



# Child Friendly Index

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A six monthly analysis of the issues facing New Zealand children

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## HOUSING – Alan Johnson

Housing related statistics are often quite unreliable in providing a picture of what is happening to the housing position of the poorest quarter of households, because most housing statistics deal with averages or, at best, median values of house values or rents. The misrepresentation arises because the poorest quarter of families live a long way from these averages due to the skewed nature of wealth and income in New Zealand. In most cases house values and rents rise because the wealthy are getting wealthier, not because the poor are getting wealthier. For this reason housing statistics should be viewed in the context of income statistics and in particular the incomes of low-income groups.

The table below provides estimates of the average hourly wage paid to service workers over the past five years. Such a worker would typically work in shops, restaurants and cafes.

**TABLE UU: Estimates of the average hourly wage paid to a typical low paid worker**

Month	Feb-00	Feb-01	Feb-02	Feb-03	Dec-03
<b>Gross \$'s per hour</b>	<b>12.12</b>	<b>12.62</b>	<b>12.89</b>	<b>13.25</b>	<b>13.69</b>
<b>Net \$'s per hour</b>	<b>10.30</b>	<b>10.73</b>	<b>10.96</b>	<b>11.26</b>	<b>11.64</b>

*Data source: Statistics New Zealand – Quarterly Employment Survey – Net wages based on 15% average tax rate*

The following table provides estimates of the median rent paid in various cities over a similar period:

**TABLE XX: Median weekly rents paid in New Zealand cities (\$'s per week)**

City	Jan-00	Jan-01	Jan-02	Jan-03	Jan-04
<b>Auckland</b>	<b>250</b>	<b>260</b>	<b>280</b>	<b>320</b>	<b>325</b>
<b>Hamilton</b>	<b>185</b>	<b>180</b>	<b>190</b>	<b>200</b>	<b>230</b>
<b>Wellington</b>	<b>260</b>	<b>250</b>	<b>265</b>	<b>277</b>	<b>290</b>
<b>Christchurch</b>	<b>180</b>	<b>180</b>	<b>185</b>	<b>210</b>	<b>235</b>
<b>Dunedin</b>	<b>155</b>	<b>160</b>	<b>165</b>	<b>180</b>	<b>205</b>

*Data source: Massey University Real Estate Analysis Unit – New Zealand Residential Rental Market Surveys*

By combining the data from these two tables we can gain an impression of the impact of recent housing and labour market changes on low-income workers. Table YY below shows the number of hours a typical low paid worker in each of the main cities would have to work in order to pay the rent on an average house or flat.

**TABLE YY: Hours per week that a low paid worker would have to work to pay the rent**

City	Jan-00	Jan-01	Jan-02	Jan-03	Jan-04
<b>Auckland</b>	<b>24.3</b>	<b>24.2</b>	<b>25.2</b>	<b>28.4</b>	<b>27.9</b>
<b>Hamilton</b>	<b>18.0</b>	<b>16.8</b>	<b>17.3</b>	<b>17.8</b>	<b>19.8</b>
<b>Wellington</b>	<b>25.2</b>	<b>23.3</b>	<b>24.2</b>	<b>24.6</b>	<b>24.9</b>
<b>Christchurch</b>	<b>17.5</b>	<b>16.8</b>	<b>16.9</b>	<b>18.6</b>	<b>20.2</b>
<b>Dunedin</b>	<b>15.0</b>	<b>14.9</b>	<b>15.1</b>	<b>16.0</b>	<b>17.6</b>

While there will be regional variations in the wages received by low-paid workers, the overall trend is quite conclusive. With the exception of Wellington people, most low-paid workers are now working longer to pay their rent than they were four years ago. This trend is likely to have a direct impact on the welfare of children either because their parents need to work longer hours or because other household expenditure is sacrificed in order to pay the rent.

The data above also shows that rents were quite stable through the early 2000s but have risen sharply during 2003. This rise appears to be driven in part by rising individual and household incomes and in part by rising house values as shown below in Table ZZ for the main urban areas and suburbs where low-income people are most commonly living.

