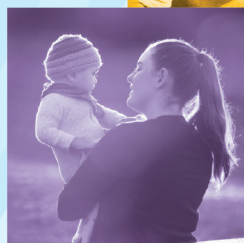
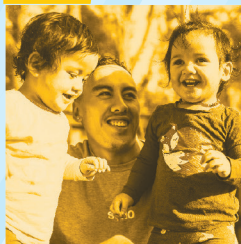
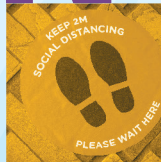




Social Policy & Parliamentary Unit
Working for the eradication of poverty in New Zealand

Te Ope Whakaora

STATE of the NATION 2022 SUMMARY



Navigating the Rapids

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February 2022*

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FROM THE DIRECTOR

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

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

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

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

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

Inequality is like a river wending its way through our life and times, stretching back over the 15 years of reporting. There is so much more to be done to deal

with the levels of social and economic inequality that so stubbornly persist. It raises the question: are we as a nation making the structural changes needed to achieve greater equality?

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

INTRODUCTION

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

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

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

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

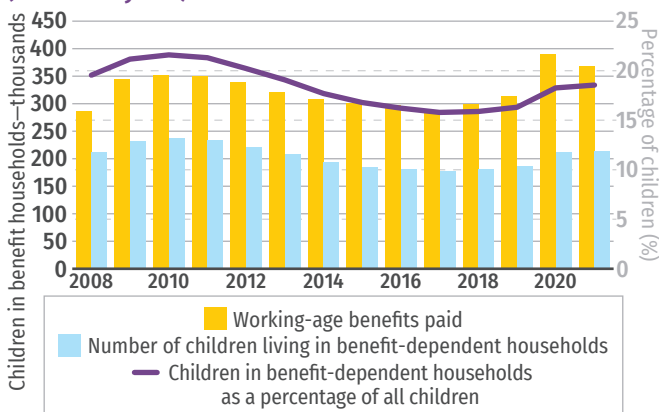
CHILDREN AND YOUTH

CATEGORY	RESULT
CHILD POVERTY	NC
CHILDREN AT RISK	-
CHILDREN AND VIOLENCE	-
YOUTH OFFENDING	+
EARLY CHILDHOOD EDUCATION	+
EDUCATIONAL ACHIEVEMENT	-
TEENAGE PREGNANCY	+
YOUTH MENTAL HEALTH	-

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

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

Estimates of children in benefit households—2008–2021 (December years)

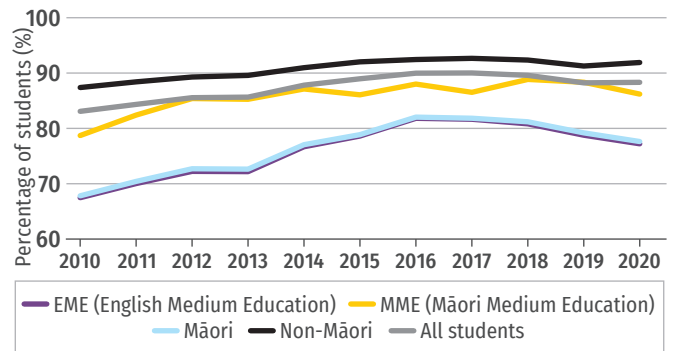


Keeping children safe from abuse and violence is crucial to their wellbeing. In the year to June 2021, there were fewer reports of concern about potential abuse, and the number of children placed in state care is reducing. On the other hand, the number of children who were identified as victims of abuse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

including a large increase in sexual assault. The number of children who were victims of assault in 2021 was 30% higher than five years ago.

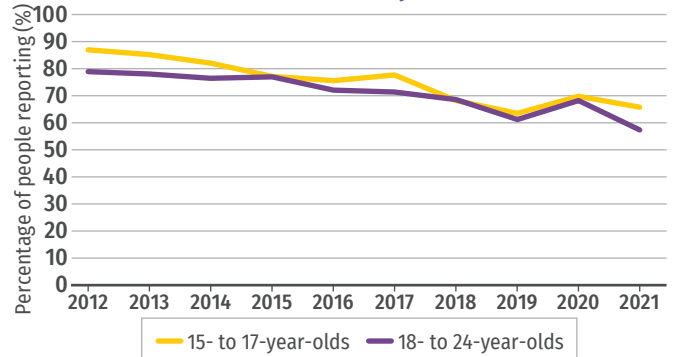
The effect of Covid-19 disruptions on young people’s education was seen at both ends of the education journey. Enrolments in Early Childhood Education (ECE) increased again in 2021 after a significant decline in ECE enrolments in 2020, but they are still below pre-Covid-19 enrolments from 2019. Impacts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

