	8% 📥
Glenfield Central	447	531	600	633	5.5% 📥
Ranui	357	465	563	600	6.6%
Akarana (Mt Roskill)	447	557	626	650	4% 🛕
Avondale West	411	510	600	630	5% 🛕
Mt Wellington	447	533	630	650	3% 🛕
Otahuhu East	388	477	593	620	4.6%
Manurewa Central	364	501	600	620	3% 🛕
Papakura East	328	432	600	630	3% 🛕
Huntly East	233	315	445	480	5% 🛕
Claudelands (Hamilton)	307	402	510	555	8.8%
Greerton (Tauranga)	309	399	545	588	8% 📥
Fordlands (Rotorua)	187	220	460	485	5% 🛕
Flaxmere East (Hastings)	241	315	450	500	11% 📥
Westown (New Plymouth)	315	380	490	550	12% 📥
Highbury (Palmerston North)	258	299	480	530	10% 📥
Cannons Creek North	270	271	540	573	6% 📥
Trentham North	352	377	660	700	6% 📥
Naenae South	330	352	595	625	5% 🛕
Mirimar South	467	511	750	750	NO CHANGE
Tahunanui (Nelson)	333	371	500	550	10% 📥
Aranui	271	363	410	463	13% 📥
Hornby South	320	376	450	495	10% 📥
Woolston West (Christchurch)	301	387	435	490	13% 📥
St Kilda West (Dunedin)	314	370	480	518	8% 📥
Richmond (Invercargill)	238	278	400	445	11% 🛕

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ACTIVE TENANCY BONDS

The total number of active tenancy bonds lodged nationally has increased in the last year (**Figure 49**). Nationally, the number of active tenancy bonds increased by 2 percent in the last year and increased by almost 7 percent over the past five years. In Auckland between 2020 and 2021, active bonds actually dipped slightly after several years of steady growth. There was an increase in the last year for Auckland, but a very modest one of only 0.8 percent. This indicates a tighter, flatlining rental market in Auckland with fewer people lodging tenancy bonds and also probably fewer people leaving their current tenancy.

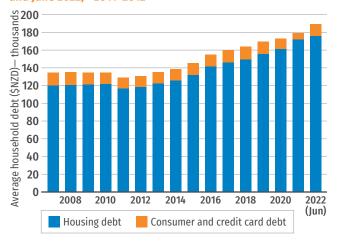
Figure 49: Active tenancy bonds (September years)— 2011–2022⁷⁶



Household debt

The figures that the Reserve Bank reported around household balance sheet statistics shifted from Statistics New Zealand (StatsNZ) in 2021 to an experimental webpage in the National Accounts section." This has resulted in some difficulty tracking and continuing the monitoring for this section as we have done for the past 16 years. Figure 5078 captures the average household debt. The latest StatsNZ figures at the time of writing were from June 2022, compared with the September years previously used in this figure. Both housing debt and consumer and credit card debt increased in the nine months since September 2021. This is the context of the cost of living and inflation challenges dominating the financial wellbeing of New Zealanders.

Figure 50: Average household debt (September years, and June 2022)—2011–2012



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OVERALL ASSESSMENT: HOUSING

CATEGORY	RESULT
AVAILBILITY There is a rapid pace as indicated by the consents numbers of house building happening in the country—this is encouraging. Still, we need to ask and determine whether these houses are being built in the right locations and are fit-for-purpose for buyers and renters. For example, the massive surge in house building is being dominated by building townhouses, units and multi-unit developments. The recent decline in households on the social Housing Register is a welcome change but must be watched closely.	+
AFFORDABILITY Sale prices have declined significantly. This is good news for some (first-home buyers, investors), but bad news for others (homeowners, sellers). The steep rises in interest rates are definitely affecting both the mortgage holders and potential buyers. The significant increases in rents nationally, especially in lower income suburbs, are likely a major concern for poorer New Zealanders renting or looking to rent.	NC
DEBT There is an increase in household debt, driven by increases in both housing debt and also consumer spending.	_

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CRIME AND PUNISHMENT

The criminal justice system in Aotearoa aims to ensure the safety of our communities by holding people who offend to account, but also to ensure the safety and wellbeing of those who are victims of crime. Essentially, victims and offenders are two sides of the same coin of criminal justice. A fair, equitable and just criminal judiciary system is one that balances the coin and ensures both sides of the coin are addressed.

The number of victims and reports of victimisations reported to police increased last year, with levels of victimisations now at 309,114. However, the numbers of proceedings against alleged offenders declined significantly in 2022. The backlog in our courts system created by the impact of Covid-19 lockdowns and restrictions has severely impacted the courts' ability to administer justice. Overall, the number of criminal cases that are moving in and out of court have been declining, however, the number of jury trials has increased by almost 60 percent since 2017. The delay in the court systems has a flow-on effect into other areas of the justice system, particularly the increasing remand population.

Overall violent crime remained relatively unchanged in 2022, however it continues to remain higher than levels seen in 2017. Violent offences increasing in the last year were murder and assaults, while all other offence types declined. Only 41.2 percent of violent offence victimisations were resolved 180 days after reporting to police—the resolution of violent offences has continued to decline year on year.

Family violence remains a contentious issue for our justice system—in 2022, 175,609 family harm incidents (FHI) were reported to police, a 5 percent increase from 2021. In addition, the proportion of FHI that police deemed an offence also increased (8.6%); however, the number of charges, people charged, and convictions for family violence have declined significantly in 2022, so fewer family violence offences were resolved in the formal justice system.

The trend towards community sentences has continued to increase with fewer people being imprisoned and more people being given community sentences. The prison muster continues to remain low at 7964; however, the remand population is now at its highest, representing 41 percent of the prison population. The overall imprisonment rates and recidivism rates for Māori have continued to gradually decline, however the disparity compared to non-Māori continues to be a concern. Māori are six to seven times more likely to be imprisoned than non-Māori. Māori are also more likely to be reimprisoned and reconvicted than non-Māori, particularly after being out of prison for two years. We continue to highlight disparity around long-term recidivism as we have done before; this illustrates that long-term reintegration support targeted to Māori can help to mitigate the growing disparity.

The increasing levels of victims, victimisations, FHI and the remand population—and lower levels of resolution—show that there are significant areas in the justice system that need to be urgently addressed.

State of the Nation 2023

Background

The criminal justice sector is composed of many different agencies working across the criminal justice system pipeline (Figure 51). The 'Crime and Punishment' chapter of the State of the Nation has endeavoured to provide a snapshot of the processes and movements within the criminal justice pipeline to illustrate how our criminal justice system addresses and prevents criminal activity in Aotearoa. A simplified view of the pipeline starts with police preventing and dealing with crime, charges laid by police are then processed by the courts/Ministry of Justice (MOJ) who administer justice of offenders who are subsequently prosecuted and sentenced. Corrections then manage prisons (sentences and remand) and people sentenced in the community. The pipeline simplifies the outworking of those involved in the criminal justice system, but overall it illustrates its complexity as changes within one agency have flow-on effects onto other agencies.

Figure 51: The criminal justice pipeline79



The reality is only 25 percent of crime in Aotearoa is reported to police, 80 therefore the processes and movements we are able to track in the criminal justice pipeline only reflect a fraction of the reality of criminal activity New Zealanders are facing. This chapter collates data from the New Zealand Police, Ministry of Justice, District Courts, the New Zealand Parole Board and Department of Corrections who all have variations in data they report and their methods of collection, collation and presentation. Our presentation of these datasets for the indicators we cover negates complexities, such as lag times in courts; for example, a proceeding shown in the police data may not be prosecuted in the District Court as an active case until later, or active cases in courts in 2022 may not show a conviction until 2023 or later, etc. However, the tables and figures we show in this chapter are intended to provide, in our view, a proxy to the mechanisms within the criminal justice pipeline.

NEW ZEALAND CRIME AND VICTIM SURVEY (NZCVS)

The NZ Crime and Victims Survey (NZCVS)⁸¹ conducted by the MOJ is the most comprehensive source of data on adult victims of crime in Aotearoa New Zealand. In 2022, the NZCVS published its fourth cycle (surveys conducted Nov 2020–Nov 2021); collectively these four cycles represent almost 30,000 interviews with New Zealanders about their experiences with crime. The NZCVS provides rich information on the experiences of victims of crime and how they were affected. We continue to draw on the NZCVS as a reliable source of information on actual levels of crime and not just the reported and recorded crime.

Summary of the key findings from the fourth cycle of the NZCVS showed:

- about 1.2 million adults were victims of at least one personal or household offence
- there were around 1.74 million offences against New Zealand adults
- just 2 percent of New Zealand adults experienced almost 40 percent of all victimisations
- about 2 percent of adults experienced sexual assault and only 8 percent of sexual assaults are reported to police
- offenders were under the influence of alcohol and/or other drugs in about half of all offences by family members (52%). Almost one in five offences by family members (17%) were not reported to the police because victims 'didn't want to get offender into trouble'
- 49 percent of personal offence incidents involved a male offender and a female victim.
 This proportion increases to 52 percent for interpersonal violence, 69 percent for offences by family members and 73 percent for sexual assault
- factors associated with a higher likelihood of victimisation when compared with the New Zealand average included
 - young adults (aged 15–29)
 - bisexual
 - Māori
 - separated
 - not employed and not actively seeking work
 - being under high levels of financial pressure.

People who are victims of crime can be impacted physically, socially, mentally and financially. These can have long-term impacts with repercussions on society. A fair, equitable and just criminal justice system addresses offenders and supports victims. In addition, victims play an integral role in the administration of justice. The NZCVS and the police's Recorded Crime Victims Statistics (RCVS) are the only consistent public datasets available that illustrate the number of victims of crime in Aotearoa. Data inherently helps to inform decision-making and policies to better society, and the lack of reporting around victims of crime in the criminal justice system results in a system which does not work for victims of crime.82

Overall crime

Crime statistics are reported by the police through the RCVS which records how many times police receive reports of crimes that have a victim, and Recorded Crime Offenders Statistics (RCOS) which record both court and non-court proceedings by police against alleged offenders.⁸³

OFFENDER: A person or organisation police apprehend because police allege the person or organisation has perpetrated a criminal incident involving one or more offences.

PROCEEDING: A legal action initiated against an alleged offender for an offence(s). Each proceeding is classified to a principal offence and principal method of proceeding. It does not represent a count of offences.