**TABLE ZZ: Median house sale prices in New Zealand cities & selected suburbs**

City/Suburb	Mar-99	Mar-00	Mar-01	Mar-02	Mar-03	Mar-04
<b>Auckland Region</b>	<b>231,101</b>	<b>235,842</b>	<b>241,417</b>	<b>253,717</b>	<b>276,333</b>	<b>319,145</b>
<b>Glenfield</b>	<b>203,250</b>	<b>202,542</b>	<b>196,625</b>	<b>202,708</b>	<b>227,708</b>	<b>286,042</b>
<b>Henderson</b>	<b>187,042</b>	<b>190,792</b>	<b>184,250</b>	<b>188,292</b>	<b>214,250</b>	<b>256,225</b>
<b>Mt Roskill</b>	<b>227,758</b>	<b>233,275</b>	<b>226,917</b>	<b>234,667</b>	<b>277,342</b>	<b>339,917</b>
<b>Manurewa</b>	<b>173,583</b>	<b>171,375</b>	<b>161,979</b>	<b>182,667</b>	<b>176,667</b>	<b>201,333</b>
<b>Hamilton</b>	<b>161,583</b>	<b>165,667</b>	<b>163,208</b>	<b>163,083</b>	<b>164,958</b>	<b>198,929</b>
<b>Wellington Region</b>	<b>170,000</b>	<b>181,167</b>	<b>191,842</b>	<b>198,750</b>	<b>215,398</b>	<b>255,083</b>
<b>Upper Hutt</b>	<b>133,083</b>	<b>142,833</b>	<b>146,667</b>	<b>150,292</b>	<b>161,125</b>	<b>188,583</b>
<b>Canterbury Region</b>	<b>143,083</b>	<b>145,542</b>	<b>145,083</b>	<b>142,333</b>	<b>152,117</b>	<b>188,667</b>
<b>Aranui/Linwood</b>	<b>109,000</b>	<b>110,083</b>	<b>98,958</b>	<b>102,500</b>	<b>112,708</b>	<b>145,458</b>
<b>Dunedin</b>	<b>99,167</b>	<b>102,342</b>	<b>102,500</b>	<b>104,500</b>	<b>113,833</b>	<b>162,000</b>

*Data Source – Real Estate Institute of New Zealand*

Table ZZ shows that over the last five years house prices have risen by an annual average of around 5-6% and that during 2003 they rose by around 15-20%. These rises are not supported by a matching growth in household incomes. For example average weekly incomes for people on salaries and incomes rose by an annual average of 3.4% over the past five years and by a mere 2.8% during 2003 (*Statistics NZ, Quarterly Employment Survey – Average weekly incomes for all workers in all industries surveyed*). These gaps raise questions

around both the sustainability of the most recent rises and the overall distributional effects of this trend especially for low-income tenants.

Most low-income tenants turn to the state for assistance and there are signs of an increasing problem here. Initial comparisons of state house waiting lists provide some evidence of a small but growing problem of urgency and a lengthening queue for those families or people with a slightly less urgent need. These trends are shown in the Table AA below which compares Housing New Zealand waiting lists in mid 2003 with those in early 2004.

**TABLE AA: Recent changes in Housing New Zealand's waiting lists.**

Region/Office	Urgent Need	Serious Need	Urgent Need	Serious Need	Stock
	<i>June 2003</i>		<i>February 2004</i>		
<b>Auckland Region</b>	<b>21</b>	<b>3,174</b>	<b>64</b>	<b>3,200</b>	<b>27,497</b>
<b>Takapuna</b>	<b>1</b>	<b>125</b>	<b>28</b>	<b>140</b>	<b>1,335</b>
<b>Henderson</b>	<b>0</b>	<b>316</b>	<b>6</b>	<b>377</b>	<b>1,779</b>
<b>Mt Roskill</b>	<b>1</b>	<b>263</b>	<b>2</b>	<b>318</b>	<b>2,343</b>
<b>Manurewa</b>	<b>2</b>	<b>210</b>	<b>1</b>	<b>293</b>	<b>2,685</b>
<b>Hamilton</b>	<b>5</b>	<b>302</b>	<b>9</b>	<b>165</b>	<b>2,644</b>
<b>Wellington Region</b>	<b>7</b>	<b>216</b>	<b>13</b>	<b>230</b>	<b>8,662</b>
<b>Upper Hutt</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>13</b>	<b>1,527</b>
<b>Christchurch</b>	<b>15</b>	<b>275</b>	<b>38</b>	<b>408</b>	<b>5,398</b>
<b>Aranui/Linwood</b>	<b>na</b>	<b>na</b>	<b>19</b>	<b>165</b>	<b>2,019</b>
<b>Dunedin</b>	<b>2</b>	<b>31</b>	<b>0</b>	<b>38</b>	<b>1,640</b>
<b>New Zealand</b>	<b>89</b>	<b>4,397</b>	<b>212</b>	<b>4,916</b>	<b>63,070</b>

