



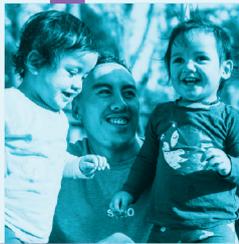
Te Ope Whakaora

# Social Policy & Parliamentary Unit

Working for the eradication of poverty in New Zealand

# STATE of the NATION 2024

## SUMMARY



## The Things We Inherit Ngā Tukunga Iho

*Paul Barber and Ana Ika*  
Social Policy Analysts  
**February 2024**

**We welcome your feedback**

PO Box 6015, Marion Square, Wellington 6011

**Email** [social.policy@salvationarmy.org.nz](mailto:social.policy@salvationarmy.org.nz)

**facebook.com/SPPUNZ**

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# FROM THE DIRECTOR

The theme of this year's report is 'Ngā Tukunga Iho'—translated 'The Things We Inherit'.

Aotearoa New Zealand now looks back on 2023 as a point of transition. With the recent elections now in our rear-view mirror, we need to take a careful look at where we find ourselves—beyond the emotive cries of disaster, overblown pictures of achievements and unrealistic or simplistic promises and solutions for entrenched problems.

We have a new government that cannot take credit for the positive developments outlined in this report or be blamed for the disturbing developments that have taken place over the last one to three years. However, this report provides a marker point. For The Salvation Army, our primary focus is on the most marginalised, including the 150,000 people who access our services annually. The report is an indication of what we as a people, along with our government, have inherited to this point. It will also serve as a measure of the new government's performance over the next two to three years. It is about people—beyond the economy, GDP or inflation. It is about how our people are doing.

Among many other things, The Salvation Army asks these questions:

- Will child poverty continue to decline—markers of which have shown good progress over the last few years?
- Will unemployment remain comparatively low as it has to this point in time? Will the unacceptably high level of unemployment among the 15- to 25-year-old age group continue?
- Will we see more of our whānau attain affordable housing, or continue to struggle to pay rents and find housing—as too many still do now?
- Will the victims of crime receive the support they need? Will the real drivers of crime be dealt with? Can the high level of the reoffending of released prisoners be further reduced with the right reintegration support?

Over the last 20 or so years, the economy has been through its up and downs. However, over that time, the gap between the rich and poor has remained too high. Encouragingly, over the last few years we have seen a reduction in income inequality. Will the new government build on this progress, or will we see renewed increases in inequality?

This report is a marker. Let us work for social progress for our whānau and keep our eyes on how our people are doing.

**Lt-Colonel Ian Hutson**

# 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 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 2024. 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 2023.

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 (-). NA indicates data is unavailable.

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

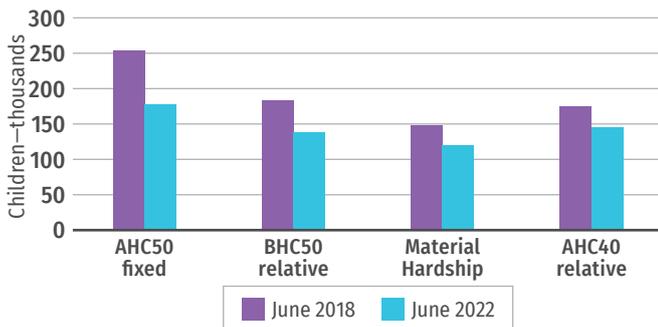
# CHILDREN AND YOUTH

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

Several outcomes for children during 2023 (or the latest year data available) took a turn for the worse compared with previous years, but there were still signs of meaningful improvement in other indicators.

Child poverty is a key indicator of child wellbeing and by mid-2022 (most recent data) significant reductions in child poverty had been achieved since 2018. However, disparities in child material hardship rates continue to be high for Pacific children, Māori children and children in households affected by disability. In mid-2022, tamariki Māori made up nearly half of all children in material hardship and there had been no significant reduction in Pacific children’s material hardship since 2019. The number of children in benefit households increased during 2023, meaning more children are at risk of living in poverty.