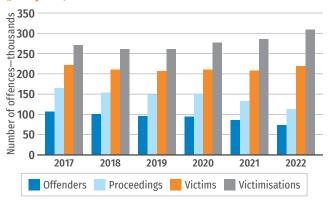
VICTIMISATION: An instance of a person or organisation being victimised for a given type of offence. Our analysis views victimisation as a proxy to crime levels.

VICTIM: A unique person or organisation recorded as being a victim of a given type of offence.

A summary of police proceedings for offenders and victims reported to police from 2017–2022 is shown in **Figure 52**. It shows that the overall trend between 2017–2022 is that the numbers of reported victims/victimisations and the numbers of alleged offenders and proceedings against them are moving in opposite directions. Since 2017, there have been significant declines in the numbers of offenders

(14%) and proceedings against offenders (16%). A significant proportion of declines are evident following the year ending June 2020; in the year 2021–22 the number of offenders declined by 23 percent compared with 2018–2019 which declined by 11.3 percent. The same trend is seen in proceedings where there was a decline of 27 percent in 2021–22 compared with a 10 percent decline in 2018–19. Proceeding levels more appropriately reflect police activity and focus, rather than changes in criminal activity trends.

Figure 52: Summary of police proceedings—2017–2022 (June years)⁸⁴



The reported number of victims has increased by 6 percent in the past year to over 220,000 people. The number of victims of crime reported to police has returned to the same level from 2017. The number of events of victimisations has also increased in the past year by 8 percent to over 300,000 events of victimisations in 2022—this is a 14 percent increase since 2017.

A combination of victimisations and proceedings data from police RCOS and RCVS are used to estimate the levels of reported offences, as shown in Table 12. The RCOS counting standards for proceedings means that only the principal offence is counted; for example, if an offender committed multiple offences, the RCOS would only count the primary offence as being proceeded against by the police. Therefore, the number of actual offences police are dealing with are underreported by looking at proceedings alone. The RCVS, however, counts each criminal incident for each offence type in which they are recorded as being a victim of an offence. We utilise the combination of these datasets to provide a proxy to estimate the recorded offence volumes reported by the police.

Table 12: Reported offence volumes—2017–2022 (June years)85

June Years	2017	2018	2019	2020	2021	2022	1Y	5Y
Homicide and related offences	160	182	218	213	178	181	1.7%	13.1%
Acts intended to cause injury*	50,220	49,847	50,591	58,434	66,073	68,125	3.1%	35.7%
Sexual assault* and related offences	5820	6026	6256	6227	7853	6821	-13.1%	17.2%
Abduction, harassment and other related offences against a person	6056	5412	5352	5948	5517	4331	-21.5%	-28.5%
Dangerous or negligent acts endangering persons	15,069	16,051	15,430	14,676	14,515	12,992	-10.5%	-13.8%
Robbery, extortion* and related offences	4127	3763	3291	3419	3276	3509	7.1%	-15.0%
Unlawful entry with intent/burglary, break and enter*	71,926	65,315	64,639	66,485	56,690	62,910	11.0%	-12.5%
Theft* and related offences	137,714	135,456	136,465	142,630	151,425	167,369	10.5%	21.5%
Fraud, deception and related offences	3397	3127	2977	3016	2851	2310	-19.0%	-32.0%
Illicit drug offences	8800	8870	9051	10,232	8296	6107	-26.4%	-30.6%
Miscellaneous offences	711	659	612	1,257	718	696	-3.1%	-2.1%
Offences against justice procedures, govt sec and govt ops	16,085	15,770	16,747	22,547	15,335	11,936	-22.2%	-25.8%
Prohibited and regulated weapons and explosives offences	3844	3707	3896	4441	3770	3393	-10.0%	-11.7%
Property damage and environmental pollution	6986	6169	5828	5594	5164	4285	-17.0%	-38.7%
Public order offences	15,904	13,956	12,825	11,131	9596	6632	-30.9%	-58.3%
Traffic and vehicle regulatory offences	32,486	29,127	27,809	25,501	25,125	22,453	-10.6%	-30.9%
Total	379,305	363,437	361,987	381,751	376,382	384,050	2.0%	1.3%

^{*}Victimisation data.

Overall levels of offending have had a minor increase in the last year by 2.0 percent, and by almost 2 percent since 2017. An in-depth look at estimated reported offences show that there have been significant declines in offences such as illicit drug offences, public order offences and offences against justice, however, there have been increases in burglary and theft. These offences have essentially balanced each other and hence there is low overall change for reported offence volumes.

Resolving victimisations is a primary task of the justice sector to ensure safer communities. We calculate resolution rates by police as the percentage of victimisations reported (excludes victimisation reports where police deem there is no crime) and where the investigation is finalised as reported in **Table 13** for violent and dishonest offences.

Previous *State of the Nation* reports have calculated resolution rates as the proportion of victimisations that are proceeded against by the police. Following advice from Police Data NZ we have changed the method of reporting resolution rates.

ii Violent offences for victimisations include acts intended to cause injury, sexual assault and related offences and abduction, harassment and other related offences against a person.

iii Dishonesty offences for victimisations include robbery, extortion and related offences, unlawful entry with intent/burglary, break and enter and theft and related offences.

Our analysis defines victimisations resolved as victimisations with an outcome of investigation 180 days after the victimisation was reported to police. The outcomes of investigation are as follows.

COURT ACTION: Police action against a person to facilitate their court appearance to answer charges, including instances where Diversion is subsequently offered.

NON-COURT ACTION: Police action is to finalise an investigation that does not involve a court appearance, including instances where a person is given a formal caution or formal warning.

NO OFFENDER PROCEEDED AGAINST: An

investigation that has been finalised, but no offender has been formally proceeded against; includes instances where a person is given an informal caution or informal warning and instances where there is no proceeding.

Table 13 shows that in 2022 only 13 percent of victimisation reports for dishonest offences were resolved by police within 180 days. This suggests that 87 percent of dishonest offences continue to be unresolved six months after being reported to police. The resolution of violent offence victimisations has declined by 8.7 percentage points since 2017, with 41.2 percent of victimisations reports being finalised within 180 days of reporting in 2022. The outcomes for violent offences have changed since 2017 with less victimisations for violent offences ending up in court, which is a

decline of almost 15 percentage points and an 8.5 percentage-point increase in no offenders being proceeded against. The decline in violent offence victimisation resolutions may be attributed to an increase in reports of acts intended to cause harm, which has increased by 35.7 percent since 2017, thus increasing the workload and resources required to resolve these victimisation reports. Although police may proceed against an offender, the courts may still find the alleged offender not guilty and therefore the resolutions shown in the table overestimate the number of victimisations that are actually resolved within the criminal justice system.

In 2022, 73 percent of proceedings by police resulted in court action, and 70 percent of offenders which police proceeded against resulted in court action. Offenders are prosecuted in the courts by the police, and the courts administer justice and determine outcomes and convictions. This year the *State of Nation* report includes **Table 14** which is an overview of the District Court's criminal proceedings workload. All criminal proceedings in New Zealand begin in the District Court. Only the most serious offences are referred to the High Court, and all others are dealt with entirely in the District Court.

Table 13: Estimated resolution rates of violent and dishonest victimisations—2017–2022 (June years)86

	2017	2018	2019	2020	2021	2022	1Y	5Y
Dishonest offences total	14.7%	15.6%	15.4%	15.7%	15.7%	13.3%	-2.4%	-1.4%
Court action	11.5%	11.9%	11.6%	11.7%	11.3%	9.9%	-1.5%	-1.6%
Non-court action	1.8%	1.6%	1.7%	1.8%	2.2%	1.6%	-0.5%	-0.2%
No offender proceeded against	1.4%	2.1%	2.1%	2.1%	2.2%	1.8%	-0.4%	0.4%
Violent offences total	49.8%	53.8%	53.3%	45.4%	44.1%	41.2%	-2.9%	-8.7%
Court action	36.5%	35.9%	35.3%	29.2%	24.5%	21.8%	-2.7%	-14.7%
Non-court action	4.8%	4.5%	4.8%	4.6%	4.2%	2.4%	-1.8%	-2.4%
No offender proceeded against	8.5%	13.5%	13.3%	11.6%	15.4%	17.0%	1.7%	8.5%

Table 14: Criminal proceedings in the District Court—2017–2021 (June years)87

June Years	2017	2018	2019	2020	2021	1Y	4Y
Active Cases Criminal (non-jury)	30,118	30,982	32,809	33,434	29,048	-13.1%	-3.6%
Jury trial	2342	2534	2897	3315	3743	12.9%	59.8%
Youth court	1039	918	797	892	826	-7.4%	-20.5%
Total active cases	33,499	34,434	36,503	37,641	33,617	-10.7%	0.4%
Total cases in	141,836	136,079	132,324	124,171	116,779	-6.0%	-17.7%
Total cases out	136,580	131,416	126,928	119,530	117,470	-1.7%	-14.0%

(At the time of writing this report, the Annual Report for the District Courts for 2022 was not yet released.)

This table shows that cases entering the courts have been declining over the years. This aligns with the decrease in police proceedings. Despite the decline in criminal cases entering the courts there has been a significant increase in the number of cases for jury trial. Jury trials are reserved for more serious crimes (Category 3), and a defendant has the right to elect a jury trial when he or she is charged with an offence punishable by a maximum sentence of two years' imprisonment or more. This table illustrates that despite the criminal cases coming into the courts declining, the seriousness and complexity of the current cases are increasing. In addition, jury trials take longer to hear and consume a greater amount of judicial resource. The impact of Covid-19 lockdowns and restrictions created back logs and increased the pressure on court activity which impacted the administering of justice. These trends also contribute to the increasing levels of people on remand which is highlighted later in this chapter.

There was 32,984 (22%) fewer convictions in 2022 compared with 2021. In the past five years, convictions have declined by 30 percent, which accounts for almost 50,000 less convictions, as shown in **Table 15**. Almost a quarter of all convictions are for traffic violations, followed by offences to justice, theft-related offences and acts intended to cause harm. These four offences make up around 65 percent of all convictions in our courts. The only conviction that has increased in the last year was sexual assault and related offences; in 2021 there was a significant increase

in sexual assaults which we highlighted in last year's SOTN report as potentially being impacted by Covid-19. Reports to police of sexual assault victimisations increased significantly in June 2020 and March 2021, both follow periods of Covid-19 restriction levels. The slight increase seen here may be a result of the increases seen last year in reports of sexual assaults.