*Data Source: Housing New Zealand's website - "Office" refers to Housing New Zealand's Neighbourhood Office. Urgent Need refers to HNZ's Priority A "Severe & persistent housing need". Serious Need refers to Priority B "Significant & persistent housing need".*

Overall in just 8 months there has been a 14% increase in households with a severe or serious housing need waiting on Housing New Zealand's waiting lists. While there are areas across the country, generally in the south of both main islands, where unmet housing demand does not appear to be a problem, the problem of longer and longer waiting lists is a widespread problem affecting both large urban areas and smaller regional cities.

Although this picture of state house waiting lists is little more than a recent snapshot, the growing problem of housing affordability coupled with continuing population growth suggests that growing unmet demand for state housing is a longer-term trend.

**\* Alan Johnson is a lecturer in Social Policy, Community Development and Economics at Unitec and a member of the Counties/ Manukau District Health Board.**

## **CONSUMERS PRICE INDEX – Susan St John**

The Consumers Price Index (CPI) went up by just 0.4 percent in the March 2004 quarter following a 0.7 percent rise in the December quarter. While overall inflation is running at a historically low annual rate of 1.5%, the impact of inflation on families is obscured in the CPI as average price rises have been kept low by lower prices of imported goods and services like international air fares. Basic items critical to a

child's well being are becoming less affordable. Food prices in the eight years since March 1996 have risen 20% and in just the last year electricity prices have risen over 9%.

Unlike all other benefits and superannuation, family support is not adjusted annually for inflation. Many low-income families have had only a tiny increase in their family support since 1986. The maximum for the first child in a family today is \$47 a week, only \$5 more than in 1986. On today's CPI figures it would take \$75 to buy as much now as \$42 did in 1986. Money which would have contributed to the upbringing of low-income children if family support were annually adjusted for inflation has instead been put back into the general coffers, contributing billions over the past 18 years to accumulated state surpluses.

Since 1996 the state pension has increased from \$313 to \$383 a week for a married couple through indexation to the CPI. This extra \$70 a week gives older people the ability to meet the rising costs of living, without going into debt, going to foodbanks or doing without the essentials. In contrast since 1996, the only change to Family Support has been a tiny increase in the threshold for abatement in the 2003 budget, worth about a dollar a week for a low income child. Even then, low income children benefit only if their parents' income is higher than the previous threshold. While it is true that the CPI has increased only a little in the last 6 months, this adds to two decades of serious neglect of the realities of providing for children on very low budgets.

**\* Susan St John is a senior lecturer in Economics at the University of Auckland, author and researcher on family welfare issues.**

## **HEALTH – Nikki Turner**

It is recognised in health that the greatest potential for saving lives “now lies in primary, not secondary, care” (*Role reversal between primary and secondary care* Medical Education 2003;37:754-755).

The new primary health care strategy, put into effect in July 2003, has brought real new money into primary health care. Nine months later, the strategy is still in the early stages, and as yet there is no evaluative data on outcomes. However, while there is a lot of support for the principles of the strategy, there appears to be a myriad of concerns at the primary health care level around implementation.

*“The implementation has been piecemeal and confused”* - GP West Auckland

*“It hasn't made the slightest difference for children under 6”* - GP South Auckland

