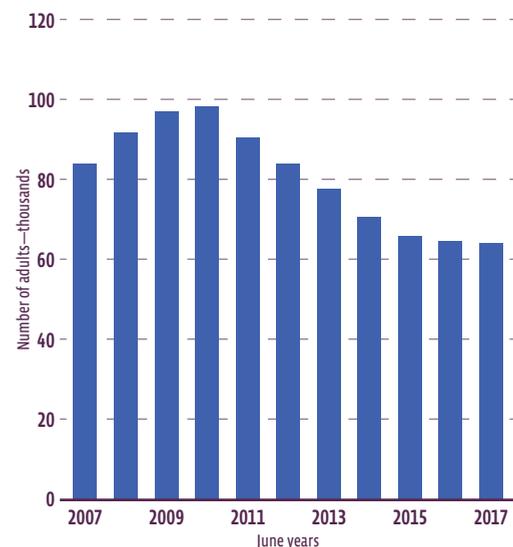


CRIME

Adult criminal convictions fall along with background offending

Estimating crime is notoriously difficult, in part, because only about one-third of offences are reported to Police and of these only about half are recorded by them.⁸ There is, however, evidence that the volume of criminal offending has fallen. The New Zealand Crime and Safety Survey 2014 suggested that offending had fallen 30% between 2008 and 2013.⁹ Between such surveys it is difficult to know what has happened to crime rates. One data source that offers an indication of changing crime levels is that of the number of adults convicted of criminal offences. This is reported in **Figure 7**. This shows that the number of adults convicted of offences has fallen 35% since 2010.

Figure 7: Numbers of adults convicted of a criminal offence—2007–2017¹⁰



YOUTH UNEMPLOYMENT

Persistent levels of youth unemployment despite job growth

Despite the strong growth in job numbers since 2013, unemployment rates and numbers amongst younger workers and, especially those aged 15- to 19-year-olds, have changed little. Prior to the GFC, the unemployment rate amongst 15- to 19-year-olds was estimated to be around 15%. This rate increased to around 25% following the GFC and through to mid-2013. The job growth

post-2013 has seen this unemployment rate fall to 20%, but it has changed little since 2014. This trend is illustrated in **Figure 8**. The numbers of 15- to 24-year-olds who are not in employment, education and training (NEET) have remained fairly stable at around 80,000 since 2009. Changes in 2013 to Government's vocational training policies saw greater emphasis being placed on providing training opportunities to 15- to 19-year-olds, and so the numbers of NEET people in this age group fell a little. This decline was offset, somewhat, by an increase in the numbers of 20- to 24-year-old NEETs.

Figure 8: Unemployment rate amongst 15- to 19-year-olds—2007–2017¹¹

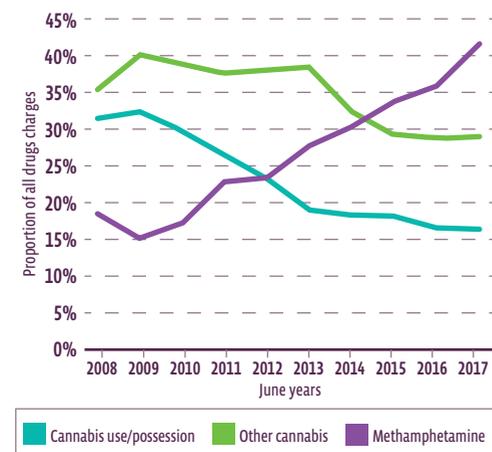


DRUG OFFENCES

Rising methamphetamine use begins to shape drug crime

While convictions for drug offences have fallen 30% since their peak in 2010, the make-up of this offending has changed significantly with the rise of methamphetamine offences. This trend is illustrated in **Figure 9**, which records the proportion of drug convictions that involve methamphetamine, cannabis use or possession, or more serious cannabis offences. In 2008, methamphetamine offences represented just 18% of drug offence but, by 2017, it made up 42%. Between 2008 and 2017 the number of methamphetamine offences rose 160% to 4,339.