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Table 15: Convictions by category offence—2017–202288

June Years	2017	2018	2019	2020	2021	2022	1Y	5Y
Homicide and related offences	125	158	157	135	236	150	-36.4%	20.0%
Acts intended to cause injury	15,333	15,091	14,385	14,108	14,928	12,113	-18.9%	-21.0%
Sexual assault and related offences	2288	2940	2558	2377	2567	2631	2.5%	15.0%
Dangerous or negligent acts endangering persons	9269	9718	9064	8101	8446	6604	-21.8%	-28.8%
Abduction, harassment and other related offences against a person	3471	3280	3373	3473	3891	3533	-9.2%	1.8%
Robbery, extortion and related offences	828	857	786	667	594	544	-8.4%	-34.3%
Unlawful entry with intent/burglary, break and enter	4453	3989	3518	3539	3756	2920	-22.3%	-34.4%
Theft and related offences	17,679	17,939	17,416	18,014	17,767	13,965	-21.4%	-21.0%
Fraud, deception and related offences	10,372	9175	8214	7336	7075	5124	-27.6%	-50.6%
Illicit drug offences	10,805	10,815	9952	9647	9516	7689	-19.2%	-28.8%
Prohibited and regulated weapons and explosives offences	3359	3446	3374	3626	3914	3325	-15.0%	-1.0%
Property damage and environmental pollution	6118	5884	5585	5381	5556	4313	-22.4%	-29.5%
Public order offences	5339	5353	4878	4355	4595	3888	-15.4%	-27.2%
Traffic and vehicle regulatory offences	38,942	37,097	35,442	31,623	34,409	27,250	-20.8%	-30.0%
Offences against justice procedures, govt sec and govt ops	35,435	34,325	34,683	33,621	30,893	21,710	-29.7%	-38.7%
Miscellaneous offences	2656	2209	2218	1350	1413	813	-42.5%	-69.4%
	166,472	162,276	155,603	147,353	149,556	116,572	-22.1%	-30.0%

Violent crime

In 2022, violent crime⁸⁹ represented 32 percent (35,822) of all proceedings by police and 24.4 percent (75,326) of all victimisations reported to police. Overall, the number of proceedings for violent crimes has declined by 26.5 percent since 2017, although as a proportion of all proceedings there has been a minor increase of 2.5 percent. The number of victimisations for violent crime has increased by 33.4 percent since 2017. A combination of proceedings and victimisations are shown in **Table 16** for violent offences (alleged and proceeded against) since 2017 [see counting standards for **Table 12**].

Overall, violent offences have remained relatively unchanged in the last year, but have increased by 19.5 percent over the past five years. Over the last year, murder and assault are the only offences that have increased. The significant increase since 2017 can be attributed to the increase in assaults and sexual assaults which represents over 81 percent of violent offences in 2022. Despite the increases shown in sexual assaults, it is important to note that according to the NZCVS only 9 percent of sexual assaults are reported to police, therefore, the actual figure would be significantly higher.

Table 16: Violent offences—2017–2022 (June years)90

	2017	2018	2019	2020	2021	2022	1Y	5Y
Homicide and related offences								
Attempted murder	11	19	16	10	17	15	-11.8%	36.4%
Homicide and related offences not further defined	1	1	0	1	1	1		
Manslaughter and driving causing death	95	120	122	119	100	93	-7.0%	-2.1%
Murder	53	42	80	83	60	72	20.0%	35.8%
Acts intended to cause injury								
Assault*	50,220	49,847	50,591	58,434	66,073	68,125	3.1%	35.7%
Other acts intended to cause injury	21	29	12	19	39	26	-33.3%	23.8%
Sexual assault and related offences								
Non-assaultive sexual offences	175	154	167	167	240	172	-28.3%	-1.7%
Aggravated sexual assault*	4875	5035	5210	5264	6560	5736	-12.6%	17.7%
Non-aggravated sexual assault*	945	991	1046	963	1293	1085	-16.1%	14.8%
Abduction, harassment and other								
related offences against a person Abduction and kidnapping*	408	407	436	454	445	380	-14.6%	-6.9%
Deprivation of liberty/false imprisonment	1	4	1	1	0	2		
Harassment and threatening behaviour	5848	5219	5132	5709	5308	4176	-21.3%	-28.6%
Dangerous or negligent acts endangering persons								
Dangerous or negligent operation of a vehicle	14,704	15,722	15,138	14,393	14,279	12,815	-10.3%	-12.8%
Other dangerous or negligent acts endangering persons	365	329	292	283	236	177	-25.0%	-51.5%
Total	77,722	77,919	78,243	85,900	94,651	92,875	-1.9%	19.5%

^{*}Victimisation data.

Family violenceiv

The Family Violence Act 2018⁹¹ defines family violence as a pattern of behaviour that is made up of a number of acts that are coercive or controlling, causing a person cumulative harm. These acts can be physical, sexual or psychological and inflicted by a person that has a family relationship. Family harm is a persistent, complex issue that is often associated with wider harm and dysfunction, including issues such as poverty, drug use and intergenerational trauma, violence and neglect. Family harm-related calls for emergency services have risen considerably over the past five years and now make up a significant proportion of police's overall demand picture.⁹²

Table 17 shows the Family Harm Investigations (FHI) that are reported to and recorded by police. FHIs are instances that relate to an episode of family harm that police attend and investigate. This includes all instances, whether or not police assess that a crime occurred. It indicates that police will collect additional information to support a risk assessment and effective safety planning to prevent further harm. FHI with 'offence' are the number of FHI where a criminal offence was identified by police.

In 2022, there were 175,609 FHI recorded by the police, this is a 47.3 percent increase from 2017. In 2022, there were 108,391 FHI assessed as noncrime, a 38.1 percent increase from 2017; while FHI assessed as a crime/offence increased by 65 percent over the same period. FHI reported by police show concerning trends that not only have the levels of family harm increased in New Zealand, but also the severity of these incidents.

Table 17: Family harm investigations—2017–202293

In 2022, there were 16,600 offenders police proceeded against who had offences flagged as FHI-this has declined by 15.8 percent in the last year and 40.3 percent since 2017, despite the increases seen in this table. This may indicate that the frequency for these FHI per offender is increasing given that FHI have increased but the number of offenders is declining. Police figures show that over 67 percent of family violence offenders continue to reoffend, and levels of FHI reoffending have been increasing year on year. Māori represent 51.5 percent of FHI offenders, followed by European (32.3%) and Pasifika (9.5%). The NZCVS estimates 52 percent of family violence perpetrators were under the influence of alcohol and/or other drugs. Alcohol, drugs and other offender characteristics—such as unemployment, low educational attainment and living in high deprivation areas—are some risk factors for family violence recidivisms. The NZCVS also estimates that intimate partners were responsible for almost three-quarters of offences by family members. In 2022, Māori represented 42.3 percent of reported FHI victimisations, followed by European (28.4%) and Pasifika (7%), these trends are the same as offenders. In 2022, there were over 48,300 victims reporting FHI victimisation which has increased by 7.3 percent in the last year and 54 percent since 2017.

Table 18 shows a summary of charges finalised in court and people charged for a family violence offence. Overall, the number of charges, the number of people charged, the number of convictions and the number of imprisonments for family violence have declined significantly right across the board in the last year. There have been no significant increases in protection order applications or in family violence programmes to indicate that family violence, as seen in Table 17—family harm investigation table, is being addressed alternatively.

June years	2017	2018	2019	2020	2021	2022	1 Y	5Y
Non-crime	78,494	86,236	103,300	113,169	105,052	108,391	3.2%	38.1%
Crime	40,740	38,964	39,931	54,378	61,885	67,218	8.6%	65.0%
Total (FHI)	119,234	125,200	143,231	167,547	166,937	175,609	5.2%	47.3%

iv This section uses insights from Police Data and family violence offences from MOJ to try and gauge the trends seen in family violence. Reporting and recording of data across the different sources (Police Data and MOJ Data Tables) vary, therefore, analysis across these datasets are intended to provide a proxy for family violence and not an accurate reflection.

Table 18: Family violence trends—2017–202294

	2017	2018	2019	2020	2021	2022	1 Y	5Y
Charges	29,332	28,652	28,597	30,174	31,665	25,692	-18.9%	-12.4%
People charged	14,534	13,941	13,498	13,355	13,541	10,843	-19.9%	-25.4%
Convicted	10,451	10,028	9555	9352	9471	7483	-21.0%	-28.4%
Imprisoned	2599	2561	2297	2438	1978	1710	-13.5%	-34.2%

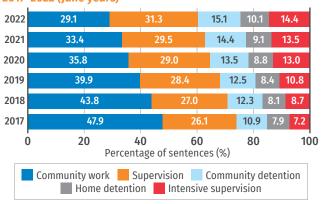
Sentencing and imprisonment

Criminal prosecutions in **Table 19** show that in 2022 there were significant declines in prosecutions (19.1%) and convictions (20.3%). In addition, the proportion of convictions resulting in imprisonment has been gradually declining since 2017.

Increasingly convictions are moving away from imprisonment sentences. These trends illustrate the justice system's move away from punitive imprisonment methods, to supervised community-based sentences to better manage and support offenders.

The proportional use of different types of community sentences (non-custodial) are shown in **Figure 53**. Since 2017, total community sentences have declined by 35.9 percent (not shown), which aligns with the declining levels of prosecutions and convictions. Community work sentencing has declined by 61.1 percent since 2017 (not shown) and now represents 29.1 percent of community sentences. Supervision has declined by only 23.2 percent (not shown) and now represents the highest proportion of community sentences at 31.3 percent.

Figure 53: Sentence type shares of community sentences—2017–2022 (June years)⁹⁶



The prison muster in September 2022 was 7964 as shown in **Figure 54**. This has remained relatively unchanged compared with September 2021 which had 8034 on the muster. The muster is made up of 3262 (41%) remand prisoners awaiting trial, 4602 (57.8%) serving sentences, and 100 (1.3%) of these prisoners being managed off-site (these off-site prisoners are still accounted as custodial prisoners).