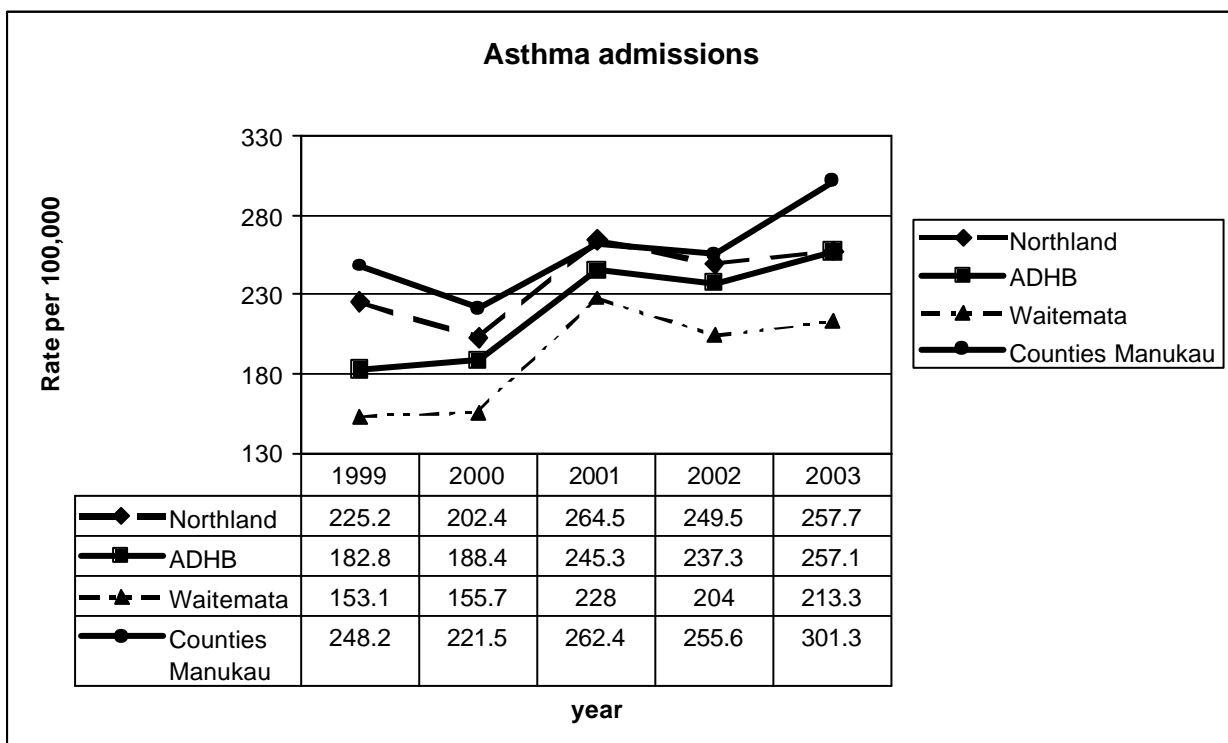
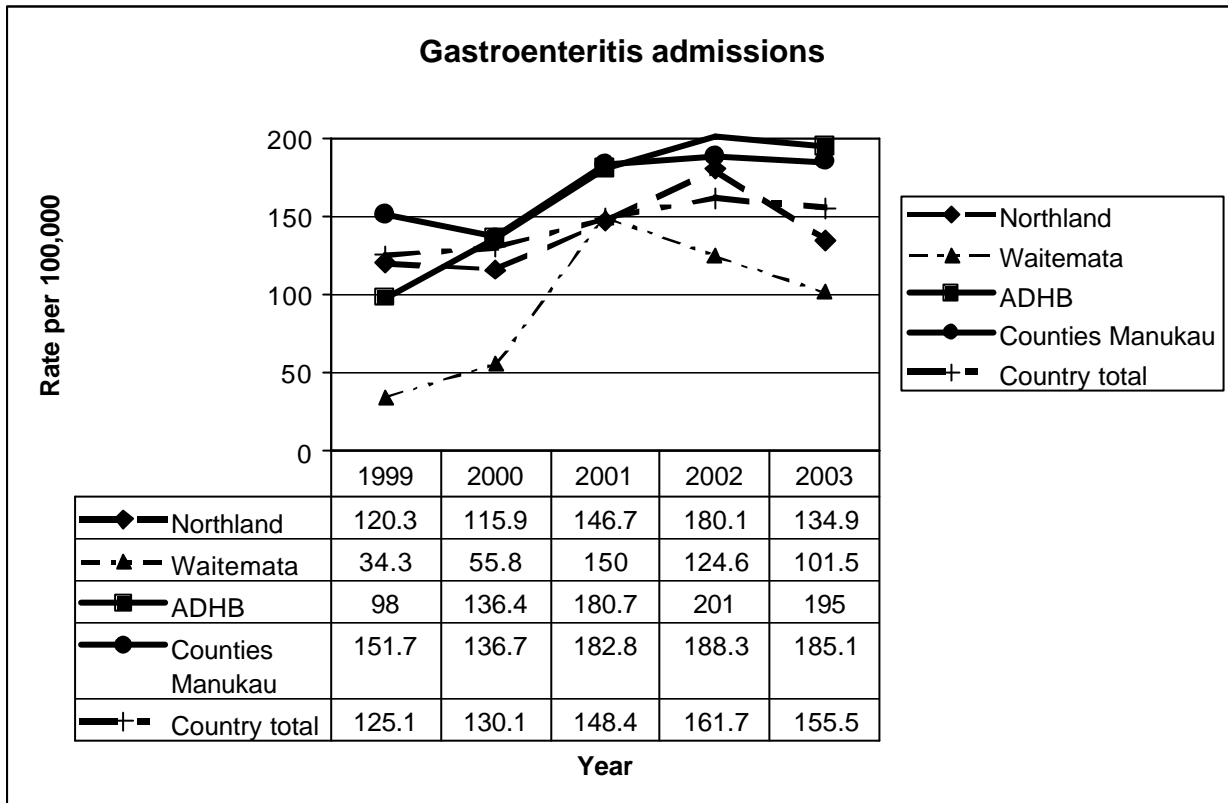
*“The claiming system and funding streams are unduly complicated”* - GP Central Auckland.