Number of children in poverty selected measures—2018 and 2022 (June)



**AHC:** household income after housing costs.

**BHC:** household income before housing costs.

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

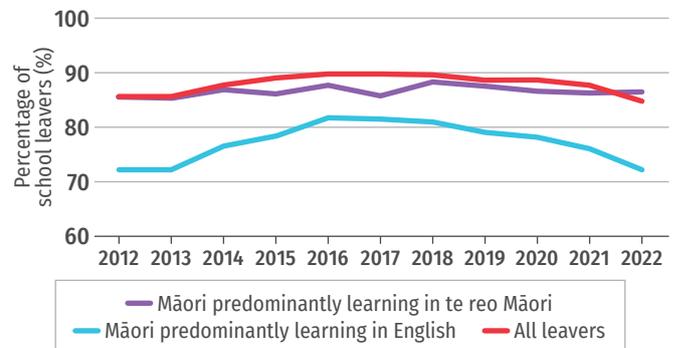
**FIXED:** a measure comparing current incomes with a previous (2018) baseline median. Useful during recessions.

The numbers—eg, **AHC50**—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.

The overall level of psychological distress among young people aged 15–24 reduced somewhat in 2023 but is still some three times higher than a decade ago. At the same time, the number of deaths from suspected suicide declined in all age groups under 25 years, with the number among 15- to 19-year-olds the lowest in the past 15 years.

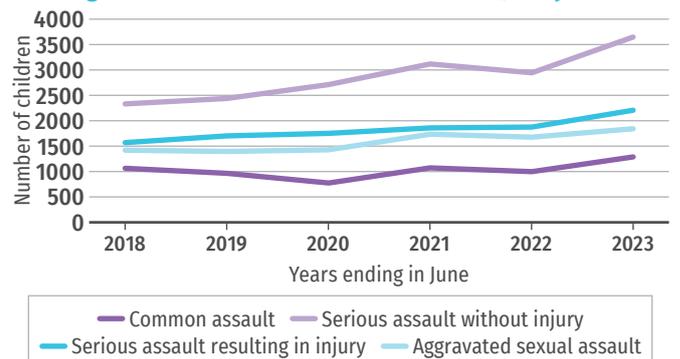
Education outcomes in 2022 (most recent data) continued to be impacted by the Covid-19 pandemic as well as natural disasters, with students in lower-income communities more affected than others. NCEA achievement rates continued to fall, with the proportion of students leaving school with at least NCEA Level 1 the lowest since 2013, while those leaving with University Entrance (UE) also fell. School attendance rates picked up again after record lows in the previous year but remain low compared with earlier years.

School leavers with NCEA Level 1 or above, taught in English and te reo Māori—2012–2022



Youth offending increased for the first time since 2017, although it remains at levels less than half that of a decade ago. Reports of violent offending against children rose again in 2023, sharpening a trend of increasing violence towards children. Reports of concern about potential child abuse rose again after a decrease in the previous year but remained at levels lower than five years ago, and the number of substantiated child abuse cases remained around the same level as 2022. The teenage pregnancy rate increased for the first time in more than a decade, which was accompanied by an increase in the number of abortions in that age group.

Number of children aged under 15 years who have been reported as being victims of a violent crime—2018–2023 (June years)



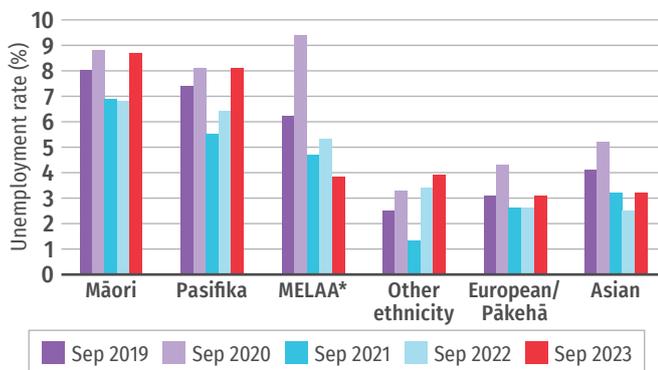
# WORK AND INCOMES

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

After an extended period with high levels of employment and workforce participation, 2023 saw signs of deterioration as rates reduced from the record highs of the recent years.

A huge surge in net migration during 2023 meant a rapid increase in population and in the number of people to meet demand for workers and fill vacant jobs. Thus, the number of people employed grew, at the same time as unemployment rose during the year, coming off the sustained record low level of the past two years. The impacts of the increase in unemployment did not fall evenly, with Māori and Pacific workers experiencing larger increases than others in their unemployment rates.