Table 19: Criminal prosecution trends for adults—2017–202295

	2017	2018	2019	2020	2021	2022	1Y	5Y
Prosecutions	77,894	75,450	72,545	65,213	67,151	54,308	-19.1%	-30.3%
Convictions	64,522	62,235	58,893	52,383	53,779	42,883	-20.3%	-33.5%
Convictions as a percentage of prosecutions	82.8%	82.5%	81.2%	80.3%	80.1%	79.0%	-1.1%	-3.9%
Imprisonment	8687	8190	7110	6946	5710	4736	-17.1%	-45.5%
Imprisonment as a percentage of convictions	13.5%	13.2%	12.1%	13.3%	10.6%	11.0%	0.4%	-2.4%
Community sentences	27,139	26,283	25,380	22,649	24,729	18,794	-24.0%	-30.7%
Community sentences as a percentage of convictions	42.1%	42.2%	43.1%	43.2%	46.0%	43.8%	-2.2%	1.8%

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Figure 54: Prisoner population (quarterly)97

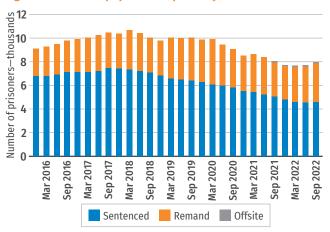


Figure 55 shows the percentage of prisoners who are on remand. Prisons were traditionally built for a remand population of around 15 percent of the total prison population, but in the past 10 years the proportion of the remand population has almost doubled and is now at the highest levels ever recorded: 40 percent of the male prison population and 50 percent of the female prison population. The increase in the remand population is largely due to the volume of cases currently moving through the criminal justice system, despite the number of cases entering court having declined as shown in **Table 14**. However, the complexity of some cases, particularly jury-trials and the time taken for these cases to move through the court system, has increased. It is also important to acknowledge the impact of Covid-19 lockdowns and restrictions which created a back-log in the courts. Overall, the number of people on remand has increased but also the duration of time people are held on remand has increased—15 percent since 2017.

In 2022, almost 35 percent of people remanded in the community, either on bail or at large, have committed an offence whilst on remand and this illustrates why courts impose custodial remand. However, only 59 percent of those remanded will be given a custodial sentence, the delays in sentencing for those remanded in custody have significant impacts—the time spent in prison impacts outside employment and housing, including for those who are ultimately found not guilty. Prisoners on remand who have not been sentenced do not have access to rehabilitation programmes

provided by Corrections whilst in custody. Since 2020/21 more than 20 percent of people have been sentenced to time-served, which means an offender is free following their sentence because they have spent an appropriate amount of time incarcerated relative to their offence. Therefore, more than 20 percent of offenders walk away from prison without any rehabilitation support received.

Figure 55: Percentage of prison population on remand (June years)¹⁰¹

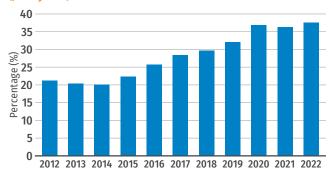
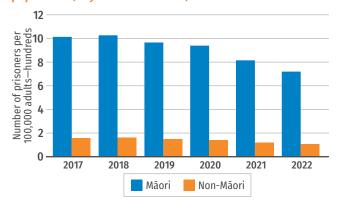


Figure 56 shows the imprisonment rates per 100,000 adults (18 years old and over) for non-Māori alongside Māori. The imprisonment rates have declined by almost 30 percent since 2017 for both Māori and non-Māori. However, Māori are imprisoned six to seven times more than non-Māori and this disparity has remained relatively unchanged since 2017.

Figure 56: Imprisonment rates per 100,000 for adult population (18 years old and over)—2011–2022¹⁰²



All offenders who are serving sentences of two or more years, unless a non-parole period is imposed, are eligible for parole. **Table 20** shows the number of offenders who have been approved for parole from 2017 to 2022. The number of approvals by the New Zealand Parole Board has increased by 26.7

Table 20.	Offenders	annroyed	for narol	e-2017-2021 ¹⁰³
Table 20.	Ullelluels	approved	iui baiui	E-201/-2021

June Years	2017	2018	2019	2020	2021	2022	1 Y	5Y
Offenders seen (parole requests)	4711	5164	5383	5131	4891	4344	-11.2%	-7.8%
Parole approved	1245	1424	1882	1669	1652	1578	-4.5%	26.7%
% of requests approved	26.4%	27.6%	35.0%	32.5%	33.8%	36.3%	2.5%	9.9%
Recalls requested	348	340	458	541	613	533	-13.1%	53.2%
Approved	257	259	339	401	395	377	-4.6%	46.7%
% Parolees recalled	20.6%	18.2%	18.0%	24.0%	23.9%	23.9%	0.0%	3.2%

percent since 2017, from 1245 to 1578, representing a 10 percentage point increase in the proportion of parole requests being approved. The number of requests and approvals both reduced in 2022, but the number of requests reduced more than the number of approvals.

If an offender released on parole breaches their conditions or poses an undue risk to the safety of the community, a probation officer or police officer can apply to the Parole Board to have them recalled to serve their sentence in prison. The number of recalls has declined in the last year (13.1%) but has increased by 53.2 percent since 2017. Overall, for the past three years, around 24 percent (1 in 4) of people who were approved for parole have been recalled to prison.

Recidivism

In the year 2022, 22 percent of people released from prison returned to prison within a year—this rate is higher for Māori (24.80%) than it is for non-Māori (17.90%), as shown in **Table 21**. After two years from release, 35.8 percent of people will return to prison and this is significantly higher for Māori (41%) compared to non-Māori (28.9%). The number of people who leave prison and are convicted again within a year is 35.8 percent overall—higher for Māori (39.30%) than it is for non-Māori (30.20%). The disparity is much greater after two years, when 62.40 percent of Māori are convicted again compared to 48.20 percent of non-Māori.

Overall, **Table 21** shows that recidivism rates have been gradually declining since 2017, particularly for Māori after a year. The gap between Māori and

non-Māori continues to narrow for reimprisonment and reconviction after 12 months of release, however, after 24-months the disparity for Māori and non-Māori continues to increase. These trends suggests that long-term support is needed around reintegration for Māori.

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It is also important to note that there has been an overall shift away in the criminal justice system from imprisonment sentences (as shown in **Table 19**), and a decline in proceedings by police (as shown in **Figure 52**). These may contribute to the gradual declines in recidivism rates as shown on the next page.

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Table 21: Recidivism rates—2017-2022104

	2017	2018	2019	2020	2021	2022	1Y	5Y
12-month reimprisonment								
Non-Māori	26.70%	29.40%	25.80%	21.80%	20.00%	17.90%	-2.1%	-8.8%
Māori	36.50%	34.90%	33.60%	29.20%	27.50%	24.80%	-2.7%	-11.7%
12-month reconviction								
Non-Māori	39.40%	43.10%	40.00%	33.70%	33.90%	30.20%	-3.7%	-9.2%
Māori	51.40%	50.40%	49.80%	42.60%	43.10%	39.30%	-3.8%	-12.1%
24-month reimprisonment								
Non-Māori	37.20%	36.70%	38.80%	36.30%	33.70%	28.90%	-4.8%	-8.3%
Māori	47.00%	49.60%	47.60%	45.80%	44.80%	41.00%	-3.8%	-6.0%
24-month reconviction								
Non-Māori	53.40%	54.00%	56.20%	55.50%	51.50%	48.20%	-3.3%	-5.2%
Māori	65.80%	67.70%	67.70%	65.80%	63.90%	62.40%	-1.5%	-3.4%

In 2022, Corrections allocated 17.3 percent of their operating costs (\$322 million) to rehabilitation and reintegration, a 78.2 percent increase since 2017.¹⁰⁵ Overall, the recidivism rates shown in **Table 21** illustrate the need for rehabilitative and reintegrative approaches that are targeted and long term to address the high recidivism rates amongst different groups, and a follow up at 24-months.

Key concerns

Supporting people within the criminal justice system whether they are victims of crime or perpetrators of crime has been a primary kaupapa of The Salvation Army. The criminal justice system in Aotearoa is complex with severe challenges that block the flow of justice and as a result the safety and wellbeing of New Zealanders.

We highlight a few concerns from the 'Crime and Punishment' chapter:

 Victims and victimisations have continued to increase year on year, as we have continually highlighted. Crime often has serious repercussions for the wellbeing of victims and their families and ensuring justice is met is integral to the reparations of those victimised by crime. Whilst the justice system monitors, records and reports on offenders, the provision of data for victims is minimal. Data and evidence allow for informed policy development and research into improving systems. The lack of data for how victims fare in the system will continue to perpetuate a system that does not work for victims.

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- Family violence continues to increase requiring more time and resources from police. Also, recidivism of family violence continues to increase; it is particularly concerning that more FHI by police are now deemed a crime.
 People that are exposed to and experience family violence have poorer outcomes later in life. Family violence trends in Aotearoa paint a concerning predicament for our communities if we do not address family violence levels.
- The workload of the courts and the proportion of prisoners who are remanded will continue to create a criminal justice system that fails to deliver outcomes for both victims and offenders. Offenders are unable to obtain adequate support, engage in programmes and rehabilitation if they are on remand. The increase in people leaving prison with sentence-served, meaning without any such support, may impact levels of recidivism. Without addressing these major back-logs in the court system, the remand population will continue to increase, with many in custody left without any aid such as programmes to help mitigate offending in the future.

ASSESSMENT: CRIME AND PUNISHMENT

CATEGORY	RESULT
OVERALL CRIME The number of offenders and proceedings by police have significantly declined in the last year, however, there were 12,000 more victims reported in 2022 and over 23,000 more reports of victimisation compared with 2021. Overall, estimated offending levels have relatively remained unchanged, and convictions have significantly declined in the last year.	-
VIOLENT CRIME Proceedings by police for violent crime has significantly declined in 2022 by 14.4 percent, to the lowest levels in the past 5 years. A decline in victimisation reports of sexual assaults and increase in common assaults has resulted in victimisations for violent offences remaining relatively unchanged overall in 2022. The resolution of violent offences by police continues to decline to almost 41.2 percent of violent offences resolved.	_
FAMILY VIOLENCE The trends seen in FHI by police and family violence convictions in the courts continue to show contrasting trends. FHI reported by police has increased by 5 percent in the past year to 175,609; the proportion of FHI considered an offence by police has increased; victimisation flagged as FH has increased; and, the FHI reoffending has also increased. However, the number charges and people charged in court for family violence has declined, as have convictions and imprisonments.	-
SENTENCING AND IMPRISONMENT The prison muster continues to decline, however, the proportion of those remanded in prison is at its highest with 41 percent of the prison population (50% for women). The imprisonment rates for Māori and non-Māori continue to decline but the disparity remains unchanged. More offenders are being approved for parole, however, the proportion of offenders on parole who are recalled back to prison remains unchanged.	NC
RECIDIVISM These rates slightly declined in 2022. The disparity for Māori and non-Māori continues to narrow for those reimprisoned and reconvicted after a year. However, the disparity at a 24-month follow-up continues to widen as recidivism rates for Māori continue to remain stubbornly high.	NC

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SOCIAL HAZARDS

There are four areas that we monitor in the 'Social Hazards' section: alcohol use, illicit drug convictions and use, gambling and problem debt. Most of the actions associated with these areas are legal, but heavily regulated. Some are illegal. But all these activities (drinking alcohol, taking illicit drugs and gambling) have an addictive element that can create serious harm for the person engaging with it, as well as for their whānau and other people around them. Problem debt can also create serious harm for the person directly affected and their wider whānau. These four areas are also hazards for which The Salvation Army provides various social and Christian spiritual support services across the country.