*“There is not enough funding to implement new initiatives. Practice nurses in particular are overworked”* - GP West Auckland

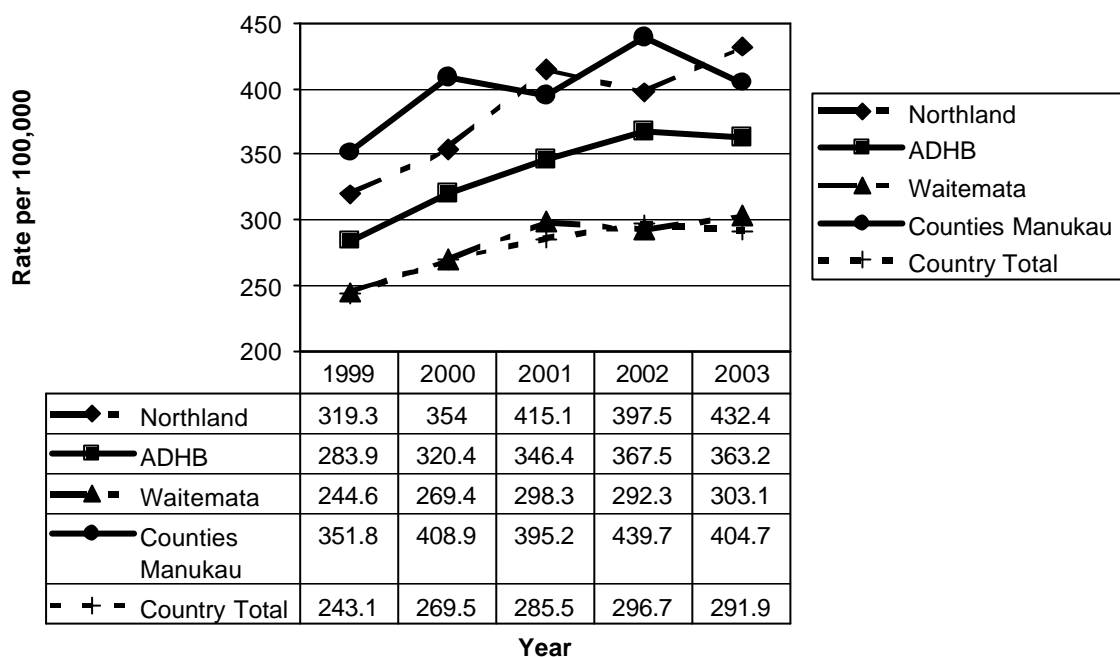
Overall there appears to be an increase in middle management, administration and paperwork for tired General Practices. The gains are not yet in evidence. There needs to be urgent focus on problems of implementation, and recognition that primary health care has been underfunded for a long time, and is going to take considerably more resources before there is any real improvement to children's health. In fact, children's health, as measured by hospital admission rates, continues to deteriorate.

Data available from 1999 through to 2003 for the diseases of cellulitis (skin infection), asthma, gastroenteritis (infectious diarrhoea) and bronchiolitis (wheezy bronchitis) show a trend of increasing hospital admission rates in the four northern District Health Boards, with all except asthma increasing national rates overall (see graphs below). There is a range of reasons why children living in poverty are ending up in hospital unnecessarily including overcrowding, poor nutrition, chronic stress and barriers to accessing health care such as transport and costs.