Figure 9: Composition of drug crime—2007–2017¹²



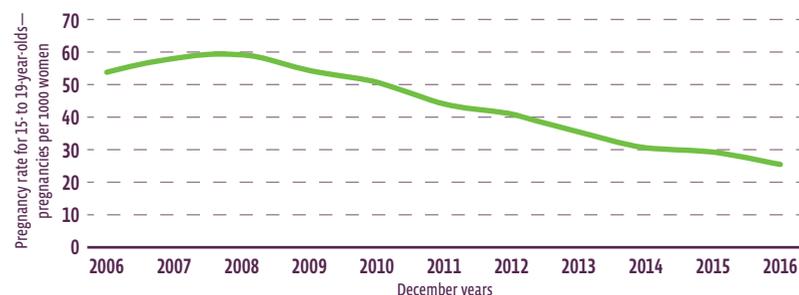
TEENAGE PREGNANCIES

Teenage pregnancy rates more than halve over the past eight years

A significant cultural change has occurred over the past ten years with the pregnancy rate amongst 15- to 19-year-olds more than halving from 58 pregnancies per 1000 women in 2007, to 25 per 1000 in 2016 and may have fallen further to 23 per 1000 in 2017. This

trend is illustrated in **Figure 10**. In 2007, 46% of pregnancies to 15- to 19-year-olds were terminated in abortion, but by 2016 this had fallen to 37%. Both these trends are evidence that some choices being made by younger people have changed significantly over the past 10 years. This particular change means that fewer young women are becoming mothers as teenagers and so are better able to complete their education and to care for their children when they do decide to have them.

Figure 10: Pregnancy rates amongst 15- to 19-year-old women—2006–2016¹³



1 Statistics New Zealand's Employment and Earnings Survey—Household Labour Force data series.
 2 Sources: Statistics NZ's National Accounts, Quarterly Employment Survey and Consumer Price Index data series and Social Security Act and Minimum Wages Act legislation.
 3 Perry (2017) Table H4 p.143.
 4 Perry (2017) + MSD Benefit factsheets.
 5 Source: Real Estate Institute of New Zealand median sale price data series and Statistics NZ's Quarterly Employment Survey.
 6 Source: Department of Corrections Quarterly Reports.
 7 Ministry of Social Development Benefit Fact Sheets.

8 NZ Crime & Safety Survey—Main Findings report p.17.
 9 Ibid p.17.
 10 Statistics New Zealand's Prosecutions and Convictions data sets.
 11 Statistics New Zealand's Employment and Earnings Survey—Household Labour Force data series.
 12 Source: Ministry of Justice prosecution and sentencing data tables available at www.justice.govt.nz/justice-sector-policy/research-data/justice-statistics/data-tables/
 13 Statistics New Zealand's Births and Abortions data sets.

For ten years, The Salvation Army has offered the *State of the Nation* reports to track the social and economic trends that affect our country. To acknowledge the milestone of ten years, we have compiled our list of what we consider the ten important social trends of the past ten years. We suggest that these trends could help inform a new conversation we should have as New Zealanders around the social progress we value and, from this, the society we would like to create.



Te Ope Whakaora

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

www.salvationarmy.org.nz/socialpolicy

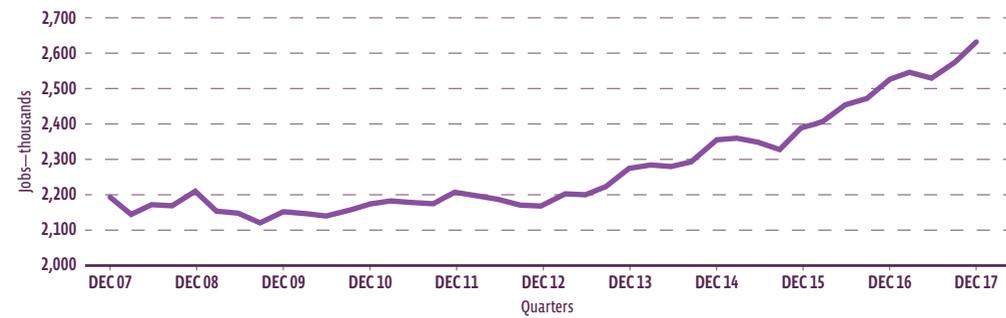
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JOBS