Proportion of students leaving school with NCEA Level 1 or above—2010–2020



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

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



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

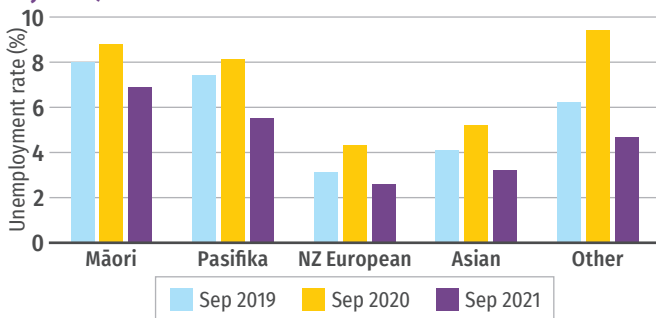
WORK AND INCOMES

CATEGORY	RESULT
EMPLOYMENT	+
UNEMPLOYMENT	+
INCOMES	+
INCOME SUPPORT AND WELFARE	+
HARDSHIP AND FOOD SECURITY	-

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

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

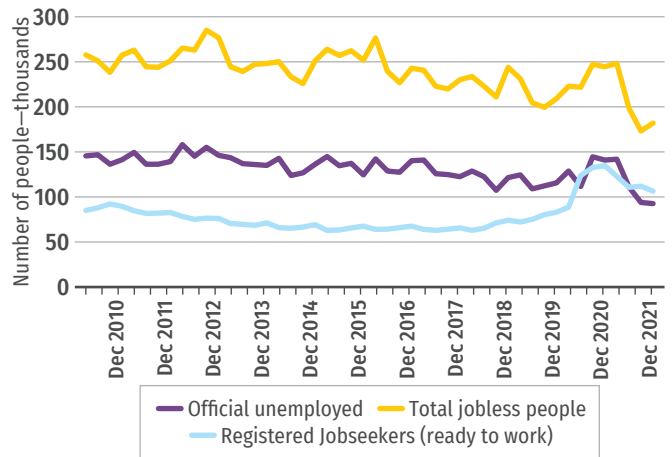
Unemployment rate 2019–2021 (Sept quarter, not seasonally adjusted)



With New Zealand’s borders still mostly closed for another year, almost two years of very low net migration is a real-life social experiment for our labour market of what happens if the supply of overseas labour is largely turned off. Shortages of both skilled and unskilled labour were reported around the country. Women’s employment has benefitted most from the recovery in jobs, yet marginalised groups are still finding it harder to find employment—youth and Māori, overall have

benefitted less. Despite low unemployment, the number of people registered on the Jobseeker welfare benefit is still well above pre-Covid-19 levels.

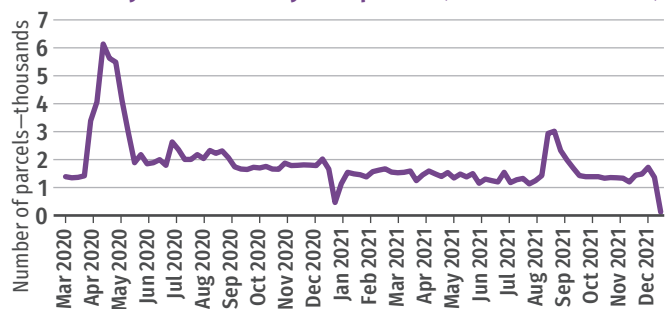
Measures of unemployment (quarterly actual, not seasonally adjusted)—2010–2021



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

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

Total weekly Salvation Army food parcels (Mar 2020 – Dec 2021)



