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Ministerial Foreword



The Government welcomes *The Social Report 2001* as a first step to establishing a regular reporting programme to assess the social state of the nation. It is a document that aims to provide an integrated description of the country's position: economic performance, health, environmental sustainability, social connectedness, the knowledge and skills of the population, the freedom from violence and crime, and other aspects of the quality of life.

Why do we think that such a description is important? Because this Government's vision is social development.

Social development is essential if we are to succeed in the wider world and the global economy. From listening to New Zealanders, this Government has a clear sense of how people would like their country to go forward. The desired direction is one informed by values of equality of opportunity and a hope that people will feel a sense of belonging in their communities.

People in New Zealand want to be included in the fabric of their society, not excluded from it. They want the rights, benefits, and responsibilities associated with belonging. Social exclusion is detrimental, for families, communities and economic growth.

The Social Report 2001 is a step towards assessing our country's direction and well-being. It has been produced by the Ministry of Social Policy at the request of this Government and is a prototype for what is intended to be a regular publication on the social health of the nation, of value to ordinary New Zealanders as well as future governments.

Regular social indicator reporting gives us something concrete against which to measure the nation's progress over time on some key social goals and areas of well-being. This report provides a series of benchmarks for this purpose.

Social reporting is now internationally recognised. The Organisation for Economic Co-operation and Development (OECD) and the United Nations (UN), for example, report on a series of cross-country, cross-sectoral outcome targets. Most developed countries and some less developed countries already publish an annual statement of social outcomes.

This country has from time to time published reports on social trends, for example, the previous New Zealand Planning Council's *From Birth to Death* reporting. Until now, however, there has been no public debate or agreement on what the key outcomes and indicators we wish as a people to measure ourselves against should be. This report intends to stimulate that debate.

The outcomes and indicators of outcomes used in *The Social Report 2001* are based on an assessment of the characteristics of a good society. The assessment builds on international and national research about well-being and what defines quality of life. It reflects the findings of the 1972 and 1988 Royal Commissions on Social Security and Social Policy respectively relating to quality of life. It also reflects international conventions such as those relating to human rights.

The outcomes and indicators identified for social reporting need to reflect a broadly agreed understanding of how we define quality of life, in a way that recognises the aspirations of our many diverse communities.

So how useful is this first report on social indicators as a snapshot of the nation's social health?

Despite the impossibility of such a document ever telling us everything we may want to know about society, and despite the obvious need for such a document to be retrospective, this report can usefully inform us about:

- the quality of life of New Zealanders
- how different groups within the community fare
- how New Zealand compares with some other OECD countries on certain measures
- our progress over time towards a better society.

A major benefit of this report is its comprehensive nature. It covers a range of areas – from living standards and employment, through health and skills, human rights, the physical environment and the social and civic connections that bind society. This approach reflects that social well-being and social inclusion do not stand in isolation, but are the result of integration and interaction across many social arenas.

This first report paints a mixed picture of well-being in New Zealand. As well as positive features such as increasing life expectancy, there are also some startling shortcomings. These occur in key areas such as the proportion of children living in poor households, literacy levels and child safety. There are also clear differences in the standard of living, level of qualifications, and health status for different groups within the population.

Some of the facts shown are not particularly palatable, but it is only by facing such truths that we can better understand where the concentration of effort and investment needs to go. The majority of areas that stand out in this report as requiring attention are areas that this Government has focused on since coming to office in October 1999.

The influences on social outcomes in New Zealand are many – international and national economic circumstances, the influences of communities and families themselves, and social policies across the board. In many cases, governments can only contribute to influencing eventual social outcomes.

Nevertheless, this Government believes that it can and is making a difference in a number of areas. Not by directly controlling the economy or by over-regulating how people live their lives, but by providing individuals and communities with opportunities to make choices and shape their own futures.

- This Government's health reforms aim to improve the health status and independence of New Zealanders. Structural changes combined with a significant emphasis on primary and preventive health care will show positive gains over time. Improved health allows people to better participate in society and in work and to be in a position to benefit from other opportunities that come their way.
- We are significantly investing in education and skills development, ranging from increased funding for early childhood education to rethinking the objectives and shape of the tertiary education system. We have made changes to the student loans scheme and have opened up training opportunities for young people through the Modern Apprenticeships programme. Access to education and training will contribute to the growth of New Zealand's knowledge base, to better employment options and to increased living standards.
- Significant increases in funding for The Department of Child, Youth and Family Services aims to address important issues of child safety. Youth justice, youth suicide, crime prevention, and road safety are other security and safety concerns on which the Government is focusing.
- Employment is a key ingredient in good social outcomes for people and families. Regional flexibility has been introduced within the Department of Work and Income (DWI) to enable services to respond to the unique needs of people within their local labour markets. Overall the focus is on developing the capacity of job seekers within their family and community, and promoting new opportunities.