Unemployment rate by ethnicity—2019–2023 (September actual, not seasonally adjusted)

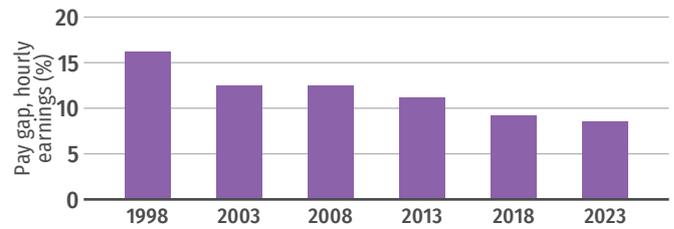


\* MELAA = Middle East, Latin American and African

The economic situation also began to turn during the year, with real annual Gross Domestic Product (GDP) per person reducing in the year to September 2023. GDP per person was still higher in 2023 than prior to Covid-19 in real terms, and the challenge for our society continues to be how fairly these resources are shared.

Wages continued to rise roughly in line with inflation, and income inequality had continued a five-year downward trend in 2022. Even as the gender pay gap reduced slightly, inequities in incomes across gender and ethnicity remain persistent—more progress is needed.

Gender pay gap, median hourly earning—1998–2023

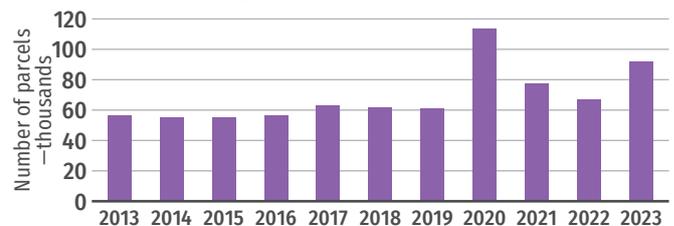


Income support numbers steadily increased during 2023 after falling in 2022, as the number of people receiving Jobseeker support began to rise with unemployment rates. The number of people receiving hardship grants from government agencies remained around the same as in the previous year.

Inflation remained high although decreasing from the previous year's peak. Household living cost pressures also remained high for people on low incomes, as they faced continuing high food and grocery price increases.

The proportion of households with children reporting some level of food insecurity rose sharply in 2023, including 40 percent of Pacific households with children. The volume of food assistance provided by Salvation Army Community Ministries increased by more than 40 percent on the previous year. This shows that progress made to reduce hardship in previous years is not keeping up with additional cost pressures, as the need for food support and other hardship assistance increases.

Number of food parcels provided by The Salvation Army—2013–2023 (December years)



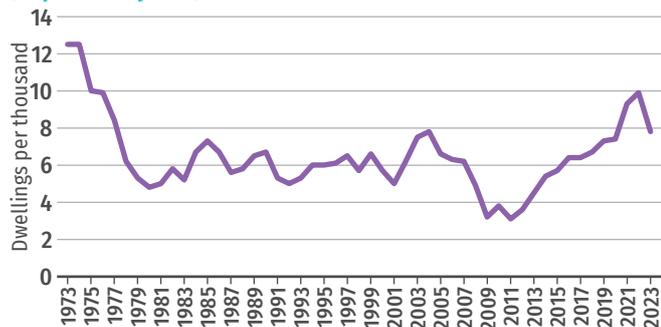
# HOUSING

CATEGORY	RESULT
AVAILABILITY	-
AFFORDABILITY	-
DEBT	-

After initial signs of housing stresses easing for people on lower incomes, by late 2023 the surge of inward migration renewed the pressures on supply and affordability of rentals and housing prices.

The past five years have seen high levels of house building, but during 2023 the number of consents declined after a record year in 2022.

### Dwelling consents per thousand residents—1973–2023 (September years)

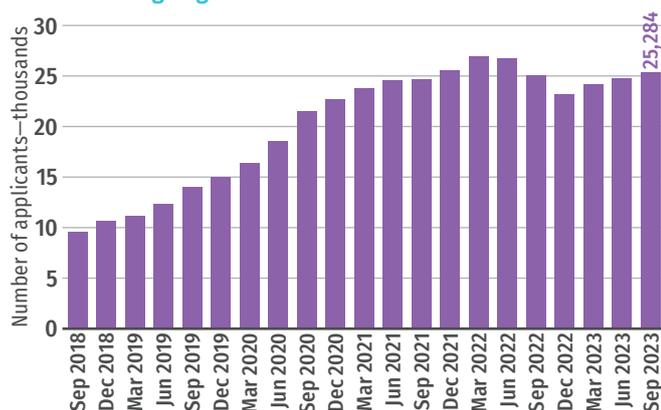


At the same time, in 2023 the population growth was again faster than the growth in house building.