The social hazards narrative for this report is always mixed, with some indicators showing encouraging results in the last year, whereas other areas have become increasingly worrying. In terms of what could be deemed as some encouraging results from last year, alcohol consumption has remained constant from 2021, hazardous drinking behaviours have declined for nearly all groups we monitor, convictions for cannabis and methamphetamine have declined, and fewer people are withdrawing their KiwiSaver savings for hardship reasons.

Balanced against these are some more worrying trends: more ready-to-drink (RTD) spirit-based drinks (which are marketed to young people) are being drunk, hazardous drinking remains a challenge for Māori with one-third of adults classed as a hazardous drinker, the detection of methamphetamine in wastewater has increased again in the last year, and all forms of gambling we monitor have surged in the last year, with increasing losses on pokie machines. The existing pokies remain stubbornly profitable for venues and are centralised in communities with extremely prominent levels of social deprivation.

The wider cost of living and inflation pressures shape these results in the 'Social Hazards' section. The Salvation Army remains convinced that political courage and urgent changes are needed in many of these areas, particularly around alcohol law reform, greater support around methamphetamine abuse and stronger regulation around gambling-related harm, given the quickly rising gambling figures.

Alcohol

AVAILABILITY

Over the 15-plus years of this report, we have tracked the volume of pure alcohol available for consumption as a proxy for the alcohol New Zealanders consume each year. This figure, as shown by Figure 57¹⁰⁶ has remained constant for the last three years. In the year ending September 2022, 9.2 litres of alcohol were available for consumption for every New Zealander aged 18 and over. This is compared to 9.24 litres of alcohol being available for each person aged 18 and over in 2021. When looking closer at the types of alcohol available for consumption as shown in Figure 58,107 we can see that more beer and RTD spirit-based drinks were available in the last year. In fact, the availability of RTD drinks has increased by over 19 percent since 2020. This raises some concerns given that RTDs are most often marketed to, and consumed by, young people.108

Figure 57: Per capita availability of alcohol—litres of pure alcohol for every person over 18 years—2012–2021 (September years)

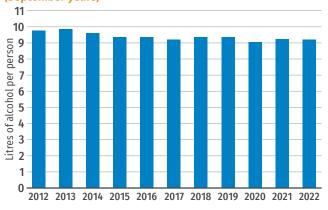
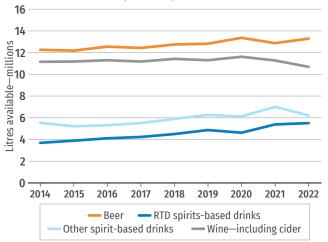


Figure 58: Alcohol available for consumption by type of alcohol—2014–2022 (September years)



HAZARDOUS DRINKING

Hazardous drinking is defined as an established alcohol drinking pattern that carries a risk of harming the drinker's physical or mental health or having harmful social effects on the drinker or others. 109 This is determined using a tool or checklist from the World Health Organisation. Overall, almost one in every five New Zealand adults drink hazardously. This is detailed in Table 22. However, the results from the last year are fairly encouraging, with decreases in most of the demographic groups we monitor in this report, and a decrease overall. For example, hazardous drinking decreased in the last year for Pasifika adults from 26.5 percent in 2020/21 to 21.7 percent in 2021/22 (representing a drop of nearly onefifth in the proportion of Pasifika adults drinking hazardously). The proportion of young people aged 15-17 years drinking hazardously has nearly halved, a major decrease from 10.2 percent to 5.6 percent, although caution is needed with this figure as the sampling error for this data is quite high. There was no change in hazardous drinking for Māori adults; one in every three Māori adults is classed as a hazardous drinker. Conversely, hazardous drinking increased for those living in wealthier neighbourhoods, particularly those in quintile 2 (an increase in raw numbers of approximately one-fifth, from 16.6% to 20.2%), while it dropped significantly for more deprived areas.

Table 22: Proportion of population estimated to be hazardous drinkers-2016/17-2020/21¹¹⁰

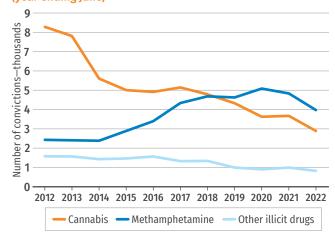
	2016/2017	2017/2018	2018/2019	2019/2020	2020/2021	2021/2022	Increase/ Decrease last year
Total population	19.5%	19.8%	20%	20.9%	19.9%	18.8%	_
Men	27.1%	27.3%	27.5%	28.7%	26.9%	25.2%	_
Women	12.4%	12.7%	12.8%	13.6%	13.2%	12.5%	_
15-17	7.6%	7.2%	6.3%	11.6%	10.2%	5.6%	_
18-24	32.9%	31.7%	35.4%	32.4%	34.9%	31%	_
65-74	10.5%	12.5%	11.7%	12.6%	11.1%	11.5%	_
Māori	33%	31.7%	33.2%	36.1%	33.2%	33.2%	NO CHANGE
Pasifika	23.4%	19.1%	22.7%	24.3%	26.5%	21.7%	_
Quintile 1 (least deprived)	16.4%	16.2%	19%	19.7%	17.3%	17.4%	
Quintile 2	15.4%	19.5%	18.2%	19%	16.6%	20.2%	
Quintile 3	21.6%	21.4%	19.4%	21.8%	19.8%	18.6%	_
Quintile 4	21.6%	20.5%	19.7%	21%	21.1%	17.9%	_
Quintile 5 (most deprived)	22.9%	21.5%	23.9%	23.3%	24.9%	19.6%	_

Illicit drugs

ILLICIT DRUG CONVICTIONS

Overall, in 2021/22, 64 percent of all those charged with a drug offence were convicted of the crime. In the same period, one-third of those charged, or 33 percent, had the charge 'not proven' which means they were found not guilty, or the charge itself was withdrawn or dismissed. **Figure 59**¹¹¹ shows the illicit drug convictions for the past 11 years and shows that convictions for cannabis, methamphetamine and other illicit drug offences all declined in the last year. Cannabis convictions have declined by over 65 percent since 2011/12. In terms of those convicted in 2021/22, 47 percent of these people were Māori, most were male (82%) and 40 percent of these people overall were aged between 25 to 34 years old.

Figure 59: Illicit drug convictions—2012–2022 (year ending June)

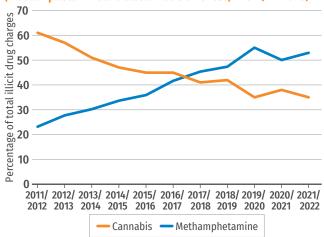


PROPORTION OF DRUG CHARGES (CANNABIS AND METHAMPHETAMINE)

Drug offences and charges continue to be dominated by cannabis and methamphetamine offences. In the last year, over 53 percent of all drug offence charges were related to methamphetamine, which is an increase since 2020/21. 112 Cannabis charges made up 35 percent of all illicit drug charges in 2021/22, a decline since the previous year.

Total drug charges have dropped by over 40 percent in the past 11 years (**Figure 60**). In that same period, cannabis drug charges dropped by a massive 65 percent, whereas methamphetamine charges have increased by 15 percent since 2011/12. It seems that the story is that there has been less of a focus on charging and convicting people for cannabis offences, coinciding with a greater focus on methamphetamine-related offences.

Figure 60: Percentage of total illicit drug charges (methamphetamine and all cannabis offences)—2011/12–2020/22



WASTEWATER TESTING

The reporting by police on their wastewater testing programme has been much more consistent than their previous reporting schedule, particularly post-Covid-19. **Table 23** shows the trend in the consumption of methamphetamine, ecstasy and cocaine since December 2018. **Figure 61** shows that the detection of methamphetamine has grown reasonably steadily since March 2021, and that annual consumption levels in the year to June 2022 were likely higher than in previous years. The detection of ecstasy has followed a similar pattern in the last year, increasing since June 2021 (although not at the levels it was across 2020).

In the March Quarter 1, 2022 report, the police began including social harm cost estimates derived from the New Zealand Illicit Drug Harm Index 2020 developed by the Ministry of Health. The Drug Harm Index 2020 provides a conservative measure of the harms associated with the use of illicit drugs in New Zealand and considers both personal and community harms. Looking specifically at methamphetamine, the 16.7 kilograms consumed equates to an estimated cost of \$18.5 million in social harm per week in the June 2022 report. 114

Figure 61: Estimates of average total weekly consumption of selected illicit drugs (kilograms)

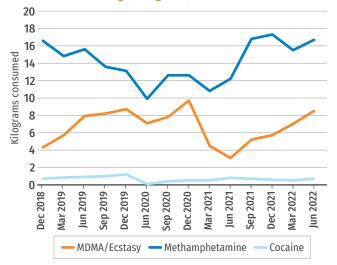


Figure 62, taken from the June Quarter 2, 2022 report, shows methamphetamine consumption by region. Consumption levels are particularly high in Waikato, Northland, Eastern and Auckland regions.

Figure 62: Per capita methamphetamine consumption by district—June Quarter 2, 2022



Table 23: Estimates of average total weekly consumption of selected illicit drugs (kilograms)¹¹⁵

	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Jun 20	Sep 20	Dec 20	Mar 21	Jun 21	Sep 21	Dec 21	Mar 22	Jun 22
Methamphetamine	16.6	14.8	15.6	13.6	13.1	9.9	12.6	12.6	10.8	12.2	16.8	17.3	15.5	16.7
MDMA/ecstasy	4.3	5.7	7.9	8.2	8.7	7.1	7.8	9.7	4.5	3.1	5.2	5.7	7	8.5
Cocaine	0.696	0.85	0.907	1	1.2	0.1	0.4	0.5	0.5	0.8	0.7	0.6	0.5	0.7

Gambling harm

GAMBLING EXPENDITURE

All four forms of gambling recorded by the Department of Internal Affairs increased significantly between June 2020 to June 2021, the latest year for which data is available. While increases in expenditure on NZ Lotteries Commission products (mostly online gambling) continued at a slower rate than in the previous 2019/20 (initial lockdown) year, for TAB betting, pokie machines and casino gambling the 2019/20 expenditure declines were reversed in 2020/21. Expenditure on all forms of gambling apart from casino gambling was greater in 2020/21 than it had been two years previously (pre-pandemic) in 2018/19. Apart from the temporary pandemic drop, total gambling expenditure has steadily increased over seven years, reaching a new high in 2020/21 of over \$2.6 billion across these four models of gambling. That is a 34 percent increase on gambling expenditure over this decade (or 15.5% in real terms, if indexed to Consumers Price Index [CPI] inflation). This is detailed in Table 24.