- We are committed as a nation and as a Government to addressing concerns relating to civil, political and human rights. This Government is continuing the settlement of Treaty of Waitangi claims for past grievances. It is increasing the focus on the rights of children through the Agenda for Children and will tackle hard issues like child poverty and violence in children's lives. The activities of the Commissioner for Children have been extended.
- Our culture and identity is actively supported through increased funding for the arts, and the Government is considering ways to foster television and radio commitment to local content and to content that informs, entertains and educates New Zealanders. Such commitment will be supported through the public broadcasting charter for Television New Zealand and proposals for Maori television.
- The living standards of many low-income families and individuals can be expected to improve as the effects of some of our policies are felt. State housing rent reductions, increases in minimum wages, and increased access to the hardship allowance, will improve the lot of many adults and their children.
- A significant range of initiatives has been developed to reduce inequalities and increase opportunities across health, education, welfare and employment. Nearly \$114 million over four years, for example, has been allocated across six departments for capacity building, and provider and workforce development for Maori and Pacific peoples.
- The Government is committed to a healthy and sustainable environment, including a reduction of vehicle and other emissions that pollute the air and change our climate. Budget 2000 provided an additional \$2.3 million per year for the development of policy measures to meet New Zealand's commitments under the Kyoto Protocol on climate change. Budget 2001 included an additional \$30 million over four years for priorities such as developing environmental performance indicators and hazardous substance control.

This report provides an important background to measuring over time the social and economic health of the nation. Through social development, the Government is committed to improving social policy outcomes.

This means not making an artificial distinction between economic, social and environmental policy. For policies in all these areas are about building a better society, for now and into the future. We need to recognise these inter-relationships. A well-performing economy and a healthy environment are critical for delivering a fairer society. A fairer society is one of the important preconditions for a more prosperous economy and a sustainably used environment.

The Social Report 2001 highlights deficiencies in data and knowledge that need addressing. There is an opportunity to continue to improve social reporting so as to provide governments and the wider community with better information about our society.

For many years successive governments have often received disjointed advice on social policies. Health, education, social assistance, employment and other social policy advice has been insufficiently connected. The Ministry of Social Development will play a key role in the future in advising on wider social issues and strategies to address those social trends and concerns raised by this report.

The Government invites you to think about and discuss the issues raised through *The Social Report 2001*. We are interested in your views on the outcomes and indicators chosen. You may have views about the report's format and the plan for regular reporting. We are also interested in whether you think a regular report on social indicators such as this should be required by law, in a similar way as now exists for fiscal reporting by governments.



Steve Maharey

Minister of Social Services and Employment



Chief Executive's Preface

For a number of years the Ministry of Social Policy, together with the Ministries of Health and Education, has been monitoring outcomes for families and children through the Strengthening Families initiative.

I am especially pleased therefore that this Ministry was asked to lead the work on further social reporting which has resulted in *The Social Report 2001*.

Bringing together a range of information to provide a more comprehensive view of New Zealand and its people can assist governments in their development of integrated social policies.

There have been many changes in the social area over past decades, and, throughout, one thing is apparent above all. Social problems do not stand in isolation. They have complex and inter-related causes and must be dealt with in a co-ordinated way. *The Social Report 2001* helps our greater understanding of this wider picture.

I especially want to acknowledge the work done by staff of the Ministry and other government departments to bring this first report together. The different sections of the Ministry have been assisted by many others across government who gave their time and expertise to ensure this report was produced.

I hope this initial report will be seen as being of value to a wide audience, and will be continued and improved upon in the years ahead.

A handwritten signature in black ink, which reads "Margaret Bazley". The signature is written in a cursive, flowing style.

Dame Margaret Bazley DNZM

Chief Executive, Ministry of Social Policy

Introduction

WHAT THIS REPORT IS ABOUT

The Social Report 2001 is the first step in the establishment of a regular programme of social monitoring. The aim of the report is to provide information on the overall social health and well-being of our society.

The report captures information about a wide range of areas that are important to New Zealanders. These include the health of the population, access to knowledge and skills, safety and security, participation in paid work, human rights, culture and identity, the economic standard of living, social connectedness, and the quality of the environment.

The report uses indicators to provide information on the current social health and well-being of the nation, historical trends in these outcomes, variation across the population, and international comparisons.

As can be seen from Appendix 1, *The Social Report 2001* initiates a programme of social monitoring that is similar to the approach taken in many other countries and international organisations.