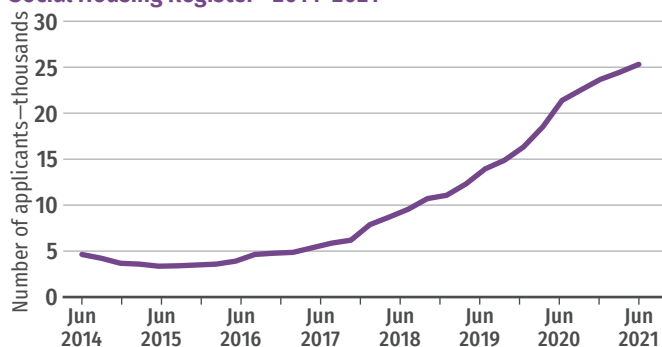
HOUSING

CATEGORY	RESULT
AVAILABILITY	-
AFFORDABILITY	-
DEBT	-

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

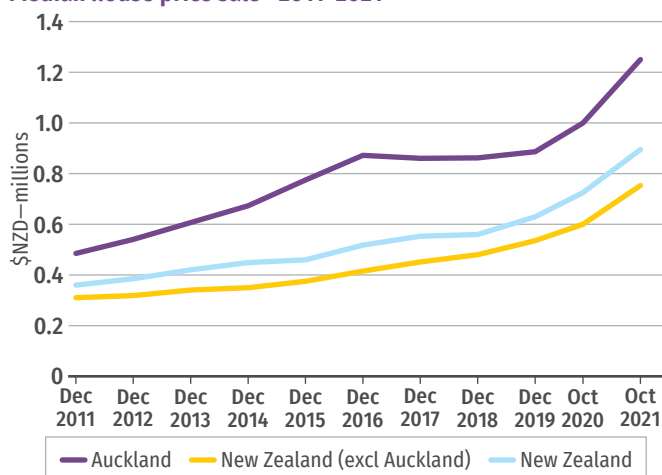
The majority of the indicators we have tracked for the last 15 years continue to paint a worrying picture.

Social Housing Register—2014–2021



The social Housing Register ‘waiting list’ and the demand for social housing in nearly all regions of New Zealand continue to worsen, with the register seemingly reaching a new record high every reporting quarter. While housing supply challenges persist, the affordability problems continue to escalate. Both average and median house sale prices continue to surge higher to new levels nationally and locally.

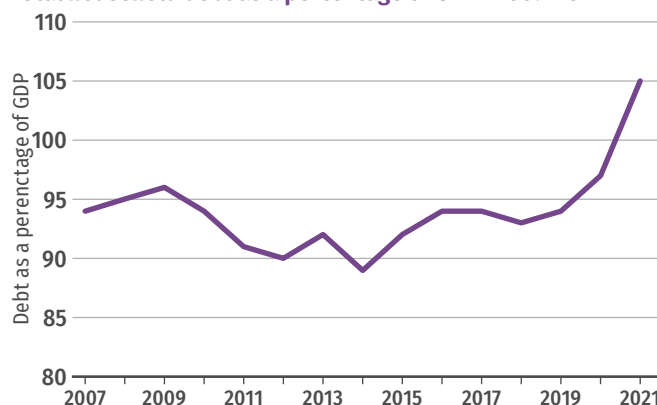
Median house price sale—2011–2021



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

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

Total household debt as a percentage of GDP—2007–2021



CRIME AND PUNISHMENT

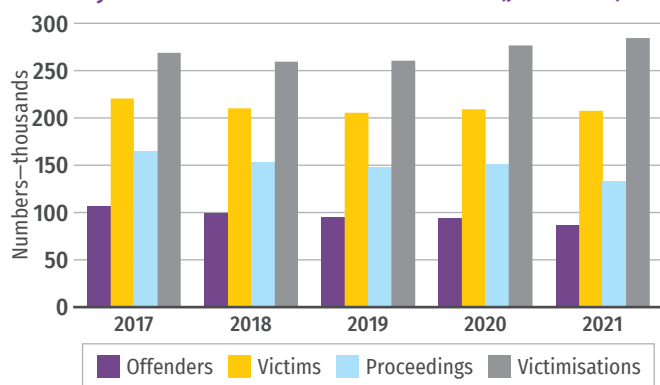
CATEGORY	RESULT
OVERALL CRIME	NC
VIOLENT CRIME	-
FAMILY VIOLENCE	NC
SENTENCING AND IMPRISONMENT	+
RECIDIVISM	NC

The New Zealand justice system spans across three key agencies: the New Zealand Police, Ministry of Justice (MOJ) and Department of Corrections. While each ministry serves its own purpose, all facets of the justice system work together to uphold justice and keep New Zealand safe. Overall, our assessment in the Crime and Punishment section shows key improvements in sentencing and imprisonment

outcomes; major improvements needed in addressing violent crime; the disparity for Māori; and no major shifts evident in family violence, recidivism and overall crime.