House prices have declined from their peak in 2021, but at the end of 2023 the national median price remained around 25 percent higher than pre-Covid-19 numbers in 2019 and there were signs of prices starting to increase again.

The number of households waiting for government-subsidised public housing steadily increased during 2023, in contrast to the significant decrease in the previous year up to December 2022.

### Public Housing Register—2018–2023



The number of people in emergency and transitional housing is down from the peak levels of two years ago, but the transitional housing numbers did not change significantly during 2023.

Active tenancy bonds in the rental market are increasing, but the question is whether this is enough to keep up with rapid population growth in 2023.

Rents in lower-income communities have been increasing much faster than CPI Consumer Price Index (CPI) and average wage growth over the past decade. During 2023 there were some signs of increases slowing, but large increases in places such as Kaikohe, New Plymouth and Auckland show new pressures on rental housing.

Total debt per household, adjusted for inflation, is reducing on average, and this is the case for both housing as well as consumer and credit card debt.

But the rapid rise in interest rates over the past two years makes servicing this debt more expensive, especially for lower-income households.

### Housing, consumer and credit card debt per household—2013–2023



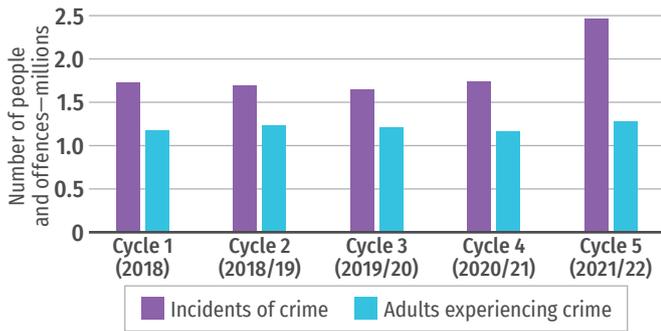
## CRIME AND PUNISHMENT

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

The Aotearoa criminal justice system aims to maintain community safety while ensuring the wellbeing of victims of crime and holding offenders accountable. However, achieving an effective, fair and just system also requires addressing the factors that have contributed to the offending.

In 2023, overall crime has risen, with increases in reported victimisations and victims, as well as an increase in the justice response, as measured by arrests and legal proceedings. This reflects not only heightened police activity but also an increase in community-experienced crime. The past year witnessed a 20 percent surge in estimated offences and a 7 percent increase in violent offences. These widespread increases underscore the significant challenges our nation faces in addressing sustained crime levels. Justice system activity has also increased, with a 14 percent rise in active cases in district courts (particularly youth courts) and a 12 percent increase in convictions.

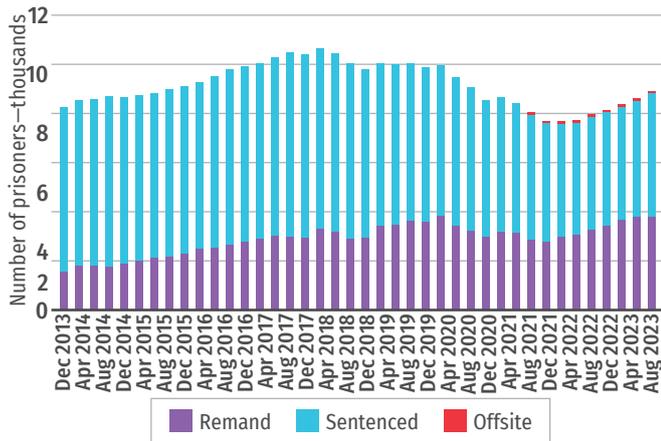
**NCVS Cycle 1–5, adults experiencing crime and the number of offences—2018–2022**



Family violence remains a prominent concern, as police conducted 177,548 Family Harm Investigations (FHI), and the proportion deemed a crime reached 40.6 percent. Charges, people charged, convictions and imprisonments for family violence offences also increased in the past year. Efforts to address family violence have evolved since the introduction of the Family Violence Act 2018 and the implementation of Te Aorerekura: National Strategy to Eliminate Sexual and Family Violence (2019).