Figure 63 portrays this expenditure in graph form. The strong growth of expenditure on New Zealand Lotteries Commission products over the decade to 2020/21 (a 50% increase if inflation is taken into account, or 70% on nominal dollar value), including during the Covid-19 lockdown periods as online gambling can be accessed from home, has been an issue we have raised several times with the government in advocacy papers and previous *State of the Nation* reports. The surge in pokie machine

gambling is particularly worrying since it is proven to be the most harmful form of gambling in our country. In terms of gambling share, **Figure 64** shows that spending on electronic gaming or pokie machines remains the largest proportion of gambling.

Figure 63: Gambling expenditure (\$million)—2010/11-2020/21



Figure 64: Proportion of gambling expenditure—2011–2021

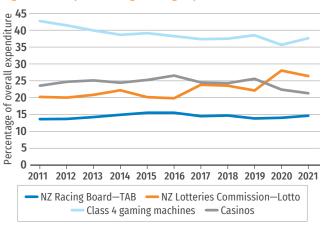


Table 24: Gambling expenditures (\$million)—2011–2021¹¹⁶ (nominal value)

Financial Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21
TAB New Zealand	273	283	294	310	325	342	338	350	332	315	385
NZ Lotteries Commission	404	419	432	463	420	437	555	561	530	631	694
Gaming machines (outside casinos)	856	854	827	806	818	843	870	895	924	802	987
Casinos	448	483	490	486	527	586	572	578	616	504	559
Total	1981	2039	2043	2065	2090	2208	2335	2384	2402	2252	2625

POKIE MACHINES

Figure 65 shows the continuing trend of declining numbers of pokie machines across the country, particularly since the introduction of a general sinking lids policy that works to decrease the number of machines and licences over time (unlike the expenditure data above which is only available up to 2020/21, pokie machine data is available for the first three quarters of 2022). By September 2022, there were 14,672 machines operating. This was a very modest decrease of 32 machines since 2021. This decrease in the number of machines has specifically slowed down and levelled out since 2019. The number of venues where these pokie machines operate have also slowly declined, with 1038 venues in September 2022, down from 1255 venues in 2015.

However, despite these decreases in both the number of venues and pokie machines operating nationally, gaming machine profits (GMP), which is the amount of money lost by players on pokie machines, has surged in the last year. Figure 66 shows that GMP per pokie machine increased by a whopping 48 percent between 2021 and 2022 (14% between 2020 and 2022), with nearly \$19,000 lost by players on each operating pokie machine in 2022. This continues the pattern we have noted in this report that despite the decreasing number of operating pokie machines nationally, the remaining machines are becoming increasingly profitable for the machine operators and venues. The 2022 GMP per machine figures continue the trend upwards from 2016 to 2020 after a decline in 2021. As mentioned above, pokie machine gambling has surged strongly since the initial lockdown.

Figure 67 shows that nationally, pokie machine venues remain concentrated in areas of high deprivation. In September 2022, over 33 percent of pokie machines were in areas classed as having 'very high' levels of social deprivation. This is in stark contrast to only 6.6 percent of these machines located in areas with 'very low' levels of social deprivation. This again raises the important question of whether this model of returning a portion of gaming machine profits back to 'the community' is beneficial to the community. With the overwhelming majority of pokie machines located in areas with high social deprivation, and with the increasing GMP per machine in these poorer areas showing more money is being lost, are these

poorer communities truly receiving community benefits from this gambling through the GMP? The DIA completed an analysis of pokie machine grants in 2021. They found that \$269 million was approved in grants for that calendar year which was about 35 percent of GMP for that year. Over half (54%) of these approved grants went to sports clubs and activities, particularly rugby, horse racing and soccer. The DIA has repeated this analysis for the first six months of 2022 with fairly comparable results to the 2021 report. More analysis is needed to dig deeper into these pokie grants, to explore the effects of the GMP lost in poorer communities and whether grants are being effectively returned to those communities.

Figure 65: Number of pokie machines in New Zealand—2001–2022 (September years)¹¹⁹



Figure 66: GMP per gaming machine—2016–2022 (September quarters)¹²⁰



Figure 67: Location and number of pokie machine venues by deprivation rating—2015 and 2022¹²¹



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Financial hardship and problem debt

Figure 68 includes an indicator of the financial hardship that many New Zealanders are facing. KiwiSaver withdrawals for first home purchases declined dramatically in the last year. This suggests that it has become more difficult for first home buyers to step onto the property ladder, despite decreasing house prices (presumably largely due to mortgage rate rises). KiwiSaver withdrawals for financial hardship reasons have also declined, despite the challenging financial context. The reasons for this are unclear.

This report has previously used indicators from Centrix Credit Bureau to help paint the picture of financial hardship in the country. In their November 2022 Credit Indicator Report, Centrix highlighted again the huge impacts of inflation and cost of living increases, reporting for example that they 'saw arrears climb in October as people struggled to meet their repayment commitments across a range of credit products including vehicle and personal loans, telco and utility bills, and mortgages'. 122 In this environment, demand for credit continued to climb. Personal loan demand was up 18.1 percent and vehicle loan demand was also up 17.3 percent from the previous year. 123 Figure 69 shows that consumer lending in November 2022 increased 6 percent from the previous year, indicating that many New Zealand households are turning to credit to help support and supplement their household spending. This again highlights the extremely tight financial situations many families are facing.

Finally in this section, problem debt continues to complicate and burden many households. In this financial climate, debts owed to both private lenders as well as public agencies can cripple many whānau. In 2020, 713,000 New Zealand residents owed a total of \$4.4 billion of debt to government, with 62 percent of these people parents of or sharing an address with a child. The Social Wellbeing Agency's work also found that MSD debt is the most common type of debt owed by people with children, and that over 60 percent of MSD and government fines debt is owed by parents or

people who share an address with children.¹²⁵ **Figure 70**¹²⁶ portrays the sheer numbers and proportion of people with debt to government, taking into consideration the presence of children.

Figure 68: KiwiSaver withdrawals by reason—2012–2022

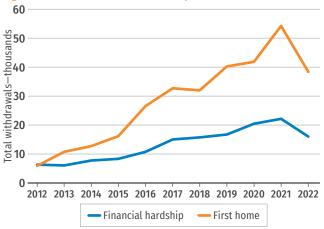


Figure 69: New lending amounts (consumer loans)—2020–2022

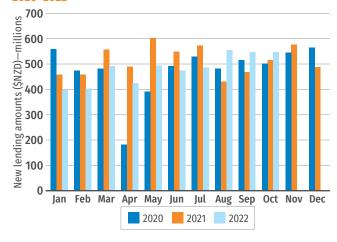
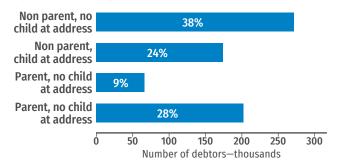


Figure 70: Number of people who have debt to government departments (with presence of children)—2020



OVERALL ASSESSMENT: SOCIAL HAZARDS

CATEGORY	RESULT
ALCOHOL The amount of alcohol available for consumption has remained constant in the last year. However, more RTDs are being consumed. It is encouraging to see the declines in many groups monitored in terms of hazardous drinking statistics.	NC
ILLICIT DRUGS Wastewater testing suggests methamphetamine use is increasing. Cannabis convictions have declined significantly. Methamphetamine continues to dominate drug charges while cannabis charges continue to make up a smaller portion of drug charges.	-
GAMBLING HARM All forms of gambling expenditure we track have increased in the last year. Pokie machines have declined in number but continue to remain very profitable with more money being lost by people on the existing machines.	-
PROBLEM DEBT AND FINANCIAL HARDSHIP Fewer people are using KiwiSaver for help despite the tight financial times. But more people are accessing credit and loans for purchases and to supplement their incomes in this extremely difficult financial environment. The government's 2022 Debt to Government work programme has helped paint an accurate picture of the volumes and persistence of debt owed to government agencies, particularly for people who are parents or share an address with children.	-

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MĀORI WELLBEING— INEQUITY IN THE SPOTLIGHT

The Salvation Army has long held social transformation at the heart of its mission. The task of transforming lives means working with those at the very margins of society, including people experiencing homelessness, those with addictions, those who suffer from food scarcity and poverty, and those who require support in the prison and justice system. Social transformation is about reducing the inequities that give rise to these social problems.

Many Māori are doing well—prospering financially, well connected to their iwi, hapū and whānau and actively engaged as Māori in their communities, but there are also too many who are struggling. Māori make up around 17 percent of the total population, but tāngata whaiora Māori (people seeking health and wellbeing support) made up 43 percent of the 150,000 people who accessed Salvation Army services in 2022. This is one way inequity shows itself.

In working with Māori clients, patterns of poverty, family breakdown, crime, addiction and homelessness that extend over generations emerge. The Salvation Army recognises these outcomes as consequences of colonisation and the intergenerational transmission of historical trauma that we seek to address with both compassion and good data. We seek to partner with iwi and kaupapa Māori service providers so that in a collective community effort we can better meet the needs of ngāi Māori (people with Māori descent).

Māori, above all else, wish to be considered with the full mana of their whakapapa and identity that goes beyond the term 'ethnicity'. In this report on Māori wellbeing and the state of our nation, we bring together national statistics affecting Māori. We do so with humility and in the hope that we continue the conversation about social transformation, including both the progress that has been made and the broader question of persistent social inequities. At the start of 2023, Māori are seeing improvements in some areas but overall equity of outcomes between Māori and non-Māori remains a distant goal.