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

Summary of adult offence volumes—2017–2021 (June Years)



According to the New Zealand Crime and Victims Survey (NZCVS) only 33% of family violence is reported to police; however, family violence continues to be one of the main call-outs police are dealing with in our communities. There were 168,436 family harm investigations carried out by the police in 2021, this would equate to a family harm investigation every three minutes. The introduction of the Family Violence Act 2018 and the joint venture across the different government ministries has resulted in different approaches to reporting and recording family violence. The ability to accurately gauge the realities of family violence experienced by our communities, in addition to the introduction of Te Aorerekura—a national strategy to eliminate family violence and sexual violence—will better equip the government’s endeavours to address family violence.

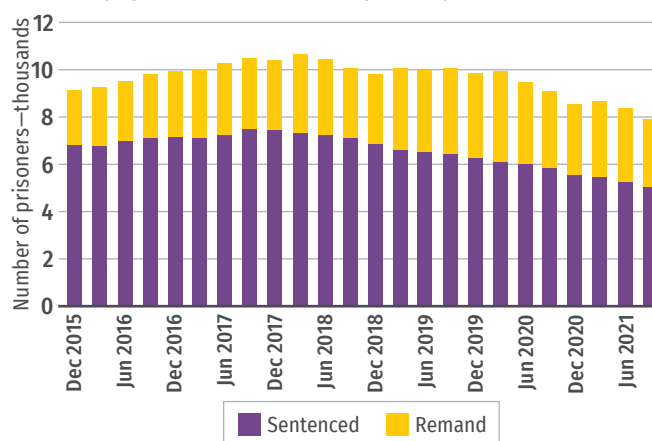
The justice system’s move towards a less punitive approach is becoming evident in rates of

Family Harm Investigations—2018–2021 (year ending Oct)

	2018	2019	2020	2021	1Y	4Y
No Offence	90,679 (71%)	103,782 (71%)	113,555 (67%)	104,738 (62%)	-7.8%	33.4%
Offence	37,195 (29%)	42,730 (29%)	56,073 (33%)	63,698 (38%)	13.6%	29.1%
Total	127874	146,512	169,628	168,436	-0.7%	31.7%

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

Prisoner population—2015–2021 (quarterly)