The number of people in prison was 8893 in September 2023, and has steadily increased every quarter in the past year. Despite this rise, the most common type of sentencing is still community sentences, comprising 45 percent of convictions. The remand population now represents 43.4 percent of the total prison population and is expected to increase in the coming years—this poses challenges in our justice system as the courts deal with backlogs, and activity for those remanded are restricted in prison.

**Prisoner population—2013–2023 (quarterly)**

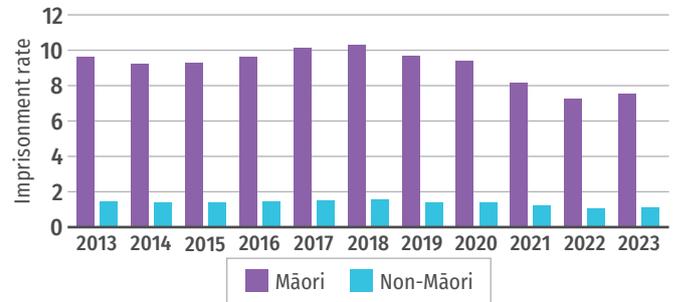


Concerns persist about the disparity between Māori and non-Māori in the justice system, as Māori are imprisoned at around seven times the rate of non-Māori, a disparity which slightly increased in the past year. There have been sustained declines in recidivism levels for both Māori and non-Māori over the last five years which have continued in 2023,

indicating a decrease in reoffending, although there is still significant room for improvement.

The escalating levels of crime, victims, family harm incidents and the prison population—combined with increased court workload—underscore the urgent need for significant improvements in the justice system.

**Imprisonment rates per 1000 for adult population (18 years old and over)—2013–2023**



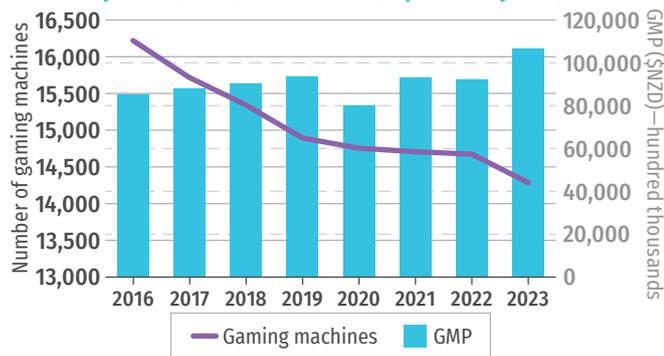
**SOCIAL HAZARDS**

CATEGORY	RESULT
ALCOHOL	+
ILLCIT DRUGS	+
GAMBLING HARM	-
PROBLEM DEBT AND FINANCIAL HARDSHIP	-

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.

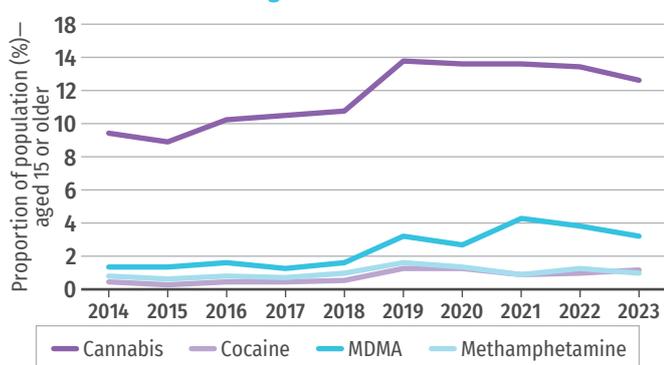
As with previous years, the ‘Social Hazards’ section often paints a myriad of pictures in relation to the changes seen in addictions or problem debt. Whilst some areas have seen improvement—such as alcohol availability, hazardous drinking and meth use—there remains significant concerns around the availability and accessibility of spirit-based alcohol drinks, the social harm caused by illicit drugs and the increase in gambling expenditure, among other things.