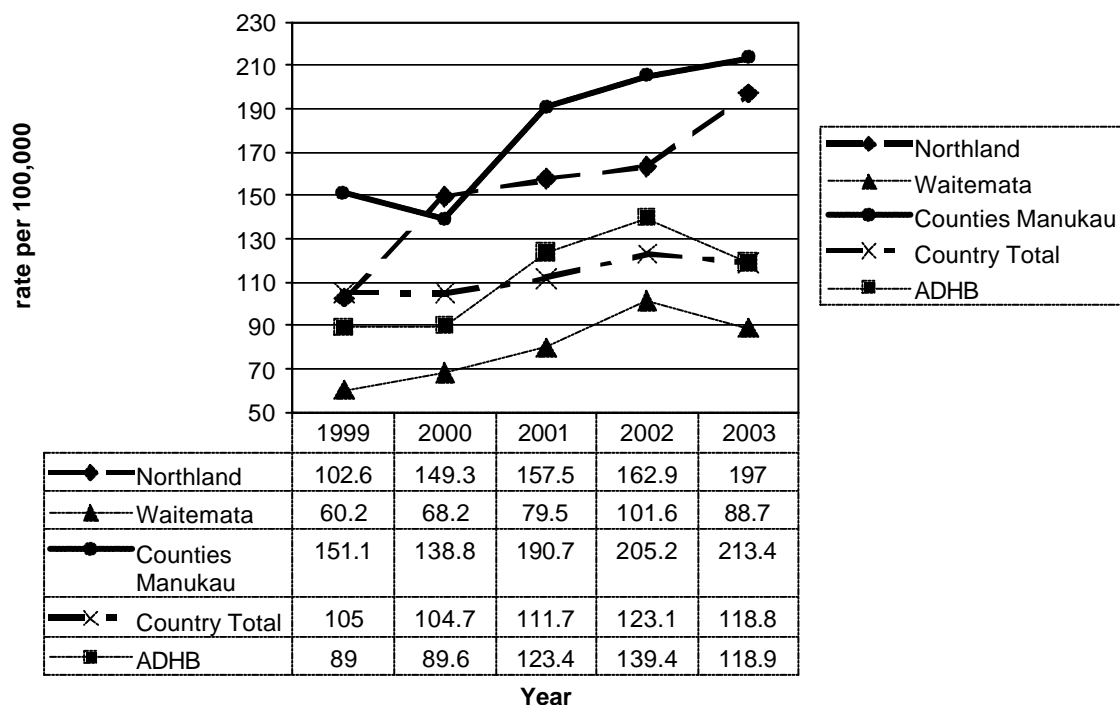
The rate of whooping cough (pertussis) disease appears to be increasing rapidly this year. 127 cases were reported for country in February 2004, compared with 48 in February 2003. Rates are continuing to rise and an epidemic is predicted to be building up. NZ has rates of whooping cough 5 – 10 times higher than other Western countries such as Australia, the UK and the USA due to low immunisation rates. Children in poverty are more likely to be unimmunised or incompletely immunised.



### Cellulitis admissions



### Bronchiolitis admissions



Source: National Hospital Admission Data

\* Nikki Turner is Director of Well Health and the Immunisation Advisory Centre, University of Auckland Senior Lecturer in General Practice and Primary Health Care, and GP at Wai Health

## **SOCIAL SECURITY – *Mike O'Brien***

According to figures from the Minister of Social Development and Employment late last year, approximately 30,000 children live in households where the mother does not identify the father. The DPB for these households is reduced by \$22 per week, a figure which makes an enormous difference for children living in already impoverished households. The solutions here are not easy but the circumstances surrounding non-disclosure are often traumatic and children should not be punished for the behaviour of their parents.

4561 current or former DPB recipients have thus far had their case reviewed as a result of a report by Frances Joychild in which she was asked to report on the interpretation of relationships “in the nature of a marriage” under the Social Security Act. A key part of that report was assessing whether the payment had been unlawfully stopped because Work and Income had applied the wrong legal test to determine if DPB recipients were living in a de facto relationship. Her report recommended that all relevant cases between 1 November 1996 and 31 December 2000 be reviewed. Of the 4561 cases reviewed, 1690 were found to be correct while 2871 were entitled to a reimbursement. 2108 of the latter group had had their debts disestablished or a refund made. Payments or disestablishment have averaged \$2500. Further assessment is being made to determine if there is an ongoing entitlement.