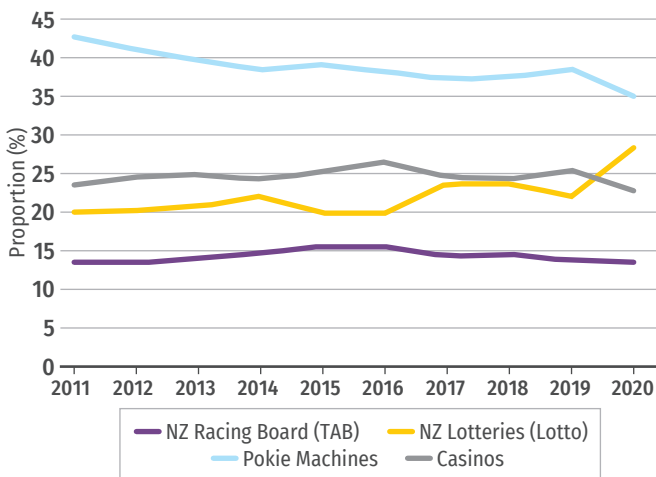


SOCIAL HAZARDS

CATEGORY	RESULT
ALCOHOL	NC
ILLICIT DRUGS	NC
GAMBLING HARM	NC
PROBLEM DEBT AND FINANCIAL HARDSHIP	-

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

Proportion of gambling losses in New Zealand—2011–2020



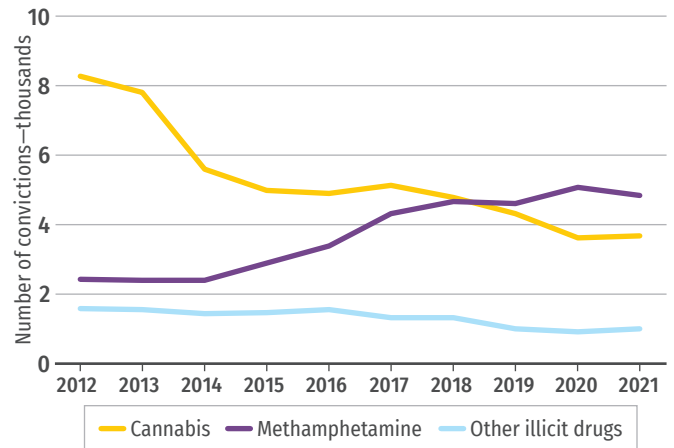
This year’s results are, as usual, a mixed bag. There are many positive changes, including decreases in these key areas we monitor: hazardous drinking behaviours for many groups, illicit drug detection in wastewater, most forms of gambling expenditure, and the number of pokie machines operating nationally.

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

Methamphetamine-related offences continue to dominate illicit drug charges, convictions and detections in wastewater. While nearly all forms of gambling declined in the last year, gambling via Lotto New Zealand, particularly online gambling sites,

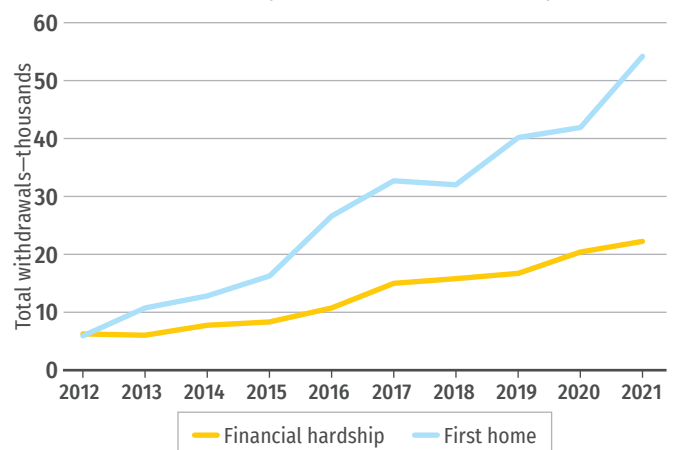
increased significantly. Losses per pokie machines also increased, although the real number of pokie machines declined.

Illicit drug convictions—2012–2021 (June years)



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

KiwiSaver withdrawals by reason—2012–2021 (June years)



MĀORI WELLBEING— Inequity in the spotlight

The unprecedented task of attempting to vaccinate our country’s whole population aged over 12 years against Covid-19 has brought the health inequities experienced by Māori into the frontpages and living rooms of everyone in our nation. Our health system is not set up as well as it should be to provide health services to the communities where most Māori live. In late 2021, over 90% of the eligible population was fully vaccinated, but the rate for Māori was much lower 77%. A hugely successful vaccination programme overall can still contain significant unfairness and vulnerability. This section of the *State of the Nation*

2022 focuses on other social impacts in our country and the pattern of unfair and inequitable outcomes for Māori that exists across most of the indicators. It highlights areas that show positive examples where change to improve outcomes and reduce inequities is happening, as well as identifying areas where long-standing inequity remains.

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

Official measures for these domains are still to be developed. In this report, we look at the outcomes we are monitoring in the *State of the Nation 2022* across the domains of He Ara Waiora as an attempt to assess progress, recognising that currently available data does not capture all aspects of Māori wellbeing.

IMPROVING

Five years ago in 2016, 386 rangatahi (youth) aged 17–19 years were sent to prison; in 2021 that number had fallen to 84. Over the same time period, 1236

rangatahi aged between the ages of 12–16 years were charged in court; in 2021 that number had more than halved to 600. Changes made to how police and the justice system deal with offending by young people mean different ways are being found to hold young offenders accountable for their actions. For those who go to court, initiatives such as Rangatahi Courts, are examples of using an approach that gives rangatahi a chance to find their place in te ao Māori, while facing the consequences of their actions and finding ways to restore damaged relationships.

DECLINING

The crisis of unaffordable housing is impacting Māori deeply, and it has got worse this year with Māori almost five times more likely to be in need of social housing. Exciting and innovative Māori-led housing projects are underway, but there is continuing and increasing need for housing that is in the right place and of the right design to meet the needs of whānau (families).

He Ara Waiora wellbeing framework