Among the 21 measures included in the analysis in this section most showed improvement or at least no significant change in outcomes, but there were a few where increasing **equity** of outcomes between Māori and non-Māori can be identified. These are:

- The proportion of Māori who report being able to speak more than a few words and phrases in te reo Māori has been increasing.
- A clear reduction in inequity is in the infant mortality rate for Māori which has reduced sharply and is now close to parity with the non-Māori rate.
- The transformation in the youth justice system continues to reduce the large gap between offending rates for rangatahi Māori and non-Māori.
- Marginal improvements in illicit drug offending and student engagement disparities can also be identified.

Inequality increased in the following:

- Youth unemployment, with nearly one in five rangatahi Māori aged 15–24 years not in employment, education or training (NEET)—a rate largely unchanged over the past five years and is now more than twice the non-Māori rate, which has fallen slightly to 9 percent.
- Alcohol consumption is at hazardous levels for one-third of Māori. This has not changed in the past five years and the rate is more than twice the non-Māori rate which has fallen slightly over the same period.

Areas where outcomes worsened include:

- Crucial elements of Māori wellbeing such as whānau wellbeing, with more Māori reporting that their whānau is doing badly or not well.
- An increasing proportion of Māori in the lower part of the income distribution.
- An increasing proportion of Māori students leaving school without NCEA qualifications.

In the midst of the cost of living pressures and continuing pandemic impacts, these examples highlight the extent of the task ahead to shift our nation to a place of genuine equity.

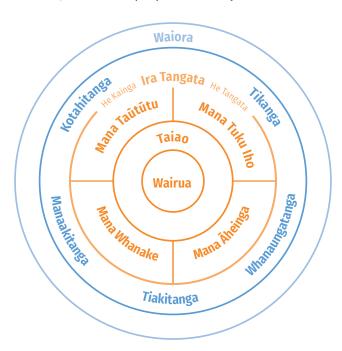
He Ara Waiora

This commentary uses He Ara Waiora wellbeing framework to group outcome measures from across the five areas covered in the *State of the Nation* 2023 report into four domains of wellbeing. In November 2022, Treasury published *Te Tai Waiora:* Wellbeing in Aotearoa New Zealand 2022, 127 their first full wellbeing report. That report includes using He Ara Waiora as the framework to measure progress in Māori wellbeing in an approach drawn from mātauranga Māori (Māori knowledge). 128

The framework places wairua (spirit) at the centre, recognising that our values and beliefs are the core of wellbeing. Around this is the realm of the natural world—te taiao—and the realm of human activities and relationships—te ira tangata.¹²⁹

In State of The Nation 2023, we focus on indicators in the four domains of mana within te ira tangata: mana āheinga (capability, resources and skills), mana taūtūtu (reciprocity and social cohesion), mana tuku iho (sense of identity and belonging) and mana whanake (growth and intergenerational prosperity) express aspects of wellbeing that Māori view as essential to fulfilled lives, to live the kind of life they value.

The indicators available to measure outcomes in these domains do not easily fit within one specific domain, but for the purpose of analysis each of



the 21 outcomes tracked in our report are grouped under one of the four domains. The wellbeing analysis considers two aspects of change in wellbeing: whether the indicators are improving or not, and whether outcomes for Māori are improving relative to non-Māori (reducing inequity/inequality).

MANA ĀHEINGA (CAPABILITY, RESOURCES AND SKILLS)

Individuals, whānau and communities having the capability to achieve aspirations that they have identified for themselves. This requires the necessary resources and skills—the building blocks which include good health and education.

This domain looks at some aspects of the capability and opportunity for Māori to achieve wellbeing. Incomes, employment and education are ways to build capability in this domain, while imprisonment, and alcohol and drug addictions reduce capability and function. This year the measures show the continuing tension between improving outcomes but a lack of meaningful progress to reduce large disparities when compared to non-Māori. People's incomes have been increasing faster than inflation and the unemployment rate is lower again this year; these things help to improve financial wellbeing. Illicit drug convictions and the overall imprisonment rate are both declining but the huge disparities in these outcomes between Māori and non-Māori are not reducing enough, if at all. There was no progress to reduce the hazardous drinking rates affecting a third of Māori but a small reduction for non-Māori means increased inequity on this health measure. School student engagement rates worsened in 2021 for Māori and non-Māori (most recent figures).

INDICATOR	MEASURE	OUTCOME	EQUITY
EARLY CHILDHOOD EDUCATION ENROLMENT	OUTCOMES: The ECE enrolment rate for Māori children fell during 2020, then increased again in 2021, but is still below the pre-Covid-19 level. Figures for 2022 were not available at publication.	BL A	BI A
(proportion of children aged under 5 enrolled in ECE)	EQUITY: In 2021, the non-Māori enrolment rate followed a similar pattern meaning there was no improvement in the disparity between Māori and non-Māori enrolment rates.	NA	MA
STUDENT	OUTCOMES: Stand downs increased in 2021 (most recent data) after a decrease in 2020 but were still lower than in 2019.		
(stand downs per 1000 students)	EQUITY: There was a larger increase for non-Māori meaning a small reduction in inequity, although the rate for Māori is still more than twice than for non-Māori.	-	+
UNEMPLOYMENT (official	OUTCOMES: The unemployment rate for Māori has continued to fall in 2022 and is the lowest it has been for more than 15 years.		
unemployment rate; September annual)	EQUITY: Māori continue to experience unemployment rates more than twice as high as those of non-Māori and there was no progress to reduce this disparity during 2022.	+	NC
PERSONAL INCOMES (average	OUTCOMES: Incomes for Māori workers have been rising over the past five years, up by 22 percent between 2017 and 2022, well ahead of inflation (16%).		116
weekly personal incomes for those employed)	EQUITY: Earnings are increasing overall for all workers so as a result Māori continue to earn on average 86–87 percent of non-Māori earnings and this disparity has not changed over the past five years.	•	NC
IMPRISONMENT RATE (number of	OUTCOMES: The Māori imprisonment rate continued to fall and in 2022 is nearly 30 percent below the 2017 rate—at 720 per 100,000, it is the lowest it has been for more than 15 years.		
people imprisoned per 100,000; population over 18 years)	EQUITY: The non-Māori rate is also reducing and is down to 108 per 100,000 in 2022, so the huge inequity in imprisonment rates has not reduced. Māori continue to make up more than half of the prison population and this has not changed in the past five years.	+	NC
HAZARDOUS DRINKING	OUTCOMES: The rate of hazardous drinking for Māori has not changed in the past five years.		
(proportion of adult population as hazardous drinkers)	EQUITY: One-third of Māori report hazardous drinking, twice the rate for non-Māori (around one in six). This health inequity increased in 2022 because of a small reduction in the non-Māori rate.	NC	-
ILLICIT DRUG	OUTCOMES: The number of Māori convicted reduced to 616 in 2022, or 42 percent less than five years ago.		
convictions (people convicted of illicit drug offences per 1000 people)	EQUITY: Despite this decrease, Māori continue to experience conviction rates more than four times those for non-Māori and this disparity reduced only slightly in 2022. Convictions for illicit drug offences across the whole population were down considerably in 2022 (1496) compared with 2021 (1963).	+	٠

MANA TAŪTŪTU (RECIPROCITY AND SOCIAL COHESION)

Relates to the rights and responsibilities of individuals and collectives to each other, communities and places.

Capability and capacity to give and receive support in relationships of mutual benefit is essential to wellbeing. Overall, whānau wellbeing, sufficient income and affordable housing contribute to greater wellbeing, while need for welfare support and children ending up in state care reduces wellbeing. The decline in whānau wellbeing measured over the five years of 2016–2021 seems to reflect the minimal gains offset by worsening outcomes in this domain. The way income is shared means that despite rising incomes, half of Māori

are among the lowest 40 percent of all income earners—a higher proportion than in 2017. This disparity is reflected in the need for social housing and welfare support, which remains high for Māori. Although numbers decreased on both measures, the disparities did not decrease in housing and worsened for welfare. Even with far fewer tamariki Māori going into state care, they remain more than five times more likely to be in state care than non-Māori children.

INDICATOR	COMMENTARY	OUTCOME	EQUITY
CHILDREN IN STATE CARE	OUTCOME: The number and rate of tamariki Māori in state care has continued to reduce in 2022. The rate per 1000 fell from 11.4 in 2021 to 10.2 in 2022. EQUITY: No further progress was made to reduce the ethnic disparity		
(children in state care per 1000 children)	for Māori in state care. Tamariki Māori still make up more than half of all children in care and the rate per 1000 children is more than five times higher than for non-Māori [note that we use per 1000 children under 18 but in reality, there are young people 18 years and older in state care].	+	NC
WELFARE SUPPORT (adults receiving a benefit as	OUTCOMES: The total number of Māori receiving welfare benefits decreased during 2022 but is still higher than before the impact of the pandemic.		NC
proportion of population over 18 years)	EQUITY: The number has also decreased for non-Māori so there was no change in disparity on this outcome. One in four Māori are receiving welfare benefits, compared to around one in 15 non-Māori.	*	NC
INCOME DISTRIBUTION 2017–2022	OUTCOMES: Around half (50.3%) of Māori earned in the lowest two income quintiles in 2022, a higher proportion than in 2017 and 2021.		
(proportion of adults in lowest two income quintiles)	EQUITY: The proportion of non-Māori earning in the lowest income quintiles also increased (to 38.1%), but not by as much, so the disparity on incomes also increased slightly on this measure.	-	-
DEMAND FOR SOCIAL HOUSING (number on	OUTCOMES: While the number on the social Housing Register peaked in early 2022 and then fell again during the rest of the year, in September 2022, 14.2 per 1000 of the Māori population were on the waiting listvery similar to the September 2021 rate of 14.1.	NC	NC
public Housing Register per 1000 population)	EQUITY: Demand for public housing has increased enormously since 2017. Māori have been more affected than non-Māori who are now making up more than half of all those on the Housing Register. The 2022 rate for non-Māori was 2.9 per 1000, the same as in 2021, so the disparity has not reduced this year.		
WHĀNAU WELLBEING (percentage of Māori whānau who	OUTCOMES: More than one in four (27.3%) of Māori whānau reported their whānau is doing badly or not well (0–6 out of 10) in the 2021 General Social Survey, an increase on the 2018 and 2016 results.	_	NIC
reported their whānau is doing badly or not well)	EQUITY: The rate for non-Māori also increased in 2021 (to 18.6%) but the disparity remained the same.		INC

MANA TUKU IHO (SENSE OF IDENTITY AND BELONGING)

Encompasses both a sense of identity and belonging to a community.

There is limited data available to provide indicators for this domain, but language, cultural identity and passing on knowledge are components that can be seen as contributing to wellbeing and belonging.