Credible job growth in the past five years

At the end of 2017, there were an estimated 2.62 million jobs in the New Zealand economy, which is 430,000 or almost 20% more than in 2007. The Global Financial Crisis (GFC),

Figure 1: Jobs in the New Zealand economy—2007-2017¹



however, had a significant and lingering effect on job growth with job numbers staying around 2.2 million until mid-2013. This trend is illustrated on **Figure 1**. Average annual job growth since 2012 has been over 4%.

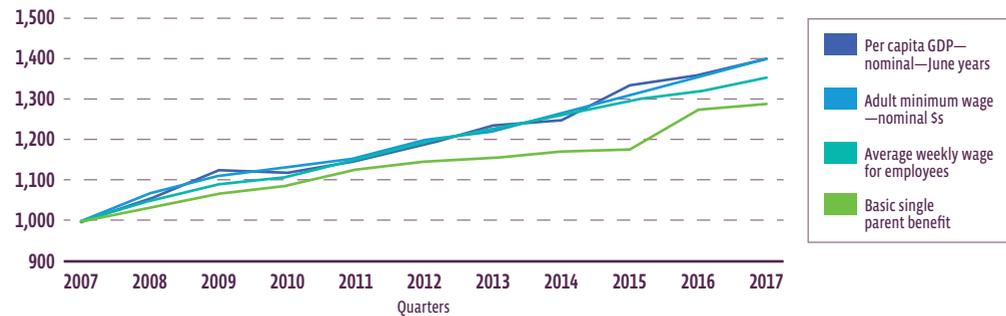
INCOMES

Wages and salaries lag behind GDP growth

Per-capita GDP grew 13% in inflation-adjusted terms from \$51,700 per person (at 2017 \$ values) to \$58,700 in late 2017. As with jobs, the GFC impacted on this income measure, with most of the growth since 2013. Over the decade—2007 to 2017—the average weekly wage rose 9.6% in inflation-adjusted terms to \$1013 per week by the end of 2017. In 2007, the adult minimum wage was set at \$11.25

per hour and through annual reviews it was increased to \$15.75 per hour. In inflation-adjusted terms, this is an increase of 15% between 2007 and 2017. Over the same period, the sole-parent benefit rate increased by just 6% in inflation-adjusted terms and this increase occurred as a one-off adjustment by the National-led Government in the 2015 Budget. **Figure 2** illustrates the relative changes in these four income measures expressed as a series of indices.

Figure 2: Income measures—2007-2017 (indices based on nominal values)²



CHILD POVERTY

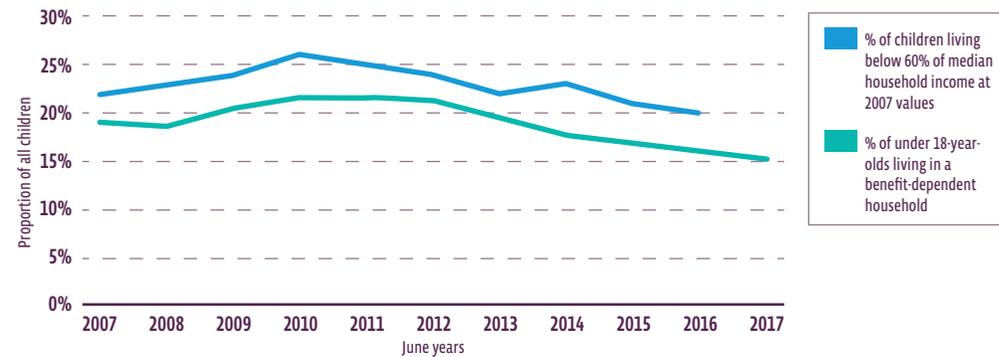
Child poverty rates change little despite economic growth

Despite this growth in job numbers and incomes the proportion of children living in poverty changed little between 2007 and 2016. This trend is illustrated in **Figure 3**. In 2007, 22% of children were estimated to be living in households that received an income less than 60% of the median income for similar households. By 2016, this rate had reached 20%.