**Number of pokie machines in New Zealand and gaming machine profits (GMP)—2016–2023 (September years)**



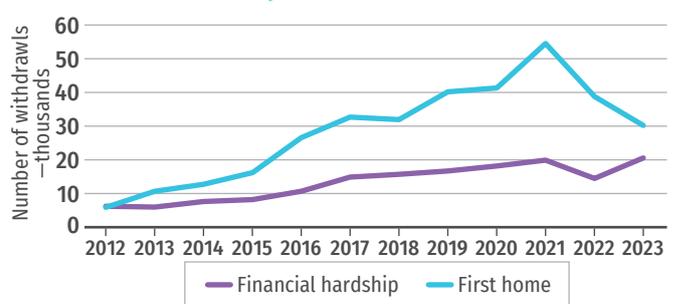
Hazardous drinking is declining across all groups, but disparities for Māori, Pacific and poorer communities continue to persist. Regarding illicit drugs, the number of charges and convictions have increased in the past year, particularly for those who possess and use illicit drugs which make up 60 percent of charges. The police’s ongoing emphasis on addressing methamphetamine is evident, as 52 percent of illicit drug charges are related to meth. Conversely, wastewater monitoring by the police indicates a reduction in nationwide weekly meth use to 13 kilograms. Despite this decline being viewed as a positive trend, the corresponding social harm remains significant, amounting to \$14.4 million each week.

**National use of illicit drugs—2014–2023**



The cost of living continues to be at the forefront of everyone’s mind—the amount of consumer lending has remained relatively unchanged this past year but more of this type of lending has moved towards non-banking institutions. The Salvation Army provides financial mentors, and this trend poses concerns for vulnerable borrowers who often access third-tier lending because of the lack of affordability assessments and rigorous checks to ensure consumers can afford lending. In addition, the number of people withdrawing KiwiSaver for financial hardship reasons has also increased 42 percent in the past year. This highlights the struggles and challenges that families are facing to make ends meet; they must make difficult decisions between long-term benefits, such a first home and retirement savings, and alleviating the financial pressures today.

**KiwiSaver withdrawals by reason—2012–2023**



There are significant challenges to be addressed in this space. The wider cost of living and inflation pressures shape these results. 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 illicit drug abuse and stronger regulation around gambling-related harm, given the quickly rising gambling figures.

## MĀORI WELLBEING

There were fewer signs of improvement in outcomes for Māori during 2023, or of significant progress in reducing inequity than in 2022. On a number of indicators, longer-term positive trends in outcomes for Māori have halted in the latest annual data. These include unemployment, imprisonment, drug convictions, teenage pregnancies and youth charges, although it remains to be seen whether these are temporary changes or signs of sustained reversal.

On a more positive note, improving outcomes and reduced disparity can be seen in personal incomes, where average weekly incomes are rising and rose more for Māori than non-Māori, reducing the disparity in earnings to less than 10 percent in 2023. The rates of hazardous drinking reduced in 2023 and fell significantly for Māori (who experience much higher rates of hazardous drinking), contributing to reduced disparity on this measure.

Imprisonment rates for Māori halted their long-term decline, and Māori are still nearly seven times more likely to be imprisoned than non-Māori. Greater progress has been made with reimprisonment rates, which are down below 40 percent after 24 months, reducing the disparity with non-Māori.

There were fewer tamariki Māori in state care in 2023, but two-thirds of all children in care are Māori.

Education outcomes for the most recent data from 2022 continued to be heavily impacted by Covid-19 disruptions, as well as natural disasters in some regions. While the number of Māori students achieving at least NCEA fell, as did those achieving

UE, the five percent of Māori students attending schools teaching predominantly in te reo Māori achieved outcomes showing no disparity when compared to all school students.

Youth offending rates rose for rangatahi Māori in 2023, but the disparity in offending rates reduced due to a proportionately higher increase in offending rates for non-Māori.

Housing outcomes impact Māori more than non-Māori overall, because Māori make up half of those waiting for social housing, but during 2023 there were fewer Māori households waiting for social housing compared with 2022. Rising unemployment also had a bigger impact on Māori who already experience rates more than twice that of other ethnicities. There was also a small increase in the proportion of whānau/families reporting that they are doing badly or not well.

## 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 2024* report into four domains of wellbeing: **mana āheinga** (capability, resources and skills), **mana tauutuutu** (reciprocity and social cohesion), **mana tuku iho** (sense of identity and belonging) and **mana whanake** (growth and intergenerational prosperity). These four domains express aspects of wellbeing that Māori view as essential to fulfilled lives.

Updated data was not available for key aspects of mana tuku iho—a sense of cultural identity and belonging, including the ease of expressing identity and the ability to use te reo Māori.

### He Ara Waiora wellbeing framework