Continuing increase in the use of te reo Māori and especially its use as a first language for a growing proportion of Māori is good news for a crucial cultural taonga. But fewer Māori are reporting it is

easy to express their identity in this country and at a lower rate than non-Māori overall. People with a high sense of belonging showed little change between 2016 and 2021 in GSS surveys, with Māori, Pacific peoples and Asian respondents reporting slightly lower rates in 2021. Student achievement rates fell again in 2021 and Māori school students were relatively more impacted, meaning increasing disparity in outcomes on this measure.

INDICATOR	COMMENTARY	OUTCOME	EQUITY
STUDENT ACHIEVEMENT (proportion of school leavers with less than	OUTCOME: Māori student achievement rates continue to be badly impacted by Covid-19. The proportion of students leaving school without a qualification increased again in 2021. Almost a quarter (24%) of Māori left school with less than NCEA Level 1 in 2021 compared with 21.7 percent in 2020. Around 10 percent of Māori school students attend Māori Medium Education where te reo Māori is the main language in teaching, and the decline in achievement affected students in these schools as well.	_	NC
NCEA Level 1)	EQUITY: The non-Māori achievement rate has also been decreasing since 2017, so overall disparity did not increase compared with 2020 but is higher than in 2017. Fewer than one in ten non-Māori left school without a qualification in 2021.		
TE REO MÃORI (can speak more than just a few phrases of te reo Mãori)	OUTCOMES: The rate for Māori who can speak more than just a few phrases of te reo Māori increased to 71 percent compared with 64 percent in 2018. Te reo Māori ability has increased considerably, and especially among the younger age groups. Almost a quarter of Māori reported using te reo Māori as one of their first languages in 2021, up from 17 percent in 2018.	+	+
or te reo maorij	EQUITY: New data from StatsNZ shows promising increases in the proportion of the whole population who can speak more than just a few phrases of te reo Māori between 2018 and 2021.		
EXPRESS IDENTITY (proportion who	OUTCOMES: The proportion of Māori who report it is easy or very easy to express their identity in this country dropped between 2018 and 2021 in the NZ General Social Survey, from 84 percent to 77.2 percent.		
report it is easy or very easy to express their identity)	EQUITY: There was a decrease in the ability to express identities for most ethnicities. Pacific people saw the largest decrease and Asian people continue to have the lowest rates. In 2018, the Māori rate was around the same as the national rate (84%); in 2021, at 77.2 percent, it had fallen to below the national rate of 80 percent.	_	-

MANA WHANAKE (GROWTH AND INTERGENERATIONAL PROSPERITY) People having the skills and resources to generate sustainable and intergenerational prosperity

This outcome area remained the most positive again in 2022. Low infant mortality and lower rates of teenage pregnancy help promote wellbeing for children and young people, while missing out on education, training or employment, or being imprisoned and reimprisonment rates directly reduce wellbeing. Modest improvements in some outcomes continue, especially those affecting younger Māori, giving grounds for some hope for the emerging generation of young people, even as large disparities remain. The number of young people charged in court and the number of young

people sent to prison are continuing to decline and are significantly less than five years ago (although perhaps reflecting the declining of the number of charges, the prison sentencing rate for convicted 17-to 19-year-olds has increased). The reimprisonment rates for all ages have also reduced. Very few babies die in their first year in this country, and the rate for Māori compared to non-Māori in 2022 was close to parity. This along with low teenage pregnancy rates are further signs of hope that rangatahi are building stronger foundations for the future.

INDICATOR	COMMENTARY	OUTCOME	EQUITY
TEENAGE PREGNANCIES (pregnancies per 1000 15- to 19-year-olds)	OUTCOMES: Teenage pregnancy numbers are now low with rates continuing to fall for Māori. EQUITY: Both Māori and non-Māori rates are falling, so there was little change in disparity in 2022. Young Māori women still have a pregnancy rate just under three times that of non-Māori.	+	NC
INFANT MORTALITY (infant deaths under 1 year for every 10,000 live births)	OUTCOMES: Infant mortality rates for Māori and non-Māori now fluctuate around very low overall levels in this country. In 2022, the Māori rate was 38 per 10,000 live births, an encouraging drop from 55 in 2021. EQUITY: The rate for Māori in 2022 was almost the same as for the non-Māori population (35 per 10,000 live births) and is close to achieving a milestone in health equity that will hopefully endure.	+	+
YOUTH CHARGED WITH OFFENDING (rate of 12- to 16-year-olds per 1000 population)	OUTCOMES: Rates of charges in any court during the year continue to reduce for rangatahi Māori. EQUITY: The rate for rangatahi Māori fell between 2021 and 2022, whereas it increased slightly for non-Māori so the disparity is also reducing.	+	+
YOUTH UNEMPLOYMENT (proportion of 15- to 24-year- olds NEET)	OUTCOMES: One in five young Māori (19.5%) were not in education, employment or training (NEET) in 2022. This proportion increased only slightly from 2021 (19.2%) and has not changed significantly over the past five years. EQUITY: The NEET rate for non-Māori fell slightly to 9 percent (from 10.2% in 2021) meaning growing disparity of outcomes on this measure.	NC	-
PRISON SENTENCING RATES FOR YOUTH (proportion of convicted 17- to 19-year-olds who are imprisoned)	OUTCOMES: Imprisonment sentences for young people have fallen greatly over recent years and only 107 were sentenced to prison in 2022 compared to 592 in 2017. This means far fewer rangatahi Māori going to prison. EQUITY: Rangatahi Māori convicted are still far more likely to receive a prison sentence compared to non-Māori, and this disparity only improved marginally in 2022 and is much higher than five years ago in 2017 for the small number affected (72 of the 107 young people given prison sentences in 2022 were Māori).	+	NC
RECIDIVISM (reimprisoned within 24 months of release)	OUTCOMES: The 24-month reimprisonment rate for Māori decreased slightly in 2022 and was lower than five years ago in 2017. EQUITY: The decrease for Māori was not as great as for non-Māori so the disparity in reimprisonment rates is worsening slightly.	+	_

Table 25: Māori wellbeing indicators—2017–2022

INDICATOR	MEASURE	He Ara Waiora Domain	Outcome 2017 Māori	Outcome 2017 Non-Māori	Outcome 2021 Māori	Outcome 2021 Non-Māori	Outcome 2022 Māori	Outcome 2022 Non-Māori	Ratio 2017	Ratio 2021	Ratio 2022	Outcome Improving	Equity improving
Early childhood education (ECE) enrolment	Proportion of children aged under 5 years old enrolled in ECE	MAh	26.0%	70.3%	54.5%	67.5%	NA	NA	0.8	0.8	NA	ΝΑ	ΝΑ
Student engagement	Stand downs per 1000 students (2016–2021)	M Ah	43	16	39	17	45	20	2.6	2.4	2.2	ı	+
Unemployment	Official unemployment rate (Sept)	M Ah	10.8%	4.0%	8.1%	3.6%	%4.9	2.7%	2.7	2.3	2.4	+	NC
Personal incomes	Average weekly personal income for those employed	M Ah	\$989	\$1140	\$1128	\$1308	\$1203	\$1390	6.0	6.0	6.0	+	NC
Imprisonment rate	Number of people imprisoned per 100,000 population (18+ years)	M Ah	1012	155	814	121	720	108	9.9	6.7	6.7	+	NC
Hazardous drinking	Proportion of adult population as hazardous drinkers	M Ah	33.3	17.6	33.2	17.6	33.2	16.3	1.9	1.9	2.0	NC	-
Illicit drug offending	People convicted of illicit drug offences per 1000 people	M Ah	2.1	0.5	1.4	0.3	1.1	0.3	4.2	4.2	4.1	+	+
Children in state care	e Children in state care per 1000	M Ta	13.2	2.1	11.4	2.0	10.1	1.8	6.3	5.6	5.6	+	NC
Welfare support	Adults receiving a benefit as % of population aged 18 to 64 years old	M Ta	22.0%	7.2%	26.3%	8.7%	25.2%	8.4%	3.1	3.0	3.0	+	NC
Income distribution	Proportion of adults in lowest three income deciles (2016–2021)	M Ta	44.5%	39.5%	%9:94	36.9%	50.3%	38.1%	1.1	1.3	1.3	ı	-
Demand for social housing	Number on social housing waiting list per 1000 population (Sep qtr)	M Ta	3.3	0.8	14.1	2.9	14.2	2.9	4.1	4.9	6.4	NC	NC
Whānau wellbeing	Percentage reporting whānau doing badly or not well (0–6 out of 10 self-rated)	M Ta	24.1	17.7	25.1	17.4	27.3	18.6	1.4	1.4	1.5		NC
Student achievement	Proportion of school leavers t leaving with less than Level 1 NCEA (2016–2021)	M Tu	18.2%	7.4%	21.7%	8.0%	24.0%	%0.6	2.5	2.7	2.7		NC
Te reo	Able to speak te reo more than a few words and phrases	M Tu	63.7	21.2	%6:39	23.6%	71.0%	30.0%	3.0	2.8	2.4	+	+
Expressing identity	Percent who say easy or very easy to express identity	M Tu	84%	86.98	84.0%	83.8%	77.2%	80.08	1.0	1.0	1.0	,	
Teenage pregnancies	Pregnancies of 15- to 19-year-old women per 1000 (2015–2021)	M Wh	49	16	38	14	36	13	3.0	2.7	2.8	+	NC
Infant mortality	Infant deaths (<1 year old) for every 10,000 live births	M Wh	55	29	52	41	38	35	1.9	1.4	1.1	+	+
Youth offending	Overall offending rate by 12- to 16-year-olds per 1000 population	M Wh	17.0	3.1	7.0	1.5	6.3	1.7	5.5	4.6	3.8	+	+
Youth unemployment	t Proportion of 15- to 24-year-olds NEET	M Wh	19.7%	10.3%	19.2%	10.2%	19.5%	%0.6	1.9	1.9	2.2	NC	
Prison sentencing rates	es Proportion of convicted 17- to 19-year-olds who are imprisoned	M Wh	13.2%	5.3%	7.2%	1.9%	8.2%	2.2%	2.5	3.9	3.7	+	NC
Recividism	Reimprisoned within 24 months of release	M Wh	47.0%	37.3%	%8.44	33.8%	41.0%	28.9%	1.3	1.3	1.4	+	1

Note: Population estimates from StatsNZ were revised based on 2018 Census results so ratios were recalculated to reflect revised population estimates 2015–2022. **NA** = data not available at publication.

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