Child poverty has been equated with benefit dependency, but this is not entirely the case. While it is true that most children living in benefit-dependent households are

living in relative income poverty, around 45% of children living in such poverty are from working households.³ The proportion of children living in benefit-dependent households has fallen over the past six years from a high of just under 22% in 2011 to just over 15% in 2017. We do not know what has happened to the children and their families who have left benefits, principally because no effort has been made to find out. Similarly there have been no recent estimates of the extent to which working households with children fall below the various poverty lines. This means that there is no reliable estimate available to what extent children from working-poor households remain below the various poverty lines.

Figure 3: Child poverty measures—2007-2017⁴



HOUSING COSTS

Auckland house prices reach uncharted territory

Auckland's house prices relative to incomes have reached ratios never seen before, making it difficult to guess where they will go next. In 2007, it took around 9 years of the average wage to purchase the median priced house in Auckland. By 2017, this ratio was over 13 years. For the rest of New Zealand, price-to-income ratios have increased from six years in 2012, to over 7 years by 2017. These trends are shown in **Figure 4**.

Figure 4: House-price-to-income measures—2007-2017⁵



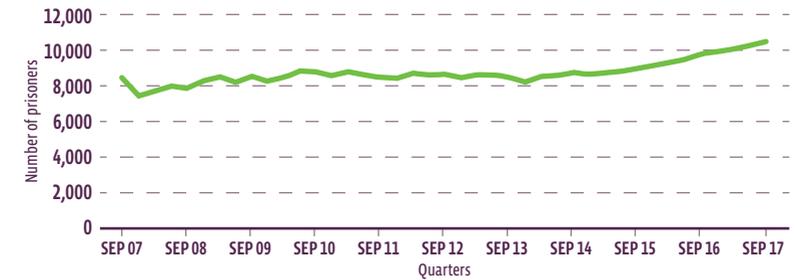
PRISON POPULATION

Prisoner numbers hit new record highs

Despite firm evidence that crime volumes are falling, the prison population continues to hit new records, reaching 10,470 at the end of September 2017. This population grew slowly from around 8000 in 2008 to 8,500 in 2014, but rose 23% between March 2014 and September 2017. This increase meant that the imprisonment rate rose from 184 prisoners

per 100,000 populations in 2007 to 210 per 100,000 in 2017. The imprisonment rate for Māori are around 3.5 times higher than for the total population, and this rate rose from 620 per 100,000 in 2007 to 700 per 100,000 in 2017. This increasing prisoner population is due to a number of factors—including a growing remand prisoner population, a higher proportion of convictions leading to prison sentences and fewer prisoners being granted parole.

Figure 5: Prison population—2007-2017⁶



BENEFITS AND SUPERANNUATION

Benefit numbers fall gradually post-GFC while NZ Superannuation numbers rise predictably

Just prior to the GFC in 2007, the number of people receiving a working-age benefit ranged between 260,000 and 270,000. By 2010, this number had risen to 350,000 and has, since then, gradually fallen to 290,000 by the end of 2017. Treasury's Budget forecasts suggest that working-age benefit numbers may fall back to 2007 levels by 2020.

Over the past decade the numbers of people receiving New Zealand Superannuation or Veteran's Pension has risen from 519,000 in late 2007 to 749,000 by late 2017. The number of people receiving Superannuation will continue to grow by 25,000 to 26,000 annually for the next ten years and could, under present entitlement rules, reach 1 million people by 2026. As a share of Core Crown Expenditure, New Zealand Superannuation costs have risen from 12.6% in 2007 to 16.8% in 2017 and from \$6.8 billion to \$13.0 billion annually.

Figure 6: Working-age benefits and NZ Superannuation numbers—2007-2017⁷