As in other countries, the choice of indicators is a matter of debate. In the coming months, the Ministry of Social Policy (and its successor the Ministry of Social Development) will be seeking opinions from a wide range of groups and individuals about this prototype report. Feedback will be sought about the overall approach taken, the nature of the indicators chosen, and areas where data and research could improve future social reporting.

THE PURPOSE OF THE REPORT

This report has three main purposes:

- to provide and monitor over time measures of well-being and quality of life that complement existing economic indicators
- to allow us to assess how New Zealand compares with other countries on various measures of well-being
- to help identify key issues and areas where action is needed, which can in turn help with planning and decision-making.

There is an increasing recognition of the need to take an integrated approach to policies across the economic, social and environmental spheres. Existing sectorally-based outcome indicators – such as those reported by the Ministries of Health and Environment – aim to provide a comprehensive picture in particular spheres. Similarly, existing population-based monitoring reports – for example those produced by Te Puni Kōkiri and the Ministry of Women's Affairs – provide a detailed description of outcomes for particular groups. Recently cross-sector outcome indicators for children have also been developed, in the form of the Strengthening Families indicators of children's outcomes.

The Social Report 2001 builds on this existing reporting by bringing together selected indicators across a range of sectors. This provides a high-level view of the overall social health of the nation, and recognises the cross-cutting nature of many social issues. Integration of indicators across the different dimensions of quality of life can assist judgements about priority areas for social action, and the overall coherence and sustainability of current policies.

This report is not designed to evaluate the performance of any particular government or government agency. Government policy is one among many complex factors that influence the kinds of outcomes being monitored here. More specific evaluation information that controls for these factors is necessary before precise statements can be made about the effectiveness of government policies. However, integrated social reporting can help in the identification of key areas for further research and evaluation.

The Social Report 2001 is intended for a wide audience, not just government officials and academics. The information it contains will enhance the ability of people and groups to identify important issues of concern and participate in debates over decision-making and the setting of priorities.

SOCIAL REPORTING

The fundamental aim of social reporting is to measure what is important – what a society cares about. In order to do this, agreement is needed about what to measure. This involves making some explicit value judgements about what quality of life means, and about the characteristics of society considered desirable (referred to in this report as “desired social outcomes”). This objective underlies the approach taken in this report.

Defining the social outcomes to be measured is not easy. It is important to recognise that New Zealand society consists of many diverse communities and while certain core outcomes are common to all, the needs and aspirations of different communities must also be incorporated into any social reporting programme.

For example, all might agree on having a society free from child abuse. But some outcomes that are relevant for one group may not be relevant to others. Professor Mason Durie, for example, has noted that important outcomes for Maori, in common with the rest of society, are likely to include good health and a high standard of living. He suggests that a further outcome might also be for Maori to be able to live as Maori. This could mean having access to language, culture, marae and resources such as land and *tīkanga*¹.

Local and international research provides some information on societal goals. The Royal Commission on Social Policy (1988), for example, carried out extensive consultation and surveys and concluded that:

(New Zealanders) have said that they need a sound base of material support including housing, health, education and worthwhile work. A good society is one which allows people to be heard, to have a say in their future, and choices in life... (t)hey value an atmosphere of community responsibility and an environment of security. For them, social well-being includes that sense of belonging that affirms their dignity and identity and allows them to function in their everyday roles².

In the preparation of this report, a range of government and non-government social policy experts were consulted on their views about what constitutes good outcomes. Common themes that emerged through this process included: good jobs, education and health; meaningful relationships with others; the ability to participate in recreation, leisure and cultural activities; and a sense of belonging and inclusion.

To this might be added the concept of self-determination, of individuals and groups having control over their own lives, and the opportunity to reach their full potential. Individuals and groups in society should have the resources and capacities to live the kind of lives they value³. The outcomes also reflect a concern with raising overall standards of living and well-being across society and preventing social exclusion and poverty. In the report, an attempt is also made to capture some of the diverse values of different groups in society.

Discrimination on the basis of gender, ethnicity, culture, sexual orientation, religious belief or disability is regarded as a barrier to participation and opportunity. Investing in future generations is crucial, as is protection and sustainable development of the physical environment.

The desired social outcomes on which this first report is based are listed below. They should be debated and refined for future reports.

THE SOCIAL REPORT 2001: DESIRED SOCIAL OUTCOMES

Health

All people have the opportunity to enjoy long and healthy lives. Avoidable deaths, disease and injuries are prevented. People have the ability to function, participate and live independently in society.