Ministry of Social Development figures in December 2003 show that one in four children are in households receiving an income support benefit. Given the levels of poverty among benefit households with children, these figures provide further evidence of the importance of removing the discrimination in relation to the non-eligibility of child tax credit for those receiving state support and they highlight the potentially vulnerable position of children in benefit reforms.

Auckland City Council rates increases for this year will see the rates for poorest households rise by 7.1% compared with an overall increase of 2.1% and an average increase of 4.1%. The heaviest impact of rates increases falls on those least able to afford it, including many families with dependent children.

**\* Mike O'Brien is Associate Professor of Social and Cultural Studies at Massey University.**

## **CHILD-RELATED AGENCY AND GOVERNMENT REPORTS**

### ***The Dynamics of Debt for Low Income Families* - October 2003**

New Zealand Council of Christian Services

This report highlights reasons why low income families get into unmanageable debt including: lack of employment and difficulties obtaining full social welfare entitlement; exclusion from mainstream financial services; the persistent pursuit of debt by government departments; and the high cost of private rental accommodation. For the families interviewed, substantial parts of weekly income were spent servicing debts, more often than not for goods already consumed such as food, petrol or clothing. The report notes that Maori, Pacific peoples, women and families with children have higher rates of debt.

### ***New Zealand Food: New Zealand Children - findings from the 2002 National Children's Nutrition Survey* - November 2003**

Ministry of Health

This report found that over one fifth of families overall, over a third of Maori families and over a half of Pacific Island families cannot always afford to eat properly. Nearly one out of five of all households surveyed sometimes or often eat less because of lack of money, and nearly one out of ten households reported making use of special food grants or foodbanks at least sometimes during the previous year. Given that the survey also found that households with the most children are less “food secure” than

others, this means that a higher percentage of New Zealand children are affected by these figures than the number of households affected would suggest.

***Caritas Survey of Child Employment***- January 2004

Caritas (Catholic aid and development agency)

This survey of nearly 5000 children attending Catholic schools around New Zealand found that about 40% of New Zealand students between the ages of 10-17 are working and many have positive experiences, although some are working in unsafe environments. Unsurprisingly, children at low-decile schools are far more likely to work to supplement family income – 38% or nearly four out of every ten working students attending low-decile schools give at least some of their income to family members, compared to 13% of those at high-decile schools and 16% at middle-decile schools. The report concludes that children who work in New Zealand need better protection, including a minimum age of employment and minimum wages for those under 16.

***The Irony Persists*** – February 2004

Child Poverty Action Group

The follow-up to the December 2002 study, *The Irony of the NCEA: How compulsory exam fees prevent the achievement of students from poor families*, found that the NCEA fees processes worked more smoothly in 2003 than in 2002, but that some students were still pulling out of NCEA courses because their families couldn't afford the fees of up to \$150 and yet did not qualify for financial assistance. The main recommendation of the report is that NCEA exam fees be abolished to ensure all students can fully participate in New Zealand's supposedly free education system.

***First Report to the Minister of Health*** - February 2004

Child and Youth Mortality Review Committee

This committee was set up to review deaths of people aged between four weeks and 24 years, with a view to reducing the number of deaths in that age group. This first report, on its activities in 2002 and up to June 2003, notes that “mortality rates have been decreasing in all age groups, but ethnic discrepancies still exist in all age groups” and found “some critical shortcomings in the adequacy of information on the circumstances of death of many children and youth”. It recommends an overhaul of the way deaths are investigated, so that information across locations is consistently reported.

***The Involvement of Children in Commercial Sexual Activity*** – February 2004

ECPAT (End Child Prostitution, Child Pornography and the Trafficking of children for sexual purposes)

This survey of 47 people who became sex workers before they turned 18 examines the reasons why young people get involved in underage prostitution. 59% of those surveyed reported they had been sexually abused during childhood, and the report notes that “childhood sexual abuse occurs more frequently in lower socio-economic areas”. One respondent first received payment for sex when she was nine years old. The report states “four fifths of the respondents had tried to stop having sex for money but most recommenced due to lack of money.”

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The Child Poverty Action Group (Inc) - CPAG - is a non-profit group made up of academics, professionals, activists and supporters. We advocate for more informed social policy to support children in New Zealand and we hold the belief, backed up by extensive research, that this country's poverty is due to policy neglect.



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