Knowledge and skills

All have the knowledge and skills that provide the opportunity to participate fully in society. Lifelong learning and education are valued and supported. New Zealanders have the necessary skills to participate in a knowledge society and to become global citizens.

Safety and security

People enjoy personal safety and security. Society is free from victimisation, abuse, violence and avoidable injury.

Paid work

Access to meaningful, rewarding and safe employment is available to all.

Human rights

Civil and political rights, as well as economic, social and cultural rights, are enjoyed by all. The principles of the Treaty of Waitangi are recognised and incorporated into government decision-making.

Culture and identity

Cultural diversity is fostered. People have the right to express different cultural values and practices and to pass cultural traditions on to future generations. Our national identity reflects the values and aspirations of Maori, European/Pakeha, Pacific peoples and other groups and communities.

Economic standard of living

Everyone has access to an adequate income and enjoys a standard of living that means they can participate fully in society and have choice about how to live their lives.

Social connectedness

People enjoy constructive relationships with others in their families, whanau, communities, iwi and workplaces. They are able to participate in society and have a sense of belonging.

The environment

A clean and healthy environment is maintained, sustaining nature and meeting the needs of people now and in the future.

A SOCIAL REPORTING FRAMEWORK

This social report is based on social indicators. The Australian Bureau of Statistics defines social indicators as:

*measures of social well-being which provide a contemporary view of social conditions and monitor trends in a range of areas of social concern over time*⁴.

In order to avoid being simply a collection of ad hoc statistics, social reporting programmes require an explicit framework. The components of the framework in this report are:

- **purpose** – how the report is to be used
- **desirable social outcomes** – what is meant by quality of life and well-being, the characteristics of the kind of society communities in New Zealand want
- **causes and influences** – what is known about the factors that influence the desired outcomes. Measuring such factors can help signal progress, or not, towards the desired outcomes⁵. The rate of smoking, for example, is not a final outcome in itself but is an important indicator because rates of smoking can indicate how healthy people may be in the future
- **criteria for indicator selection** – including:
 - *relevance to the social outcomes of interest* – the indicator should be the most accurate statistic for measuring both the level and extent of change in the social outcome of interest, and it should adequately reflect the phenomena it is intended to measure
 - *being based on broad support* – ideally there should be wide support for the indicators chosen to ensure they will not be regularly changed
 - *being grounded in research* – on key influences and factors affecting outcomes
 - *ability to be disaggregated* – the data needs to be broken down by age, gender, ethnicity and region in order to be able to compare outcomes for different groups
 - *consistency over time* – the usefulness of indicators is related directly to the ability to track trends over time, so as far as possible indicators should be consistent
 - *being statistically sound* – indicator measurement needs to be methodologically rigorous
 - *timeliness* – data needs to be collected and reported regularly and frequently. There should also be minimal time lag between collection and reporting of data to ensure that indicators are reporting contemporary rather than historical information
 - *allowing international comparison* – indicators need to reflect the social goals of New Zealanders, but also need to be consistent with those used in international indicator programmes so comparisons can be made.

Trade-offs between these criteria are sometimes necessary. For example, it may be necessary to choose an indicator where data is produced at long intervals in order to ensure a consistent time series is available.

One approach to social reporting is based on the view that it should always be possible to interpret changes in indicators quite clearly as an improvement or deterioration in the quality of life. That is, if there is a change in the “right” direction while other things remain equal, then people’s lives have improved. In addition, indicators should focus on the outcomes of social processes or policies, rather than inputs. Thus, in this approach, statistics on the number of doctors or police would not be perceived as social indicators, whereas figures on life expectancy or crime rates would be⁶.

Another approach is to include indicators that are more contextual in nature, such as changes in the age structure of the population. These types of indicators provide background information against which social outcomes occur, but changes in size or direction cannot be interpreted as being good or bad.

In this report, the former approach has been taken. Indicators either directly or indirectly measure the outcomes of interest, or in one or two instances (such as smoking) are important predictors or risk factors known to be associated with those outcomes. Future reports may include more contextual indicators.

The distinction between causes and outcomes is not always clear however. Indicators that are outcomes in one area are often causes in another. For example, a poor standard of living (such as not being able to afford to eat properly) is a poor outcome in itself but it is also a major contributor to poor health and educational outcomes for children. Because of this interconnectedness of outcomes and causes, the two types of indicators are not separated in this report.

Finally, it should be noted that there is significant interconnection between outcomes. Many indicators relate to more than one desired social outcome but for the sake of simplicity they have been placed in one domain only. Paid work, for instance, is important not only for the income it provides but also as a major source of social interaction for many people. It has, however, been reported under the “paid work” domain rather than “social connectedness”.

A full list of the 36 indicators selected for this report is contained on page 13. These are discussed in detail in the chapters that follow.

DATA ISSUES

This first report has been limited to using information that is already available. This in itself has highlighted the significant gaps that exist in New Zealand’s current collection of social statistics. Future reports would ideally be able to draw on a wider range of information and provide more comprehensive coverage of the issues of concern.

Wherever it is possible, data is presented tracking changes from 1986 to the present and each indicator is broken down by age, gender, ethnicity and region. This is done to show issues for particular groups which can be lost when only total aggregate information is provided. It should be noted, however, that such breakdowns tend to accentuate average differences between groups and can obscure differences within groups. There is often considerable variation within groups – not all members will conform to the group average, and there is often substantial overlap in the circumstances of households and individuals despite their being in different groups.

Ethnicity breakdowns are particularly problematic. Definitions of ethnicity are inconsistent between agencies and frequently change over time. Recent immigration reinforces the difficulty of providing an accurate picture. Statistics New Zealand has initiated an official review of the measurement of ethnicity to re-examine the concepts that have been in use for some time and to produce recommendations on how ethnicity should be measured by all government agencies that collect information on ethnic groups.

Four other aspects of the data used in this report should be noted. First, there is little information about people’s experiences across a range of indicators. It is important to know, for instance, about social exclusion on many fronts. To what extent do people with low incomes also have poor health and educational outcomes? Do they also feel isolated or unable to participate in social and cultural activities?

Secondly, the indicators generally represent aspects of people’s lives at a particular point in time. They do not tell us how long people have been in crowded housing or on a low income.

Thirdly, this report includes little in the way of people’s own views of their lives. For example, there is information about how many people have jobs but little about how satisfying or meaningful those jobs are. The inclusion of subjective indicators of well-being, of how happy or satisfied people are about various aspects of social life, would significantly complement the more objective indicators included here⁷.

Finally, we have had to rely on data from a number of one-off surveys. For an indicators report where the main value is in tracking changes over time, this is a significant drawback. However, it was decided to include indicators based on surveys that may not be repeated in order to highlight areas considered important to measure in the future.

Some of the indicators in this report are more robust than others. Data on health and employment indicators, for example, has been gathered and analysed consistently over some time, which adds confidence in its reliability, although even here indicators cannot always perfectly reflect the phenomena they are intended to measure.

In contrast, measurement of outcomes in some areas is relatively underdeveloped. For example, there is still much debate about how to define and measure community or civil society. As such, the indicators of social connectedness in this report have been limited to the activities of individuals. There is clear scope for future reports to attempt to include indicators relating to the strength of social institutions such as families and communities and to measure the quality of interactions. The measurement of opportunities, aspirations and barriers also needs further exploration. Similarly, discrimination is of vital importance when considering quality of life and well-being, yet the extent to which it occurs is perhaps one of the most difficult aspects to measure accurately.

All of this points to a need for improved specification and collection of social statistics within New Zealand. This may involve investigating options such as making better use of existing data, repeating certain key surveys, expanding the scope of existing regular surveys, establishing a focused social indicators survey or further utilising longitudinal and panel studies. As part of the review of this report, the Ministry of Social Policy will be exploring, along with other key agencies such as Statistics New Zealand, options for improving the social statistics database.

TECHNICAL DETAILS

Details of technical issues relating to definitions of indicators and limitations of data can be found in Appendix 2.

THE INDICATORS

Health

- Life expectancy at birth
- Dependent disability
- Independent life expectancy
- Youth suicide
- Births to young adolescents
- Prevalence of cigarette smoking

Knowledge and skills

- Participation in early childhood education
- School leavers with higher qualifications
- Educational attainment of the adult population
- Adult literacy skills in English
- Participation in tertiary education

Safety and security

- Child abuse and neglect
- Criminal victimisation
- Road casualties

Paid work

- Unemployment
- Employment
- Workplace injury claims

Human rights

- Voter turnout
- Complaints to the Human Rights Commission and Race Relations Office

Culture and identity

- Participation in cultural and arts activities
- Maori language speakers
- Maori and Pacific children receiving Maori medium and Pacific medium education
- Local content programming on New Zealand television

Economic standard of living

- Market income per person
- Income inequality
- Population with low incomes
- Housing affordability
- Household crowding
- Food insecurity
- Self-reported standard of living

Social connectedness

- Unpaid work outside the home
- Telephone and Internet access in the home
- Participation in family/whānau activities and regular contact with family/friends
- Membership of and involvement in groups

The environment

- Air quality
- Drinking water quality